

# EXHIBIT 1

**From:** [Taylor, Martin](#)  
**To:** [Starkey, David](#)  
**Cc:** [Cooper, Doug](#)  
**Subject:** FW: Fund 30350993  
**Date:** Thursday, May 26, 2016 12:37:00 PM  
**Importance:** High

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There are several funds used for “treasury” purposes that you will likely need to treat in similar fashion as this fund..... Suffice it to say we at STO will need to consider the activity in this fund to balance the system to the BANK, but the activity within these funds is AGENCY / FUND agnostic and not attributable to any specific agency.....  
We’ll talk it through at the overview meeting we discussed this am.....

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**From:** Showe, Laura  
**Sent:** Thursday, May 26, 2016 10:55 AM  
**To:** Griffin, Anjali <[agriffin@cg.sc.gov](mailto:agriffin@cg.sc.gov)>; Scott, Keith <[kscott@cg.sc.gov](mailto:kscott@cg.sc.gov)>; Johnson, Kathy <[kjohnson@cg.sc.gov](mailto:kjohnson@cg.sc.gov)>; Starkey, David <[dstarkey@cg.sc.gov](mailto:dstarkey@cg.sc.gov)>; Taylor, Martin <[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)>  
**Cc:** Morrison, John <[jmorrison@cg.sc.gov](mailto:jmorrison@cg.sc.gov)>  
**Subject:** Fund 30350993  
**Importance:** High

Good morning,  
David just attended a meeting and it has been determined this fund does not represent “true” cash available and should not be reported within the CAFR, it is being used as a clearing fund for the Treasurer’s office. Therefore, the following changes need made on the fund master so that it is not picked up in any CAFR reporting that is prepared at year end.

Fund Type = 99  
GAAP individual fund= 999  
Fund code = 6999  
Funds classification = 99999

These changes will ensure that it is not pulled into the General Fund reporting based upon the current coding. If any issues are identified with these requested changes please let me know so that we can work towards a solution. Thanks

*Laura Showe  
Manager, Statewide Financial Reporting  
Comptroller General’s Office  
1200 Senate Street  
330 Wade Hampton Bldg  
Columbia SC 29201  
803-734-4178  
803-734-1765 fax*

# EXHIBIT 2

**From:** [Taylor, Martin](#)  
**To:** [Starkey, David](#)  
**Cc:** [Kip, Katherine](#)  
**Subject:** cash conversions  
**Date:** Thursday, July 13, 2017 9:54:00 AM

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David,

I have spent some time looking at your workpaper and think I follow your efforts. BUT before we get to posting any entries etc, I wanted to get together with you and your crew, put it up on a screen and talk through what entries you propose and what my next steps should be.... Just make sure we are all signing the same hymn..... As we continue to empty the legacy cash accounts into Bank GL's Tomorrow before 11 or after 3 I'm clear.....

Let me know what we can work out

THANX !!!

**Martin K. Taylor, CPA | Director - Treasury Management**

South Carolina Treasurer's Office  
116 Wade Hampton Building  
Capitol Complex, Columbia, SC 29201  
(o) 803-734-2654 | (f) 803-734-2161  
[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)

# EXHIBIT 3

**From:** [Starkey, David](#)  
**To:** [Kip, Katherine](#); [Taylor, Martin](#)  
**Cc:** [Showe, Laura](#); [Morrison, John](#)  
**Subject:** 1\* - CG RE: Adjustment to 1000060000  
**Date:** Thursday, November 2, 2017 10:02:00 AM  
**Attachments:** [image001.jpg](#)  
[image003.jpg](#)

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We'll call you in a minute, but all business areas within 1000060000 need to be converted now, even H000 and P000.

**From:** Kip, Katherine  
**Sent:** Thursday, November 02, 2017 10:01 AM  
**To:** Starkey, David <[dstarkey@cg.sc.gov](mailto:dstarkey@cg.sc.gov)>; Taylor, Martin <[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)>  
**Cc:** Showe, Laura <[lshowe@cg.sc.gov](mailto:lshowe@cg.sc.gov)>; Morrison, John <[jmorrison@cg.sc.gov](mailto:jmorrison@cg.sc.gov)>  
**Subject:** RE: Adjustment to 1000060000

Hey y'all, sorry I missed yesterday.

So are you saying you want me to convert 9999 account into 1060 to the extent of -513,524,815 in cash (i.e. the rest of the account is appropriations and should not be converted). Have we ascertained that there are no other appropriations that need to be eliminated?

