

**SOUTH CAROLINA STATE
TREASURER'S OFFICE**

**SOUTH CAROLINA LOCAL GOVERNMENT
INVESTMENT POOL**

COLUMBIA, SOUTH CAROLINA

FINANCIAL STATEMENTS

JUNE 30, 2011

State of South Carolina



Office of the State Auditor

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September 28, 2011

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, 2011, 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/cwc

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
JUNE 30, 2011

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INDEPENDENT AUDITORS' REPORT

Mr. Richard H. Gilbert, Jr., CPA
Deputy State Auditor
South Carolina State Treasurer's Office
South Carolina Local Government Investment Pool
Columbia, South Carolina

We have audited the accompanying financial statements of the South Carolina State Treasurer's Office 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, 2011, as listed in the table of contents. These financial statements are the responsibility of the Pool's management. 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 of material misstatement. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Pool and do not purport to, and do not, present fairly the financial position of the State of South Carolina, as of June 30, 2011, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Pool as of June 30, 2011, and its changes in net assets 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 September 29, 2011, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Pool's financial statements as a whole. The schedule of net assets in pool participants' accounts is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of net assets in pool participants' accounts is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Hall Group, P.A.

Columbia, South Carolina
September 29, 2011

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, 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 Assets presents information on the Pool's assets and liabilities at June 30, 2011 with the difference between the two reported as net assets. The Statement of Changes in Fiduciary Net Assets during the period from July 1, 2010 to June 30, 2011 presents information showing how the Pool's net assets changed during the year. All changes in net assets 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, 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 a well diversified profile of credit risk. The Federal Reserve is expected to maintain its policy of low interest rates thru the 2012 fiscal year. Commercial Paper and LIBOR rates will remain low as a result.

Financial Analysis

Table 1: Summary Statement of Fiduciary Net Assets

	June 30, 2011	June 30, 2010	Difference
Assets			
Cash and Investments	\$ 2,897,412,148	\$ 2,445,266,805	\$ 452,145,343
Account receivable	\$ 502,747	\$ -	\$ 502,747
Interest receivable	\$ 6,079,170	\$ 4,474,341	\$ 1,604,829
Total Assets	\$ 2,903,994,065	\$ 2,449,741,146	\$ 454,252,919
Liabilities			
Collateral for loaned securities	\$ 73,262,891	\$ 22,949,664	\$ 50,313,227
Account Payable	\$ -	\$ 12,000,000	\$ (12,000,000)
Due to participants	\$ 22,317	\$ 138	\$ 22,179
Total Liabilities	\$ 73,285,208	\$ 34,949,802	\$ 38,335,406
Total Net Assets	\$ 2,830,708,857	\$ 2,414,791,344	\$ 415,917,513

The Statement of Fiduciary Net Assets shows that the assets of the Pool are the cash and investments made by the State Treasurer as Custodian of the Pool plus accrued income receivable on those investments at June 30, 2011. The market conditions that existed during the year created a limited demand for loaned securities.

The liabilities of the Pool consist primarily of collateral held for loaned securities that are due back to the borrowers under securities lending transactions. Accounts payable have decreased during the current year due to the prior year, an outstanding trade which was purchased in June 2010, was not settled until July 2010. The net assets of the Pool are held for the Pool participant's and are divided into amounts distributed to participant's accounts and undistributed amounts. Account receivable is for a called bond in June, but settled in early July.

The undistributed portion of net assets 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 Assets

	June 30, 2011	June 30, 2010	Difference
Investment Income	\$ 12,153,534	\$ 11,941,622	\$ 211,912
Expenses	\$ (155,044)	\$ (160,160)	\$ 5,116
Other deductions and participants activity	\$ 403,919,023	\$ (165,976,109)	\$ 569,895,132
Changes in Net Assets	\$ 415,917,513	\$ (154,194,647)	\$ 570,112,160
Net Assets - Beginning of Year	\$ 2,414,791,344	\$ 2,568,985,991	\$ (154,194,647)
Net Assets - End of Year	\$ 2,830,708,857	\$ 2,414,791,344	\$ 415,917,513

During the fiscal year (FY) 2011, the Federal Reserve Bank continued to keep the Federal Funds rate very low between .00 - .25%. The average investment rate earned by the Pool dropped from 0.48% in FY 10 to 0.38% for FY 11. For this fiscal year, the Pool outperformed its benchmark, the 90 day Treasury Bills, which returned .15%. The pool earned \$211,912 more in investment income than the prior fiscal year. During FY 11 there were less withdrawals to the Pool than deposits. The table below provides the investment return rates for the current and prior years by month.

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

	<u>FY 09-10</u>	<u>FY 10-11</u>
July	0.72%	0.46%
August	0.65%	0.46%
September	0.55%	0.45%
October	0.46%	0.44%
November	0.49%	0.44%
December	0.68%	0.40%
January	0.37%	0.34%
February	0.35%	0.34%
March	0.32%	0.32%
April	0.39%	0.31%
May	0.36%	0.31%
June	0.40%	0.30%
Average	0.48%	0.38%

While earning this higher rate compared to the benchmark, the 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, 2011 there were 594 participating accounts in the pool as compared to 565 at the previous year end.

Contacting the Pool

Persons needing additional information concerning this report may do so by writing or telephoning Shakun Tahiliani, Senior Assistant State Treasurer, State of South Carolina, P.O. Box 11778, Columbia, South Carolina 29211; telephone (803) 734-2641; facsimile (803) 734-2697; e-mail shakun.tahiliani@sto.sc.gov .

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**STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011**

ASSETS	
Cash and cash equivalents	\$ 1,244,506,718
Invested securities lending collateral	73,266,718
Account receivable	502,747
Accrued interest receivable	6,079,170
Investments, at fair value	<u>1,579,638,712</u>
Total assets	<u>2,903,994,065</u>
 LIABILITIES	
Collateral for loaned securities	73,262,891
Due to participants	<u>22,317</u>
Total liabilities	<u>73,285,208</u>
 NET ASSETS	
Restricted for pool participants' accounts	2,808,116,051
Restricted for pool participants - undistributed	<u>22,592,806</u>
Total net assets	<u><u>\$ 2,830,708,857</u></u>

See accompanying Notes to Financial Statements.