Katherine Kip, CPA | **Assistant Director of Treasury Operations**  
South Carolina Treasurer's Office  
116 Wade Hampton Building  
Capitol Complex, Columbia, SC 29201  
803-734-2681 | [katherine.kip@sto.sc.gov](mailto:katherine.kip@sto.sc.gov)

**From:** Starkey, David  
**Sent:** Thursday, November 02, 2017 8:14 AM  
**To:** Taylor, Martin <[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)>; Kip, Katherine <[Katherine.Kip@sto.sc.gov](mailto:Katherine.Kip@sto.sc.gov)>  
**Cc:** Showe, Laura <[lshowe@cg.sc.gov](mailto:lshowe@cg.sc.gov)>; Morrison, John <[jmorrison@cg.sc.gov](mailto:jmorrison@cg.sc.gov)>  
**Subject:** Adjustment to 1000060000

Hi Martin & Katherine,

Here the adjustment to 1000060000, which went through last night as we discussed last night. As long as you now convert the H000 and P000 areas in 1000060000, you will only convert the cash, as the appropriations have now been eliminated. Katherine, we took Martin through the workpapers last night, which go down to the document level. We never eliminated the appropriations from 1000060000, as all of the activity was in fund 10019000 (a GAAP fund 999 – which does not flow into the CAFR). But, now we are good to convert that. We also discussed the JE to eliminate the 9999999999 account balance yesterday as well and will touch base with you in a few.

Regards,  
David

David A. Starkey, CPA  
Senior Assistant Comptroller General  
South Carolina Office of the Comptroller General  
305 Wade Hampton Office Building  
1200 Senate Street  
Columbia, South Carolina 29201

Phone: 803-734-2542

Cell: 843-592-2756

Fax: 803-734-1765

[www.cg.sc.gov](http://www.cg.sc.gov)

# EXHIBIT 4



**From:** [Kennedy, George](#)  
**To:** [Adams, Clarissa](#); [Morris, Tonia](#); [Taylor, Martin](#); [Kip, Katherine](#); [Gunn, Eddie](#); [Starkey, David](#); [Morrison, John](#); [Barfield, John](#); [Showe, Laura](#)  
**Cc:** [Moss, Sue](#); [Remi Omisore \(remi.omisore@claconnect.com\)](#); [William A Early Jr. \(bill.early@claconnect.com\)](#); [Ashley, Tom](#); [Gentry, George](#)  
**Subject:** Audit of cash - steps necessary to complete  
**Date:** Thursday, November 2, 2017 9:12:40 AM  
**Attachments:** [image002.png](#)

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Good morning:

As a follow up to Monday's meeting, we wanted to summarize the steps that must be completed before we can finish our cash audit procedures and move forward with issuing the audited financial statements by November 17th.

In the CG's cash reconciliation (which identifies all cash reported by the State) there are two issues that need to be addressed. The first issue relates to balances that are reported in the "STO Bank" column for agency E160, which to our understanding are related to the SCEIS cash conversion. The second issue relates to appropriation entries that are processed to initiate and close budget authorizations for the various agencies across the State. Based upon our discussions with both STO and CG management these two issues are related and the balances should offset so that there is no overall impact to the reported cash balance.

Until the cash conversion is fully completed, however, we have no way to determine if there are any variances/unreconciled differences which may need to be corrected.

In order to ensure that the cash balance is accurate we are requesting that the STO:

- Prepare a reconciliation of the two balances showing that these adjustments have no impact to overall cash reported balances
- Complete the cash conversion process and identify any variances.

The above must be done before we complete our audit procedures.

It is our understanding that the CG's office will make staff available to assist in the reconciliation process if needed, and our audit team is also willing to do what it can to assist in this process.

George



# EXHIBIT 5



# EXHIBIT 6

Exhibit 6.

Email Exchange of March 1-5, 2018 Between Martin Taylor (STO) and David Starkey (CGO)

The following is the series of emails between Martin Taylor, former Treasury Director of STO and David Starkey, Deputy Comptroller General. Because the email exchange was not in a single, continuous email thread, but contained multiple separate reply emails that were responsive to earlier emails, they have been placed below in a more readable chronological timeline. The dialogue portions of the emails have been italicized to differentiate from the email header portions for ease of reading. The original, native emails follow this timeline to permit validation of the timeline.

From: Taylor, Martin  
Sent: Thursday, March 01, 2018 3:02 PM  
To: Starkey, David <dstarkey@cg.sc.gov>  
Cc: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Subject: conversion gl cleanup  
[attachments: Conversion GL Cleanup2018.2.28.xlsx (and pdf)]

*Take a look at the attached .pdf which shows the ZGLB and the aje's that comprise the balances in each fund as necessary*

*Then (at same time) look at the tabs on the xcel for discussion/analysis by fund and proposed aje*

*Gimme a holler afterwards and I'll post when we are happy*

From: Starkey, David  
Sent: Monday, March 05, 2018 11:45 AM  
To: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*Hi Martin,  
The liability account to use (once it is set up) will be 2400040001 "Due to Other Funds – Equity in Pooled Cash". Kathy is in and out today and we will let you know when it is done. Also, the P000 expenditure account to use is 5510501050 "Resources and Economic Development". Let me know if you have any problems with that one and we can input it here for you if needed.  
We'll keep you updated.  
Regards,*

*David*

From: Taylor, Martin  
Sent: Monday, March 05, 2018 12:14 PM  
To: Starkey, David <dstarkey@cg.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*Ok.... Will try later today and report what success I have with the P000*

*Also..... on the 1.5BB amount in 30350993,..... was planning to move the BONY amount to the M2M offset account, and then the \$500k to the liability account..... Does that work for ya'll, or do you want all of it to the liability account ?*

From: Starkey, David  
Sent: Monday, March 05, 2018 1:40 PM  
To: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*Actually if you could please use 2400060010. Thanks!*

From: Starkey, David  
Sent: Monday, March 05, 2018 1:41 PM  
To: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*Why again are you wanting to use M2M?*

From: Starkey, David  
Sent: Monday, March 05, 2018 1:42 PM  
To: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*Also, Kathy is now in the process of setting this account up, so you should be good to go with this in an hour or so (unless SCEIS needs longer to process).*

From: Taylor, Martin  
Sent: Monday, March 05, 2018 1:49 PM  
To: Starkey, David <dstarkey@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*Was trying to make the connection that the bonym amounts are related to the difference between cost and market ..... Within each portfolio, the investments were loaded at Market..... Later adjusted to cost, both entries with an offset to CONVERSION GL.....since all cash impacts were corrected via other ajes at fye last year, I was trying to assert the remainder s/b that layer above cost.....*

*May be a tad of a stretch, and may be a tad hard for auditors to follow..... just bouncing off of you first*

*If you believe its easier to explain to the auditors, we can us the "24" account and I'll re-word my w/p explanations to match*

From: Starkey, David  
Sent: Monday, March 05, 2018 1:52 PM  
To: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Subject: RE: conversion gl cleanup

*As it is a pooled investment account, I think it would be easier with the 24 account, as those monies are truly owed to other funds.*

From: Taylor, Martin  
Sent: Monday, March 05, 2018 1:59 PM  
To: Starkey, David <dstarkey@cg.sc.gov>  
Subject: RE: conversion gl cleanupWLCO

*I'll keep ya posted if I have issues with either the GL or the P00 dimensions*

From: Taylor, Martin  
Sent: Monday, March 05, 2018 3:03 PM  
To: Starkey, David <dstarkey@cg.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*I haven't tried yet, but if the system will let me key to P00, what cost center / Funct Area would I use ?*

From: Starkey, David  
Sent: Monday, March 05, 2018 3:06 PM  
To: Taylor, Martin <Martin.Taylor@sto.sc.gov>  
Cc: Morrison, John <jmorrison@cg.sc.gov>  
Subject: RE: conversion gl cleanup

*We would use P00000CAFR for the cost center and P000\_CAFR for the funct area.*

From: Taylor, Martin  
Sent: Monday, March 05, 2018 4:50 PM  
To: Starkey, David <dstarkey@cg.sc.gov>  
Cc: Morrison, John [jmorrison@cg.sc.gov](mailto:jmorrison@cg.sc.gov); Morris, Tonia [tonia.morris@sto.sc.gov](mailto:tonia.morris@sto.sc.gov)  
Subject: RE: conversion gl cleanup  
Attachments: image001.jpg  
Image003.jpg

*Done.....Conversion GL 999999999 s/b zero balance..... See docs  
104607860 - 862 (kinda mucked up trying to kill that \$.30 and FB50 won't let me  
revise an aje, so I had to post and repost ....aaagh !! )  
1004607866  
1004607873  
1004607875*

*Call if questions  
THANKS*



**From:** [Starkey, David](#)  
**To:** [Taylor, Martin](#)  
**Subject:** 1\* - RE: conversion gl cleanup.  
**Date:** Monday, March 5, 2018 1:52:08 PM  
**Attachments:** [image001.jpg](#)  
[image002.jpg](#)

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As it is a pooled investment account, I think it would be easier with the 24 account, as those monies are truly owed to other funds.