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**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2011**

ADDITIONS:

Investment income	\$ 12,153,534
Securities lending income	97,551
Less securities lending expense	<u>29,760</u>
Net securities lending income	<u>67,791</u>
Total revenue	12,221,325

DEDUCTIONS:

Administrative expenses	<u>155,044</u>
Net increase in net assets resulting from operations	<u>12,066,281</u>

INCOME DISTRIBUTED TO PARTICIPANTS

(9,668,795)

PARTICIPANTS TRANSACTIONS:

Deposits & Income Reinvested	5,117,982,861
Less withdrawals	<u>(4,704,462,834)</u>
Net increase in net assets resulting from participant transactions	<u>413,520,027</u>
Total increase in net assets	415,917,513

NET ASSETS:

Beginning of year	<u>2,414,791,344</u>
End of year	<u><u>\$ 2,830,708,857</u></u>

See accompanying Notes to Financial Statements.

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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The South Carolina State Treasurer's Office (Treasurer's Office) is an agency of the State of South Carolina 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 State Treasurer 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 of South Carolina (the State) or any other funds of the Treasurer's Office. The Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Pool is included as an investment trust fund in the State of South Carolina 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 Fund applies all applicable Governmental Accounting Standards Board (GASB) pronouncements and has elected to apply only those standards issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989 unless those pronouncements conflict or contradict 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 of South Carolina, records participant unit issues and related interest income for which the resources are restricted for participant unit redemptions, distributions, and related interest expense.

Cash and Cash Equivalents

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

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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.

Accounts Receivable

Account receivable is for a called bond in June 2011, but settled in early July 2011. This receivable is considered collectible in full. As such, no allowance for uncollectible accounts receivable is accrued.

Due to Participants

Income earned but not distributed at June 30, 2011, expected to be distributed within the first quarter of the next fiscal year, is reflected as a liability on the Statement of Fiduciary Net Assets as Due to participants.

Investment Income

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

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

Administrative Expenses

Proviso 76.4 of the State's 2010-2011 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.

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 Assets to the notes.

Statements		Notes	
Cash and cash equivalents	\$ 1,244,506,718	Deposits	\$ 14,231,542
Invested securities lending collateral	73,266,718		
Investments	<u>1,579,638,712</u>	Investments	<u>2,883,180,606</u>
Totals	<u>\$ 2,897,412,148</u>		<u>\$ 2,897,412,148</u>

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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NOTES TO FINANCIAL STATEMENTS

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Deposits

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.

Investments

Investments including invested securities lending collateral consist of the following as of June 30, 2011

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>
<u>U.S. Government</u>			
U. S. Government Agency	\$ 61,179,959	07/15/11 - 09/20/12	0.13% - 5.50%
<u>Corporate</u>			
FDIC Insured Corporate Bonds	25,113,000	06/22/12	0.63%
Corporate Bonds	1,194,429,988	01/13/11 - 08/19/13	0.26% - 8.00%
Municipal Bonds	20,000,000	07/15/11 - 12/3/12	0.45% - 0.57%
<u>Short Term Investments</u>			
Commercial Paper	632,292,941	07/1/11 - 12/29/11	0.14% - 0.37%
Repurchase Agreements	950,164,718	07/1/11 - 07/31/11	0.03% - 0.48%
Total	<u>\$ 2,883,180,606</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, 2011, all of the Pools' investments were insured and registered.

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**NOTES TO FINANCIAL STATEMENTS
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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 SEC Rule 2a-7 guidelines for short term "2a-7 like" funds. The following schedule presents the Pool's interest rate risk.

Investment Type	<u>Fair Value</u>	<u>Effective Duration</u>
<u>U.S. Government</u>		
U.S. Government Agency	\$ 61,179,959	0.18
<u>Corporate</u>		
Corporate Bonds	1,194,429,988	0.18
FDIC insured Corporate Bonds	25,113,000	0.24
Municipal Bonds	20,000,000	1.22
<u>Short Term Investments</u>		
Commercial Paper	632,292,941	0.09
Repurchase Agreements	950,164,718	0.00
Total Invested Assets	<u>\$ 2,883,180,606</u>	<u>0.12</u>

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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, 2011, the Pool's rated debt investments were rated by Standard & Poor's and is as follows:

Investment Type	Fair Value	(Dollars in thousands)							
		AAA	AA	A	BBB	A-1	A-2	SP-1	NR
<u>U.S. Government</u>									
U. S. Agency and other Government	\$ 61,179,959	\$ -	\$ 61,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Corporate</u>									
Corporate Bonds	1,194,429,988	15,004	92,946	635,035	316,445	25,000	40,017	-	69,983 *
FDIC Insured Corporate Bonds	25,113,000	25,113	-	-	-	-	-	-	-
Municipal Bonds	20,000,000	-	-	-	-	-	-	20,000	-
<u>Short Term Investments</u>									
Commercial Paper	632,292,941	-	-	-	-	574,041	58,252	-	-
Repurchase Agreements	950,164,718	-	-	-	-	950,165	-	-	-
Total Invested Assets	\$ 2,883,180,606	\$ 40,117	\$ 154,126	\$ 635,035	\$ 316,445	\$ 1,549,206	\$ 98,269	\$ 20,000	\$ 69,983

* Rated A3 to AA2 by Moody's

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, 2011, the Pool had approximately 32.96% of its investments in an overnight repurchase agreement with Bank of America that was fully collateralized by United States Treasury and Agency obligations.

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2011, the Pool did not have any investments denominated in foreign currencies so this risk does not apply.

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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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, 2011 collateral exceeded 100 % of the market value 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, 2011, 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 appear 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. At year end the average number of days the loans were outstanding was one day and the average weighted maturity of investments made with cash collateral was one day. At June 30, 2011, there had been no losses resulting from borrower defaults and the Pool had no credit risk exposure to borrowers because the amounts the Pool owed the borrowers exceeded the amounts the borrowers owed the Pool.

NOTE 3: NET ASSETS 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 assets 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 \$155,044 for various expenses including banking and investment functions.

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

NOTE 5: SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the statement of net assets date of June 30, 2011 through the date of issuance of these financials, September 28, 2011.