**From:** Taylor, Martin  
**Sent:** Monday, March 05, 2018 1:49 PM  
**To:** Starkey, David <[dstarkey@cg.sc.gov](mailto:dstarkey@cg.sc.gov)>  
**Subject:** RE: conversion gl cleanup

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**From:** Starkey, David  
**Sent:** Monday, March 05, 2018 11:45 AM  
**To:** Taylor, Martin <[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)>  
**Cc:** Morrison, John <[jmorrison@cg.sc.gov](mailto:jmorrison@cg.sc.gov)>  
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Hi Martin,

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**Martin K. Taylor, CPA | Director - Treasury Management**

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[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)

**From:** [Starkey, David](#)  
**To:** [Taylor, Martin](#)  
**Cc:** [Morrison, John](#)  
**Subject:** 1\* - RE: conversion gl cleanup  
**Date:** Monday, March 5, 2018 3:05:51 PM  
**Attachments:** [image001.jpg](#)  
[image002.jpg](#)

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**To:** Starkey, David <[dstarkey@cg.sc.gov](mailto:dstarkey@cg.sc.gov)>  
**Cc:** Morrison, John <[jmorrison@cg.sc.gov](mailto:jmorrison@cg.sc.gov)>  
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[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)

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**To:** [Taylor, Martin](#)  
**Cc:** [Morrison, John](#)  
**Subject:** 1\* - RE: conversion gl cleanup  
**Date:** Monday, March 5, 2018 1:40:32 PM  
**Attachments:** [image001.jpg](#)  
[image003.jpg](#)

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Actually if you could please use 2400060010. Thanks!

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**Sent:** Monday, March 05, 2018 11:45 AM  
**To:** Taylor, Martin <[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)>  
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**From:** [Taylor, Martin](#)  
**To:** [Starkey, David](#)  
**Cc:** [Taylor, Martin](#)  
**Subject:** 1\* - conversion gl cleanup  
**Date:** Thursday, March 1, 2018 3:01:44 PM  
**Attachments:** [CONVERSION\\_GL\\_CLEANUP\\_2018.02.28.xlsx](#)  
[final conversion gl cleanup 2018.02.28.pdf](#)  
[image001.jpg](#)  
[image002.jpg](#)

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Fax: 803-734-2161

[Martin.Taylor@sto.sc.gov](mailto:Martin.Taylor@sto.sc.gov)

# EXHIBIT 7

## Taylor, Martin

---

**From:** Morrison, John  
**Sent:** Friday, October 26, 2018 4:16 PM  
**To:** Taylor, Martin; Kip, Katherine  
**Cc:** Starkey, David; Showe, Laura; Morrison, John  
**Subject:** Remaining Conversion Balances.xlsx  
**Attachments:** Remaining Conversion Balances.xlsx

Martin,

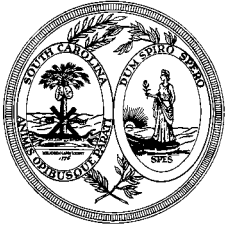
Here is a list of the balances that we have identified that need to be washed through the conversion account based on our conversation. I have shown the adjustment as it needs to be entered from the CAFR perspective.

I will follow up with a phone call in a minute.

Thank you,

John Morrison, CPA  
Office of the Comptroller General  
1200 Senate Street  
305 Wade Hampton Bldg.  
Columbia, SC 29201  
(803) 734-5043

# EXHIBIT 8



State of South Carolina  
**Office of Comptroller General**

1200 Senate Street  
305 Wade Hampton Office Building  
Columbia, South Carolina 29201

Telephone: (803) 734-2121  
Fax: (803) 734-1765  
E-Mail: [cgooffice@cg.sc.gov](mailto:cgooffice@cg.sc.gov)

**BRIAN J. GAINES**  
COMPTROLLER GENERAL

CHIEF OF STAFF

December 12, 2023

**VIA ELECTRONIC MAIL**

The Honorable Curtis M. Loftis, Jr.  
State Treasurer of South Carolina  
Wade Hampton Building, Suite 214

Dear Treasurer Loftis:

Thank you for your November 30, 2023, letter in which you emphasized the State's responsibility to provide accurate and timely disclosures to bond investors. We are fully cognizant of that responsibility and the other timely and accurate disclosures needed for the State's financial information. While I cannot speak to the consultation the former Comptroller General had with the State Treasurer's Office regarding the FY2022 ACFR, I have been in communication with you and your office for the FY2023 ACFR.

The Comptroller General's Office, the State Auditor, and the State's external auditor, CliftonLarsonAllen, are all confident to a reasonable degree of certainty that the amounts in SCEIS Fund 30350993 are part of the General Fund fund balance, and that this treatment of the money in this Fund is correct in the FY2022 ACFR and for the upcoming FY2023 ACFR.

SCEIS Fund 30350993 is a Treasury Fund with the current amount of \$1,852,455,573 that has been in the possession and control of the State Treasurer's Office since its creation in October 2014. Because this amount is in a Treasury Fund, it is not currently presented to the General Assembly as moneys potentially available for appropriation. Nor has it ever been presented to the General Assembly as moneys potentially available for appropriation in the General Fund. And because of the technical specifications of this particular Fund when it was established, it was not captured for ACFR purposes. In accordance with fund accounting principles, the amounts in this Fund should have been moved within the SCEIS system—from Fund 30350993 to the appropriate SCEIS Fund or Funds, thus making it accurately reported and fully visible to the General Assembly.

As you know, the State Treasurer's Office must follow state law to identify all State cash and investments by Fund. The State Treasurer's Office would have sole and exclusive possession of the State records showing the source and history of the moneys in Fund 30350993. All the money in Fund 30350993 has accumulated during the past ten years and during the State Treasurer's Office's conversion from STARS to SCEIS which started in 2014, with most of the deposits accumulating in the seven months between March 5 and October 26, 2018.

Fund 30350993, as understood by the Comptroller General's Office, was originally established by the State Treasurer's Office to balance entries coded incorrectly between bank accounts – and it was set up as to not be presented to the General Assembly as moneys potentially available for appropriation or to be included in the ACFR. However, in 2017, the State Treasurer's Office began posting entries to this fund to balance the cash held in different banks under the General Ledger to the actual cash held at third-party institutions. It was during this latter period of the conversion process from STARS to SCEIS that the money in Fund 30350993 accumulated but remained (and continued to remain) unaccounted for in the collection of information for the ACFR until FY2022. This also makes it invisible to the General Assembly as available General Fund moneys, and it causes SCEIS, which is the State's book of record, not to agree to the ACFR.

The State Treasurer's Office has the records to determine if and how the money in Fund 30350993 has been invested over the past five years. It appears the State Treasurer's Office has been investing the balance of Fund 30350993 within the General Fund portfolio since at least 2017. This conclusion is based on the State Treasurer's Office investment reports, specifically the ZIMRQ300, and reconciling the cash and investments by fund. But only the State Treasurer's Office has the records showing how the money in Fund 30350993 has been invested over the past five years. If the money has not been invested, then a reclassification of the money should occur immediately so that the State can gain the benefit of the money.

The State Treasurer's Office is the only State entity that may move the amounts in Fund 30350993 to the appropriate SCEIS Funds and make its purpose known to the General Assembly. Unless you have reason to disagree, the appropriate SCEIS Funds to which these amounts should be moved are part of the General Fund balance. Regardless, consistent with your obligations within the State Fiscal Accountability Authority please make the General Assembly aware of Fund 30350993 and its appropriate treatment.

As requested in your letter, I am enclosing a nearly final draft of the FY2023 ACFR for your review. If you disagree with any of the treatment of the money in your office's possession, please let us know.

Most respectfully,



Brian J. Gaines  
South Carolina Comptroller General

Enclosure  
FY2023 ACFR draft

# EXHIBIT 9



Senate Finance Committee  
Constitutional Subcommittee

**LARRY GROOMS**  
CHAIRMAN

**MEMBERS**  
THOMAS MCELVEEN  
MIKE FANNING  
STEPHEN GOLDFINCH  
TOM YOUNG  
MARGIE BRIGHT MATTHEWS



**JESSICA WIGINGTON**  
ANALYST  
803-212-6651

**MILLER A. SMOAK**  
ADMINISTRATIVE ASSISTANT  
803-212-6677  
FAX: 803-212-6690

March 26, 2024

**VIA ELECTRONIC MAIL & HAND DELIVERY**

The Honorable Curtis M. Loftis  
1200 Senate Street – Suite 214  
Wade Hampton Building  
Columbia, SC, 29201

Dear Treasurer Loftis:

Please be prepared to present the budget requests of the Office of the State Treasurer before the Constitutional Subcommittee of the Senate Finance Committee on Tuesday, April 2<sup>nd</sup> at 9:00 a.m. The meeting will be held in room 105 of the Gressette Building.

Sincerely,

A handwritten signature in black ink that reads "Larry Grooms". The signature is written in a cursive, flowing style.

Larry K. Grooms, Chairman

cc: The Honorable Brian Gaines, Comptroller General  
The Honorable Harvey Peeler, Chairman of the Senate Finance Committee  
The Honorable Bruce Bannister, Chairman of the House Ways & Means Committee  
The Honorable Thomas McElveen  
The Honorable Mike Fanning  
The Honorable Stephen Goldfinch  
The Honorable Tom Young  
The Honorable Margie Bright Matthews

# EXHIBIT 10

**From:** [Eubanks, Shawn](#)  
**To:** [Maldonado, Robert](#)  
**Subject:** RE: Document Request  
**Date:** Wednesday, February 12, 2025 12:21:00 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image005.png](#)  
[image006.png](#)


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Bob,

So that I am clear, the CGO is denying our request for “all correspondence (including attachments or enclosures) or other materials provided to members, committees, subcommittees, staff members, or consultants, of the General Assembly, sent or received between January 1, 2024 and April 30, 2024. This would include but not be limited to letters, e-mails, meeting/calendar invitations, voicemails, text messages, or any other materials in CGO’s possession,” on the sole grounds of legislative privilege.