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
1000	TOWN OF PROSPERITY	\$ 86,543
1001	CITY OF SUMTER	3,688,391
1002	TOWN OF WINNSBORO	707,609
1003	CITY OF MYRTLE BEACH	10,368,244
1004	CITY OF AIKEN	21,891,504
1005	CITY OF NORTH CHARLESTON	74,987,812
1006	CITY OF CAYCE	3,826
1007	TOWN OF PELION	578,937
1008	CITY OF CAYCE	8,814
1009	CITY OF MYRTLE BEACH	411,724
1014	CITY OF NORTH MYRTLE BEACH	648,513
1015	CITY OF NORTH MYRTLE BEACH	49,619
1016	CITY OF NORTH MYRTLE BEACH	891,371
1017	TOWN OF EDGEFIELD	7,111
1019	TOWN OF PELION	300,004
1021	CITY OF GEORGETOWN	9,432,183
1022	CITY OF LAKE CITY	273,127
1024	TOWN OF PINE RIDGE	45,569
1025	CITY OF SIMPSONVILLE	1,006
1026	TOWN OF JACKSON	357,647
1027	CITY OF SENECA	1,214,881
1028	CITY OF SENECA	3,526,767
1029	TOWN OF WINNSBORO	27,879
1031	TOWN OF NORTH	42,650
1032	RICHLAND CO. S/D 2	62,749
1033	GRAND STRAND WATER AND SEWER	4,675
1034	GRAND STRAND WATER AND SEWER	16,818
1035	CITY OF ISLE OF PALMS	1,870,484
1036	CITY OF HANAHAN	1,771,783
1038	CITY OF HANAHAN	1,124,411
1039	AIKEN COUNTY TREASURER	64,714
1040	LOWER SAVANNAH COG	199,277
1041	TOWN OF WINNSBORO	135,546
1042	CITY OF GREENVILLE	49,606,487
1043	NEWBERRY COUNTY WATER & SEWER	76,580
1044	NEWBERRY COUNTY WATER AND SEWER	231,548

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1049	CITY OF FLORENCE	20,903,628
1057	UPPER SAVANNAH COG	1,130,144
1058	TOWN OF TRENTON	341,970
1059	TOWN OF JOHNSTON	57,521
1060	CITY OF ORANGEBURG	11,041,120
1061	TOWN OF MCCORMICK	318,832
1062	CITY OF BAMBERG	581
1063	CITY OF BAMBERG	2,657,899
1066	AIKEN CO. CONSOLIDATED SCHOOL	9,651
1067	AIKEN CO. CONSOLIDATED SCHOOL	14,650,326
1068	AIKEN CO. CONSOLIDATED SCHOOL	23,901
1069	RICHLAND CO. S/D 2	89,452
1071	ANDERSON CO S/D 2	4,577,021
1072	ANDERSON CO S/D 2	9,164
1073	SPARTANBURG CO. S/D 7	12,914,129
1074	SPARTANBURG CO. S/D 6	6,017,038
1080	CITY OF ISLE OF PALMS	1,820,418
1081	CITY OF NEWBERRY	923,779
1082	CITY OF NEWBERRY	408,647
1084	UNION COUNTY SCHOOLS	4,056,074
1085	TOWN OF JOHNSTON	1,772
1086	CITY OF ABBEVILLE	15,034
1087	CITY OF ABBEVILLE	268,519
1088	UPPER SAVANNAH COG	89,728
1089	DARLINGTON COUNTY TREASURER	51,815,482
1090	OCONEE COUNTY SCHOOL DISTRICT	23,215,332
1091	OCONEE COUNTY SCHOOL DISTRICT	1,148,156
1092	UNION COUNTY SCHOOLS	4,580
1093	CHARLESTON CO S/D	132,124
1094	CITY OF BISHOPVILLE	881,412
1095	CITY OF BISHOPVILLE	572,713
1096	GREENVILLE WATER SYSTEM	5,150,811
1097	GREENVILLE WATER SYSTEM	9,127,896
1098	TOWN OF RIDGE SPRING	12,946
1100	CHARLESTON CO S/D	32,089,205
1101	TOWN OF RIDGE SPRING	143,771

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1105	CITY OF NORTH AUGUSTA	461,922
1106	CITY OF NORTH AUGUSTA	1,106,516
1109	TOWN OF WALHALLA	143,915
1110	TOWN OF RIDGE SPRING	1,498
1111	CHARLESTON COUNTY TREASURER	654,140
1113	CATAWBA REG. PLANNING COUNCIL	629,183
1114	FAIRFIELD COUNTY TREASURER	1,797,031
1115	CITY OF SUMTER	36,635
1125	NEWBERRY COUNTY TREASURER	3,490
1126	NEWBERRY COUNTY TREASURER	5,426,975
1128	CITY OF ROCK HILL	4,659,377
1131	TOWN OF EDGEFIELD	316,998
1132	SPARTANBURG CO. S/D 4	3,461,774
1133	SPARTANBURG CO. S/D 4	388,512
1134	DORCHESTER COUNTY S/D 2	23,155,540
1135	DORCHESTER COUNTY S/D 2	7,600,815
1136	MOUNT PLEASANT WATERWORK & SEW	4,308,238
1137	TOWN OF SUMMERVILLE	5,953,527
1139	CITY OF CHESTER	183,511
1140	CITY OF CHESTER	22,465
1141	CITY OF CHESTER	83,902
1142	CITY OF LANCASTER	6,056,181
1143	CENTRAL MIDLANDS COG	12,690
1150	LEXINGTON CO S/D #5	23,639,494
1152	TOWN OF WOODRUFF	609,805
1154	MOUNT PLEASANT WATER & SEWER	1,426
1155	MOUNT PLEASANT WATER & SEWER	1,250
1157	SPARTANBURG CO. S/D 4	1,693,177
1158	TOWN OF PELION	20,295
1159	TOWN OF PELION	229,222
1160	TOWN OF RICHBURG	270,650
1162	TOWN OF WINNSBORO	1,125,907
1163	S.C. APPALACHIAN COG	645,184
1164	TOWN OF WINNSBORO	565,760
1165	CITY OF CHARLESTON HOUSING AUTHO	1,103,278
1166	CITY OF CHARLESTON HOUSING AUTHO	498,864

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
1167	AIKEN COUNTY TREASURER	2,511
1170	LEXINGTON CO S/D #5	2,512,193
1172	TOWN OF LEXINGTON	10,931,396
1173	CHESTERFIELD CO S/D	10,016,112
1174	CITY OF SUMTER	5,009
1175	TOWN OF WINNSBORO	992,366
1177	SPARTANBURG WATER SYSTEM	5,175
1178	CITY OF CLEMSON	1,022,824
1181	TOWN OF JACKSON	1,199
1182	RICHLAND CO S/D 1	4,195,560
1183	TOWN OF JACKSON	248,847
1186	TOWN OF JACKSON	188,593
1187	CITY OF FOREST ACRES	254,070
1190	UPPER SAVANNAH COG	204,831
1191	TOWN OF SUMMERVILLE	205,875
1192	TOWN OF IRMO	674,511
1193	TOWN OF IRMO	4,902,074
1194	NEWBERRY COUNTY TREASURER	1,027,249
1195	CATAWBA REG. COUNCIL OF GOV'T.	463,100
1197	TOWN OF BLYTHEWOOD	612,719
1199	TOWN OF WINNSBORO	690,027
1200	CITY OF ORANGEBURG	172,015
1204	GREENVILLE COUNTY TREASURER	41,086,666
1205	PARKER SEWER & FIRE SUBDISTRICT	4,032,001
1206	TOWN OF IRMO	16,565
1207	LOWCOUNTRY COG	269,663
1210	CITY OF CHESTER	25,406
1211	NEWBERRY COUNTY WATER & SEWER	164,202
1212	FLORENCE SCHOOL DISTRICT 3	1,806,927
1214	CITY OF CHESTER	112,843
1215	LOWCOUNTRY COG	198,468
1218	YORK COUNTY TREASURER	291,016,704
1220	OCONEE COUNTY SCHOOL DISTRICT	301,136
1222	CITY OF ABBEVILLE	14,793
1223	COMM OF PUB WKS OF CITY OF ISLE	3,285,277
1224	CITY OF UNION	24,701

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1227	LEXINGTON COUNTY S/D #4	5,734,191
1228	CITY OF GREENWOOD	2,792,521
1230	UNION COUNTY TREASURER	1,585,971
1235	CLARENDON COUNTY S/D 3	1,210
1236	SPARTANBURG CO. S/D 3	1,273,869
1238	METROPOLITAN SEWER SUBDISTRICT	921,393
1242	TOWN OF EDGEFIELD	72,977
1243	TOWN OF EDGEFIELD	201,803
1244	TOWN OF EDGEFIELD	265,677
1245	TOWN OF SEABROOK ISLAND	1,310,095
1246	SPARTANBURG SANITARY SEWER DIS	7,416,785
1248	ORANGEBURG CO S/D #4	458,586
1249	CITY OF ABBEVILLE	2,380
1251	CITY OF SPARTANBURG	8,810,757
1253	CITY OF ABBEVILLE	28,378
1254	ST. ANDREWS PUBLIC SRVC	362,066
1256	TOWN OF WINNSBORO	451,754
1257	TOWN OF WINNSBORO	193,056
1258	CHESTER METROPOLITAN DISTRICT	1,284,082
1259	CHESTER SEWER DISTRICT	275,826
1260	KERSHAW COUNTY MEDICAL CENTER	3,420,571
1262	MOUNT PLEASANT WATER & SEWER	4,536
1263	MOUNT PLEASANT WATER & SEWER	1,124
1264	MOUNT PLEASANT WATER & SEWER	259,814
1270	CLARENDON COUNTY TREASURER	2,942,384
1271	CITY OF LANCASTER	1,872,891
1273	LEXINGTON COUNTY S/D #2	9,361,580
1275	LEXINGTON COUNTY TREASURER	58,308,698
1276	LEXINGTON COUNTY S/D #1	21,548,958
1277	COMM OF PUB WKS OF CITY OF ISLE	218,423
1279	GREENVILLE COUNTY SCHOOLS	111,326,908
1280	LEXINGTON COUNTY S/D #3	4,081,646
1284	CHARLESTON COUNTY TREASURER	1,720,436
1289	BERKELEY CHARLESTON DORCHESTER	100,000
1290	BERKELEY CHARLESTON DORCHESTER	677,175
1291	CITY OF GREENWOOD	1,248,479

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
1292	CITY OF GREENWOOD	19,894
1295	MT. PLEASANT WATER & SEWER COM	4,216
1296	ANDERSON COUNTY	2,341,984
1297	MCCORMICK COMM OF PUBLIC WORKS	331,601
1298	MCCORMICK COMM OF PUBLIC WORKS	32,408
1305	YORK COUNTY TREASURER	3,240,813
1307	BEAUFORT COUNTY TREASURER	150,353
1308	LEXINGTON COUNTY TREASURER	165,497
1309	LEXINGTON COUNTY TREASURER	1,980,915
1312	LEXINGTON COUNTY TREASURER	8,714,593
1314	CITY OF NORTH AUGUSTA	1,929,979
1315	CITY OF NORTH AUGUSTA	2,833,024
1318	FAIRFIELD COUNTY TREASURER	6,991,953
1323	TOWN OF CLOVER	296,483
1331	TOWN OF SPRINGDALE	134,685
1332	TOWN OF RIDGE SPRING	16,586
1333	NEWBERRY COUNTY TREASURER	9,285,987
1334	NEWBERRY COUNTY TREASURER	10,696,123
1339	SUMTER CO COUNCIL/TREASURER	1,050
1340	CITY OF ISLE OF PALMS	599,098
1341	SEABROOK ISLAND WATER & SEWER	2,053,650
1346	LEXINGTON CO S/D #5	21,042
1347	EDGEFIELD COUNTY SCHOOL DISTRICT	4,213,219
1349	ST. PAUL'S FIRE DISTRICT	72,403
1352	CITY OF CAMDEN	4,775,399
1353	TOWN OF CLOVER	199,957
1357	LEXINGTON COUNTY S/D #4	6,202
1359	CITY OF HANAHAN	373,496
1365	CITY OF HANAHAN	1,729,449
1367	TOWN OF CORDOVA	132,240
1370	TOWN OF TRENTON	6,928
1371	TOWN OF TRENTON	46,452
1372	LANCASTER COUNTY S/D	10,723,071
1374	CLARENDON COUNTY TREASURER	133,616
1377	CITY OF UNION	22,536
1378	DSFR-CITY OF BAMBERG	82,655