If that is inaccurate, please correct me.

**Shawn D. Eubanks | Deputy General Counsel**

South Carolina Treasurer’s Office  
1200 Senate Street, Suite 214  
Wade Hampton Office Building  
Columbia, SC 29201  
office (803) 734-2623 | 

---

**From:** Maldonado, Robert <[rmaldonado@cg.sc.gov](mailto:rmaldonado@cg.sc.gov)>  
**Sent:** Wednesday, February 12, 2025 10:05 AM  
**To:** Eubanks, Shawn <[Shawn.Eubanks@sto.sc.gov](mailto:Shawn.Eubanks@sto.sc.gov)>  
**Subject:** RE: Document Request

Shawn,

As this would likely be found to be violative of Legislative Privilege, I would suggest you forward this request to the Clerks of the Senate and the House, as it is their privilege to waive (or not waive).

Thanks,  
Bob

---

**From:** Eubanks, Shawn <[Shawn.Eubanks@sto.sc.gov](mailto:Shawn.Eubanks@sto.sc.gov)>  
**Sent:** Wednesday, February 5, 2025 8:54 AM  
**To:** Maldonado, Robert <[rmaldonado@cg.sc.gov](mailto:rmaldonado@cg.sc.gov)>  
**Subject:** RE: Document Request

Bob,

Thank you for getting back to me. I will reach out to the Department of Administration to try to get confirmation on which document AP is referring to specifically.

To try to expedite things, though, I will just expand my inquiry with your office a bit to see if it catches what I need: Please provide all correspondence (including attachments or enclosures) or other materials provided to members, committees, subcommittees, staff members, or consultants, of the General Assembly, sent or received between January 1, 2024 and April 30, 2024. This would include but not be limited to letters, e-mails, meeting/calendar invitations, voicemails, text messages, or any other materials in CGO's possession.

I will copy you on my request to DOA but their response won't change the request above.

Thanks,


**Shawn D. Eubanks | Deputy General Counsel**

South Carolina Treasurer's Office

1200 Senate Street, Suite 214

Wade Hampton Office Building

Columbia, SC 29201

office (803) 734-2623 | 

---

**From:** Maldonado, Robert <[rmaldonado@cg.sc.gov](mailto:rmaldonado@cg.sc.gov)>

**Sent:** Tuesday, February 4, 2025 10:20 AM

**To:** Eubanks, Shawn <[Shawn.Eubanks@sto.sc.gov](mailto:Shawn.Eubanks@sto.sc.gov)>

**Subject:** RE: Document Request

Shawn,

Sorry for the delay. Trying to figure out your request. I'm not exactly sure which memo the report references. However, it might be best to make the request to the Department of Administration since they have access to all the documents supplied to AlixPartners and can reach out to them to verify which report they reference.

Thanks,

Bob

---

**From:** Eubanks, Shawn <[Shawn.Eubanks@sto.sc.gov](mailto:Shawn.Eubanks@sto.sc.gov)>

**Sent:** Thursday, January 30, 2025 2:53 PM

**To:** Maldonado, Robert <[rmaldonado@cg.sc.gov](mailto:rmaldonado@cg.sc.gov)>

**Subject:** Document Request

Hi Robert,

Hope you're doing well and enjoying the nice weather today. I tried to call you just now but wasn't able to get in touch.

I'm reaching out to request the "March 2024 memo" drafted by a CGO employee which was referenced on p. 42 of the Alix Partners report, along with any correspondence conveying that document (such as e-mails to which it was attached, letters, etc), conveying drafts of the document, or otherwise discussing the document.

Excluding privileged communications, of course.

Happy to discuss further at your convenience.

Thanks!


**Shawn D. Eubanks | Deputy General Counsel**

South Carolina Treasurer's Office

1200 Senate Street, Suite 214

Wade Hampton Office Building

Columbia, SC 29201

office (803) 734-2623 | 

# EXHIBIT 11

## Eubanks, Shawn

---

**From:** Simmons, Melissa  
**Sent:** Friday, March 29, 2024 1:21 PM  
**To:** Brunson, Nick; Adams, Marcia  
**Cc:** Adams, Clarissa; Vautrin, Cindy; Gibson, Lisa; Miller, Leann; Kremlick, Lindsey; Littlejohn, Stefan; Breazeale, Perry; Royal, Caroline; Evans, Marissa  
**Subject:** RE: BRD  
**Attachments:** BRD Cash Reconciliation Report for submission-4.0.docx

Nick,  
I have attached a Business Requirement Document for Agency Cash Confirmation reports. This BRD is requested by the STO for quarterly and year-end computations.  
We are happy to meet with you to discuss as referenced in my email earlier this week.  
Enjoy your holiday weekend.