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1379	CITY OF GEORGETOWN	4,723,304
1380	CITY OF GEORGETOWN	2,271,075
1381	DSFR-CITY OF GOOSE CREEK	88,968
1382	TOWN OF JOHNSTON	16,863
1385	TOWN OF EDISTO BEACH	1,317,009
1386	TOWN OF EDISTO BEACH	363,546
1387	TOWN OF EDISTO BEACH	500,528
1388	TOWN OF EDISTO BEACH	196,292
1389	TOWN OF EDISTO BEACH	579,436
1390	TOWN OF EDISTO BEACH	6,908
1392	CITY OF CLINTON	89,001
1393	EDGEFIELD COUNTY TREASURER	8,792,109
1395	SPARTANBURG CO. S/D 4	512,808
1396	CITY OF YORK	13,569
1397	CITY OF YORK	9,735
1398	CITY OF LANCASTER	305,460
1399	CITY OF LANCASTER	305,460
1401	CITY OF BAMBERG	54,266
1405	TOWN OF PROSPERITY	23,545
1407	DSRF-PIONEER RURAL WATER DISTRIC	108,001
1408	SUMTER CO. S/D 17	5,695,213
1411	TOWN OF SURFSIDE BEACH	189,331
1412	TOWN OF SURFSIDE BEACH	377,465
1413	TOWN OF SURFSIDE BEACH	9,470
1421	CITY OF ISLE OF PALMS	1,461,403
1422	RICHLAND CO. S/D 2	42,907,035
1426	RICHLAND CO. S/D 2	51,268,031
1428	CITY OF CLINTON	60,318
1429	DSFR-CHESTER SEWER DISTRICT	94,127
1430	TOWN OF SURFSIDE BEACH	555,214
1433	WADE HAMPTON	2,832
1437	R.D. ANDERSON APPLIED TECH	8,519
1438	FLORENCE COUNTY TREASURER	145,867
1439	CITY OF LANCASTER	447,228
1440	CITY OF LANCASTER COMMERCIAL GAR	457,598
1441	FLORENCE CO S/D 2	635,140

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1442	FLORENCE CO S/D 4	299,854
1443	FLORENCE CO S/D 5	2,139,031
1445	FLORENCE COUNTY S/D 1	35,441,967
1446	CLARENDON COUNTY TREASURER	314,269
1447	RICHLAND COUNTY TREASURER	126,770,080
1448	TOWN OF ARCADIA LAKES	699,967
1451	TOWN OF EDISTO BEACH	149,814
1452	LAURENS COUNTY TREASURER	15,713,814
1453	CITY OF GEORGETOWN	30,901
1456	CITY OF GREENWOOD	49,090
1457	TOWN OF EDISTO BEACH	252,193
1463	WESTERN PIEDMONT	272,083
1465	CLARENDON COUNTY TREASURER	505,623
1466	SPARTANBURG CO. S/D 4	739,217
1471	YORK COUNTY TREASURER	344,276
1472	CITY OF SUMTER	42,684
1473	TOWN OF SURFSIDE BEACH	25,937
1489	DILLON COUNTY BOARD OF EDUCATION	1,522
1493	CITY OF WESTMINSTER	157,350
1494	TAYLORS FIRE & SEWER DISTRICT	3,752
1499	FORT MILL SCHOOL DISTRICT 4	23,626,158
1500	CHESTER COUNTY TREASURER	2,082,122
1501	CHESTER COUNTY TREASURER COUNTY	701,435
1502	CHESTER COUNTY TREASURER	1,233,390
1509	DSRF - TOWN OF LATTA	33,211
1510	YORK COUNTY S/D 1	2,903,839
1512	CITY OF GREENWOOD	173,016
1514	GREENVILLE COUNTY SCHOOLS	9,903,029
1515	CHESTER COUNTY TREASURER	3,370,257
1519	ROCK HILL S/D 3 OF YORK CO.	18,719,505
1520	CITY OF NORTH AUGUSTA	649,729
1521	CITY OF NORTH AUGUSTA	3,501,898
1525	DSRF - CITY OF BELTON	26,259
1526	MT. PLEASANT WATERWORKS ESCROW	837,716
1527	CHARLESTON CO. S/D	243,418
1531	GREENWOOD COUNTY TREASURER	424,155

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
1535	PIONEER RURAL WATER DISTRICT	170,415
1536	PIONEER RURAL WATER DISTRICT	131,097
1538	PIONEER RURAL WATER DISTRICT	1,322
1539	YORK COUNTY TREASURER	10,821,241
1541	TOWN OF PORT ROYAL	601,126
1543	BAMBERG SCHOOL DISTRICT ONE	135,555
1544	LANCASTER CO. NATURAL GAS AUTHOR	2,511,414
1545	LANCASTER CO. NATURAL GAS AUTHOR	2,082,756
1552	CITY OF MAULDIN	1,157,042
1554	TOWN OF SULLIVAN'S ISLAND	202,296
1562	FAIRFIELD COUNTY TREASURER	112,321
1563	TAYLORS FIRE AND SEWER DISTRICT	2,894
1569	LEXINGTON COUNTY S/D #5	180,849
1571	DSRF-BELTON-HONEA PATH	26,636
1574	CHARLESTON COUNTY TREASURER	5,054,106
1575	LANCASTER COUNTY NATURAL GAS AUT	145,310
1576	DSRF - TOWN OF JACKSON DSRF	3,881
1580	SPARTANBURG CO. S/D 4	1,014
1581	DSRF - CITY OF TRAVELERS REST	18,221
1595	CHESTER COUNTY SCHOOL DISTRICT	254,737
1596	CITY OF ISLE OF PALMS	695,267
1599	GREENVILLE COUNTY SCHOOLS	4,764,093
1601	GREENVILLE WATER SYSTEM	765,458
1602	LAKE MARION REGIONAL WATER AGENC	50,823
1603	ORANGEBURG SCHOOL DISTRICT 5	16,611,206
1605	CLOVER SCHOOL DISTRICT TWO	12,778,038
1609	GREENVILLE HOSPITAL SYSTEM	74,672,325
1610	GREENVILLE HOSPITAL SYSTEM	4,105,710
1613	CITY OF MYRTLE BEACH	337,560
1616	RICHLAND COUNTY TREASURER	3,122,537
1617	CITY OF NORTH AUGUSTA	5,679,132
1618	CITY OF NORTH AUGUSTA	1,269,190
1619	CITY OF NORTH AUGUSTA	488,029
1622	RIVERBANKS PARK COMMISSION	1,663,202
1630	ORANGEBURG CO. S/D THREE	3,149,735
1633	SUMTER COUNTY S/D 2	414,479

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
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ACCOUNT #	ACCOUNT NAME	BALANCE
1635	UPPER SAVANNAH COG	1,438,414
1642	ST. ANDREWS PUBLIC SRVC	703,830
1646	GREENVILLE WATER SYSTEM	727,466
1651	YORK COUNTY S/DISTRICT #1	62,027
1652	CITY OF MAULDIN	1,669,709
1654	CHESTER COUNTY SCHOOL DISTRICT	4,082,518
1656	RIVERBANKS ZOO & GARDEN	44,608
1658	JOINT MUNICIPAL WATER & SEWER	6,220,592
1659	JOINT MUNICIPAL WATER & SEWER	1,181
1661	JOINT MUNICIPAL WATER & SEWER	1,383,052
1662	TOWN OF MCCORMICK	267,370
1663	TOWN OF MCCORMICK	267,370
1664	TOWN OF MCCORMICK	113,153
1665	TOWN OF MCCORMICK	175,954
1671	CITY OF ISLE OF PALMS	1,111,116
1672	CITY OF GEORGETOWN	1,321,062
1673	TOWN OF BLYTHEWOOD	429,317
1674	TOWN OF BLYTHEWOOD	2,386
1675	TOWN OF BLYTHEWOOD	801,427
1680	CITY OF HANAHAN	882,807
1689	CHESTER CO. NATURAL GAS AUTHORIT	103,216
1691	CITY OF NORTH CHARLESTON	1,908,886
1694	CITY OF NORTH CHARLESTON	1,282,583
1699	CITY OF FOUNTAIN INN	512,061
1700	CITY OF FOUNTAIN INN	1,017
1702	LANCASTER COUNTY	13,522,549
1703	GREENVILLE HOSPITAL SYSTEM	578,714
1708	MUNICIPAL ASSOCIATION OF SC	7,956
1710	MUNICIPAL ASSOCIATION OF SC	16,779
1711	CITY OF BENNETTSVILLE	56,467
1712	CITY OF BENNETTSVILLE	83,757
1714	CITY OF GEORGETOWN	134,880
1715	YORK COUNTY TREASURER	462,643
1716	ST. JOHN'S FIRE DISTRICT	3,006,777
1717	CATAWBA REG COUNCIL OF GOV'T.	14,720
1718	LEXINGTON MED CENTER OPERATING	11,350,418

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
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<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1726	CITY OF FOREST ACRES	320,217
1730	CITY OF MYRTLE BEACH	711,654
1731	CITY OF NEW ELLENTON	309,893
1733	TOWN OF LOWRYS	152,194
1736	GREENVILLE WATER SYSTEM	3,145,092
1740	CITY OF ROCK HILL	7,315,912
1741	CITY OF ROCK HILL	2,711,629
1744	TOWN OF LYMAN	1,348,639
1745	TOWN OF LYMAN	1,094,402
1754	CITY OF NORTH AUGUSTA	643,508
1755	CITY OF NORTH AUGUSTA	1,183,208
1759	SUMTER CO COUNCIL/TREASURER	2,106,956
1760	CITY OF SUMTER	1,199,333
1762	CITY OF HANAHAN	132,746
1763	NEWBERRY COUNTY TREASURER	71,018
1767	CITY OF SPARTANBURG	327,585
1775	ELEVENTH CIRCUIT SOLICITOR	84,127
1779	TOWN OF ROCKVILLE COUNCIL	121,057
1784	CITY OF CONWAY	49,104
1785	GREENVILLE COUNTY SCHOOLS	17,444
1786	GREENVILLE COUNTY SCHOOLS	1,041,261
1787	GREENVILLE COUNTY SCHOOLS	153,271
1790	NEWBERRY COUNTY TREASURER	125,837
1792	NEWBERRY COUNTY TREASURER	538,791
1793	TOWN OF WINNSBORO	350,934
1794	CITY OF CLINTON	22,272
1797	NEWBERRY COUNTY TREASURER	1,500,377
1798	TOWN OF WINNSBORO	98,456
1799	NEWBERRY COUNTY TREASURER	90,191
1800	LAURENS COUNTY WATER SEWER COMM	409,009
1805	CITY OF WALTERBORO	28,354
1806	CITY OF WALTERBORO	229,344
1807	CITY OF WALTERBORO	605,008
1808	CITY OF WALTERBORO	115,040
1809	PIONEER RURAL WATER DISTRICT	90,539
1810	TOWN OF JACKSON	44,049