**Melissa Davis Simmons, CPA | Deputy State Treasurer**  
South Carolina Treasurer's Office  
1200 Senate Street, Suite 214  
Wade Hampton Office Building  
Columbia, SC 29201  
803-734-2662 | [melissa.simmons@sto.sc.gov](mailto:melissa.simmons@sto.sc.gov)



## *Business Process Document*

# Agency Cash Confirmation Report

<b>Document Change Control</b>			
<b>Release</b>	<b>Description</b>	<b>By</b>	<b>Date</b>
Version 0.1	Draft	Cindy Vautrin	3/28/2024
Version 1.0	DRAFT	Melissa Simmons	3/28/2024
Version 2.0	DRAFT	Marissa Evans	3/29/2024
Version 3.0	DRAFT	Cindy Vautrin	3/29/2024
Version 4.0	Final	Marissa Evans	3/29/2024

## Business Requirements

### *General Requirements/Expectations Description*

The State Treasurer's Office (STO) currently calculates and distributes cash confirmation statements to certain agencies on a fiscal year basis. STO would like to automate the reporting of cash balances on a quarterly and annual basis and the confirmation process on an annual basis.

A proof of concept will be required.

### **Cash Confirmation Background:**

The STO Treasury Management Division utilizes an excel spreadsheet, *Cash Confirmation Detail FY23.xlsx*, to calculate and confirm cash balances to Agencies at the end of the fiscal year. A summary of cash within each requested fund is sent to each AFS or agency whose auditors request a confirmation of cash balances..

### **Business Systems Used:**

The Treasury Management system used for the administration of statewide cash management is SCEIS. This is the State of South Carolina's SAP ERP financial accounting system. This is the Book of Record for all financial transactions including General Ledger (G/L), Materials Management (MM), Financial Management (FM), Controlling (CO), Sales and Distribution (S&D), Travel, Payroll (PR), Treasury Management System (TRM).

## Cash Confirmation Background :

### **Step 1:**





GL Grouping	GLA	GLA Name	Ag	Agency Name	Fund	CONCATENATE FOR VLOOKUP	Closing Balance FM
Bank-Controlled by STO	1011300000	WF_E16_CT_CASH	H470	WINTHROP UNIVERSITY	30369000	H470303690001011300000	\$ (363,111,570.19)
Bank-Controlled by STO	1011300700	WF_E16_GENERAL DEP	H470	WINTHROP UNIVERSITY	30359000	H470303590001011300700	\$ 1,523,862.87
Bank-Controlled by STO	1011300700	WF_E16_GENERAL DEP	H470	WINTHROP UNIVERSITY	30369000	H470303690001011300700	\$ 80,943,110.13
Cash By Fund	1000000000	CASH DUE TO/FROM	H470	WINTHROP UNIVERSITY	30369000	H470303690001000000000	\$ 282,527,824.05
Cash By Fund	1000030000	GENER FD APPROP CASH	H470	WINTHROP UNIVERSITY	30369000	H470303690001000030000	\$ -
Cash By Fund	1000040000	CASH DISBURSEMT-STO	H470	WINTHROP UNIVERSITY	30369000	H470303690001000040000	\$ -
Cash By Fund	1000060000	LSUM DEP&WDRAW CASH	H470	WINTHROP UNIVERSITY	30369000	H470303690001000060000	\$ -
Cash By Fund	1000061000	LSUM DEP&WDRAW ASSET	H470	WINTHROP UNIVERSITY	30369000	H470303690001000061000	\$ -
							Closing Balance FM 11
Bank-Controlled by Agency Not STO							\$ 107,577,509.93
Bank-Controlled by STO							\$ 1,231,206,165.79
Cash By Fund							\$ 11,662,142,622.28
Composite Reservoir							\$ 390,587,214.32
							\$ 13,391,513,512.32

c) Detail output: A tabular report (one tab per agency) that provides quarter end cash balances by GL by fund. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day xxx 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day xxxx 30th that are unmatched with banking activity as of xxx 30th. These transactions were posted to Quarter ending xxxxxxxx.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at Quarter ending xx/xx/xx.