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1811	SUMTER COUNTY S/D 2	406,371
1812	CITY OF GREENVILLE	768,862
1817	WILLIAMSBURG COUNTY S/D	4,652,258
1819	CHARLESTON COUNTY S/D	1,099
1821	TOWN OF WINNSBORO	17,793
1824	NEWBERRY COUNTY TREASURER	1,415
1826	CHESTER COUNTY SCHOOL DISTRICT	30,205
1827	WILLIAMSBURG COUNTY TREASURER	2,463,185
1828	DORCHESTER COUNTY TREASURER	15,388,131
1830	DORCHESTER COUNTY TREASURER	28,251,681
1831	DORCHESTER COUNTY TREASURER	6,927,091
1832	DORCHESTER COUNTY TREASURER	21,659,659
1833	DORCHESTER COUNTY TREASURER	2,434,186
1835	DORCHESTER COUNTY TREASURER	19,351,322
1837	BCD COUNCIL OF GOVERNMENTS	136,698
1840	YORK COUNTY TREASURER	9,405,240
1842	CITY OF MAULDIN	1,233,984
1843	CITY OF ABBEVILLE	745,247
1845	DSRF-BIG CREEK WTR & SWR DIST	205,006
1846	DILLON COUNTY BOARD OF EDUCATION	1,920
1847	DILLON COUNTY BOARD OF EDUCATION	1,194
1848	DILLON COUNTY BOARD OF EDUCATION	1,176
1849	DILLON COUNTY BOARD OF EDUCATION	92,899
1850	RICHLAND COUNTY TREASURER	1,725,216
1852	DSRF CITY OF TRAVELER'S REST	29,999
1853	CITY OF WALTERBORO	249,753
1854	DSRF MONCK'S CORNER PUBLIC WKS	406,794
1856	SPARTANBURG WATER SYSTEM	3,644,128
1857	CITY OF NORTH AUGUSTA	913,870
1861	RICHLAND COUNTY TREASURER	3,095,216
1864	OCONEE COUNTY SCHOOL DISTRICT	3,400,711
1865	CITY OF SUMTER	2,204,320
1867	BCD COUNCIL OF GOVERNMENTS	215,990
1868	TOWN OF FORT LAWN	18,587
1869	BDC RURAL TRANS MGMT ASSOC	1,107
1870	CHARLESTON COUNTY S/D	2,571

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
1871	CITY OF MAULDIN	62,353
1873	CITY OF CLINTON	247,750
1874	TOWN OF WALHALLA	1,284,066
1875	YORK COUNTY TREASURER	8,642,827
1876	YORK COUNTY TREASURER	30,202,099
1877	CITY OF YORK	1,298,734
1880	RICHLAND COUNTY TREASURER	1,567,762
1881	LEXINGTON COUNTY TREASURER	2,804,735
1882	CITY OF NORTH AUGUSTA	1,318,062
1883	NEWBERRY COUNTY TREASURER	477,707
1887	NEWBERRY COUNTY TREASURER	843,767
1888	LEXINGTON CO S/D 3	774,689
1889	CITY OF CAMDEN	1,846,288
1890	CHARLESTON COUNTY TREASURER	115,311
1891	CHARLESTON COUNTY TREASURER	114,178
1892	NEWBERRY COUNTY TREASURER	129,573
1893	FLORENCE COUNTY TREASURER	11,612,508
1895	CLARENDON COUNTY S/D 3	1,199
1897	NEWBERRY COUNTY TREASURER	309,796
1898	GREENWOOD COUNTY TREASURER	15,770,083
1900	CITY OF ISLE OF PALMS	193,872
1901	CITY OF ISLE OF PALMS	274,915
1903	TOWN OF SURFSIDE BEACH	315,086
1905	CITY OF NORTH AUGUSTA	1,063,903
1906	NEWBERRY COUNTY TREASURER	1,183,715
1907	GREENVILLE WATER SYSTEM	6,084,589
1909	OCONEE COUNTY TREASURER	6,001,836
1911	CITY OF NORTH AUGUSTA	760,527
1912	DSRF MCCORMICK COUNTY	2,530
1915	YORK COUNTY TREASURER	11,434,753
1916	CITY OF NEWBERRY	1,033,314
1917	CITY OF NEWBERRY	1,440,573
1918	SPARTANBURG WATER SYSTEM	3,830,679
1919	CHARLESTON CO SCHOOL DISTRICT	9,847
1922	DSRF CITY OF DARLINGTON	17,024
1924	LANCASTER COUNTY WATER & SEWER	5,062,069

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
1925	LANCASTER COUNTY WATER & SEWER	8,309,394
1927	YORK COUNTY TREASURER	19,651,596
1929	NEWBERRY COUNTY TREASURER	153,947
1933	LEXINGTON COUNTY TREASURER	1,326,920
1934	LEXINGTON COUNTY TREASURER	3,018,112
1936	GREENVILLE HOSPITAL SYSTEM	3,742,987
1939	LOWCOUNTRY COUNCIL OF GOVERNMENT	252,364
1941	POWDERSVILLE WATER DISTRICT	10,964
1943	DSRF CITY OF ANDERSON	30,122
1944	DSRF CITY OF ANDERSON	107,468
1946	LEXINGTON COUNTY TREASURER	6,852,518
1947	CITY OF ISLE OF PALMS	209,066
1948	SUMTER COUNTY COUNCIL/TREASURER	24,110,837
1950	CITY OF GREENVILLE	584,909
1951	LEXINGTON COUNTY S/D 2	420,715
1953	CHARLESTON COUNTY TREASURER	6,064,139
1954	DORCHESTER COUNTY S/D 2	1,853,631
1955	LEXINGTON COUNTY TREASURER	18,078,918
1956	CITY OF COLUMBIA	78,510,861
1960	DS-MOUNT PLEASANT WATERWORKS	732,530
1962	DORCHESTER COUNTY TREASURER	45,106,452
1964	DS-JOINT MUNICIPAL WATER & SEWER	61,779
1965	DS-JOINT MUNICIPAL WATER & SEWER	2,635,749
1966	DS-TOWN OF LEXINGTON	10,299,975
1967	DS-JOINT MUNICIPAL WATER & SEWER	48,545
1972	DSRF-GREER COMM PUBLIC WORKS	247,020
1973	GREER COMM PUBLIC WORKS	3,016,643
1974	GREER COMM PUBLIC WORKS	4,311,888
1977	DSRF-SOUTHSIDE RURAL COMM WATER	170,026
1978	YORK COUNTY TREASURER	36,898,186
1979	RICHLAND COUNTY TREASURER	1,621,581
1980	DSRF-JAMES ISLAND PSD	50,290
1982	GREENVILLE COUNTY SCHOOLS	5,838,456
1983	RICHLAND COUNTY TREASURER	3,104,200
1984	DORCHESTER COUNTY TREASURER	6,746,517
1985	LEXINGTON COUNTY TREASURER	91,427

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
1986	LEXINGTON COUNTY TREASURER	907,759
1987	CHARLESTON CO S/D	190,622
1988	DSRF-TOWN OF PENDLETON	113,727
1989	CALHOUN COUNTY TREASURER	503,095
1990	LEXINGTON COUNTY TREASURER	4,513,319
1991	DSRF-PIONEER RURAL WATER DISTRICT	190,318
1992	GREENWOOD COUNTY TREASURER	2,850,264
1993	CHARLESTON CO S/D	5,445,058
1995	RICHLAND CO. REC COMM 2009B	21,999,821
1996	PIONEER RURAL WATER DISTRICT	68,441
1999	DSRF-GRAND STRAND WSA	846,856
2000	DSRF-GRAND STRAND WSA	656,348
2001	DSRF-GRAND STRAND WSA	233,640
2002	DSRF-GRAND STRAND WSA	104,979
2003	DSRF-CITY OF ABBEVILLE	128,792
2004	CITY OF COLUMBIA	8,594,987
2005	CENTRAL CAROLINA TECH. COLLEGE	1,822,914
2006	ANDERSON COUNTY S/D 3	3,368
2007	OLD FORT FIRE DISTRICT	39,761
2008	DORCHESTER COUNTY TREASURER	962,533
2009	ANDERSON COUNTY S/D 4	1,478
2010	ANDERSON COUNTY S/D 5	15,104,611
2011	ANDERSON COUNTY S/D 1	5,207,630
2012	ANDERSON 1 & 2 CAREER & TECH CTR	1,291,475
2013	ANDERSON COUNTY BOARD OF ED.	123,964
2015	CITY OF SUMTER	1,362,737
2016	NORTH CHARLESTON SEWER DISTRICT	3,757,047
2017	NORTH CHARLESTON SEWER DISTRICT	3,512,197
2018	DS-CITY OF BARNWELL	244,124
2019	CHARLESTON COUNTY S/D	344,285
2023	CITY OF COLUMBIA	9,265,806
2024	CHARLESTON COUNTY S/D	13,963
2025	NEWBERRY COUNTY TREASURER	24,214
2026	TOWN OF RIDGE SPRING	220,924
2027	LEXINGTON COUNTY TREASURER	5,135,193
2029	GREENVILLE WATER SYSTEM	828,252

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

ACCOUNT #	ACCOUNT NAME	BALANCE
2030	LAURENS COUNTY TREASURER	2,768,459
2031	ANDERSON S/D #5 **FIXED RATE***	50,621,152
2032	LEXINGTON COUNTY S/D 4	725,532
2033	CITY OF ABBEVILLE	50,332
2034	GREENVILLE COUNTY SCHOOLS	14,355,058
2035	NEWBERRY COUNTY TREASURER	243,408
2037	CITY OF CLINTON	100,134
2038	RICHLAND COUNTY TREASURER	4,513,214
2039	LEXINGTON COUNTY TREASURER	855,998
2040	LEXINGTON COUNTY TREASURER	653,358
2041	LEXINGTON COUNTY TREASURER	9,669,590
2042	LEXINGTON COUNTY TREASURER	67,666,493
2043	LEXINGTON COUNTY TREASURER	14,023,622
2044	RICHLAND COUNTY TREASURER	542,862
2045	RICHLAND COUNTRY TREASURER	10,134,561
2046	RICHLAND COUNTY TREASURER	102,253
2047	CHARLESTON COUNTY S/D	14,880,991
2048	CHARLESTON CO. PARK & RECREATION	1,507,884
2049	CHARLESTON CO, PARK & RECREATION	7,839,618
2050	CHARLESTON CO. PARK & RECREATION	414,479
2051	NEWBERRY COUNTY TREASURER	171,087
2052	DSRF-CITY OF UNION	169,184
2053	DSRF-CITY OF UNION	65,858
2054	DSRF-CITY OF UNION	115,265
2055	DSRF-CITY OF UNION	72,683
2056	DSRF-CITY OF UNION	134,409
2057	DSRF-CITY OF UNION	108,871
2058	CHARLESTON COUNTY S/D	12,112,789
2059	DSRF-GRAND STRAND W&S AUTHORITY	50,513
2061	LEXINGTON COUNTY TREASURER	1,217,762
2062	DSRF GRAND STRAND W&S AUTHORITY	124,178
2063	CHESTER CO NATURAL GAS AUTHORITY	1,602,386
2064	LEXINGTON COUNTY TREASURER	1,688,781
2065	DORCHESTER COUNTY TREASURER	4,819,628
2066	CITY OF CHARLESTON	11,507,012
2067	CITY OF ISLE OF PALMS	297,924

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2011**

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>BALANCE</u>
2068	CITY OF SPARTANBURG	6,907,348
2071	CALHOUN COUNTY TREASURER	581,603
2072	CHESTER COUNTY SCHOOL DISTRICT	3,948,900
2073	CITY OF ORANGEBURG	3,503,022
2074	CITY OF ORANGEBURG	100,864
2075	LEXINGTON COUNTY TREASURER	21,185,967
2076	NEWBERRY COUNTY TREASURER	13,685,883
2077	NEWBERRY COUNTY TREASURER	1,892,212
2080	GREENVILLE COUNTY SCHOOL DISTRICT	4,701,122
2081	CHARLESTON COUNTY S/D	10,223,037
2082	DSRF-DARLINGTON COUNTY W&S AUTH.	338,794
2083	CHARLESTON COUNTY S/D	10,784,971
2085	OCONEE COUNTY TREASURER	16,406,328
2086	CHARLESTON CO PARKS & RECREATION	300,163
2087	ANDERSON COUNTY S/D 1	16,129,216
2088	DSRF-JAMES ISLAND PSD	46,547
2089	DSFR-JAMES ISLAND PSD	20,639
2090	RICHLAND COUNTY TREASURER	9,548,894
		<u>\$ 2,808,116,051</u>

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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
South Carolina State Treasurer's Office
South Carolina Local Government Investment Pool
Columbia, South Carolina

We have audited the financial statements of the South Carolina State Treasurer's Office South Carolina Investment Pool ("the Pool"), an investment trust fund of the State of South Carolina, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 28, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pool's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool'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*.

This report is intended solely for the information and use of the State Auditor, Pool participants, and management of the Pool and is not intended to be and should not be used by anyone other than these specified parties.

Columbia, South Carolina
September 28, 2011

The Hall Group, P.A.