	Primary Agency	Related Agency
Confirmation For:	R600	E160
	<u>SCDEW</u>	<u>STATE TREASURERS OFFICE</u>
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42S99000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69000011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

- 2) Create a more automated process at fiscal year-end that evaluates transactions posted in accounting periods 12-16, determines if they are pre or post 6/30 and calculates cash balances by cash g/l within fund within Agency. STO is requesting a proof of concept to validate that the process evaluates transactions appropriately and produces the correct balances.

a.) Summary report (with ability to drill down to detail):

DL Drwing	DLA	DLA Name	Agency Name	Fund	COMBINATION FOR YTD/CLIP	Closing Balance FY 17	Sum of FY 18	Sum of Post 6/30	Calculated FY 18 Balance	Closing Balance FY 18	Variance	Confirmed Balance FY 18
						Transactions	Transactions	Transactions				Balance FY 18 Reported
Bank-Controlled by STO	10100000	WF 616 CT CASH	WETN UNIVERSITY	10100000	10100000010100000	\$ (282,111,270.19)	\$ (28,043,223.46)	\$ (1,313,812.28)	\$ (278,478,305.93)	\$ (278,478,305.93)	\$ -	\$ (278,478,305.93)
Bank-Controlled by STO	10100000	WF 616 GENERAL DEP	WETN UNIVERSITY	10100000	10100000010100000	\$ 1,023,800.87	\$ -	\$ -	\$ 1,023,800.87	\$ 1,023,800.87	\$ -	\$ 1,023,800.87
Bank-Controlled by STO	10100000	WF 616 GENERAL DEP	WETN UNIVERSITY	10100000	10100000010100000	\$ 80,940,110.13	\$ -	\$ -	\$ 80,940,110.13	\$ 80,940,110.13	\$ -	\$ 80,940,110.13
Cash By Fund	10000000	CASH/CLIP TOPFUND	WETN UNIVERSITY	10000000	10000000010000000	\$ (282,027,834.05)	\$ 34,071,305.75	\$ 2,827,231.98	\$ (247,955,759.32)	\$ (247,955,759.32)	\$ -	\$ (247,955,759.32)
Cash By Fund	10000000	GENERAL FUND APPROX CASH	WETN UNIVERSITY	10000000	10000000010000000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash By Fund	10000000	CASH (DEBIT/CREDIT BY STO)	WETN UNIVERSITY	10000000	10000000010000000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash By Fund	10000000	LAGR DEPARTMENTAL CASH	WETN UNIVERSITY	10000000	10000000010000000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash By Fund	10000000	LAGR DEPARTMENTAL ASSET	WETN UNIVERSITY	10000000	10000000010000000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						Closing Balance FY 17	Sum of FY 18	Sum of Post 6/30	Calculated FY 18 Balance	Closing Balance FY 18	Variance	Confirmed Balance FY 18
Bank-Controlled by Agency Not STO						\$ 107,277,208.33	\$ (875,995.67)	\$ 5,367,275.86	\$ 112,308,488.52	\$ 112,308,488.52	\$ 0.00	\$ 112,308,488.52
Bank-Controlled by STO						\$ 1,213,206,265.79	\$ 294,093,718.38	\$ (828,148,605.81)	\$ 1,489,151,388.36	\$ 1,489,151,388.36	\$ 0.00	\$ 1,489,151,388.36
Cash By Fund						\$ 11,662,142,822.28	\$ (20,080,303,166.06)	\$ (887,890,512.28)	\$ (8,498,215,055.06)	\$ (8,498,215,055.06)	\$ 22,115,033.77	\$ (8,498,215,055.06)
Comprehensive Total						\$ 13,892,313,512.32	\$ (18,784,516,317.80)	\$ (1,690,312,842.20)	\$ 11,417,484,352.32	\$ 11,417,484,352.32	\$ 22,115,033.77	\$ 11,417,484,352.32

- b.) Detail report would provide by Agency, Cash totals by fund by cash GL. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day June 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day June 30th that are unmatched with banking activity as of June 30th. These transactions were posted to fiscal year 2023 as a result of the "extended Fiscal month 12 (fm13)" processing.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at June 30, 2023.

Confirmation For:	Primary Agency	Related Agency
	<b>R600</b>	<b>E160</b>
	<b>SCDEW</b>	<b>STATE TREASURERS OFFICE</b>
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42599000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69000011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

# EXHIBIT 12

## Davis, Katrina

---

**From:** Adams, Clarissa  
**Sent:** Friday, February 14, 2025 5:19 PM  
**To:** Adams, Marcia  
**Subject:** RE: S0253 Joint Resolution | BRD

We are happy to meet as soon as possible. I just don't want the 90 day deadline to "report out a timeline" to sneak up on us. Thanks so much.



Clarissa T. Adams | Chief of Staff  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

**From:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:17 PM  
**To:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Subject:** Re: S0253 Joint Resolution | BRD

Clarissa,  
We can discuss this further but the attached BRD conflicts with the requirements of the CGO requirements. Therefore, I recommend that we all meet so that you can both provide agreed upon requirements to SCEIS. Then, we can build a timeline. Happy to talk if you would like.

Thanks,  
Marcia

Get [Outlook for iOS](#)

---

**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:07:10 PM  
**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Subject:** S0253 Joint Resolution | BRD

Marcia,  
In light of the swift joint resolution passage of [S0253](#) by the General Assembly this week and the 90 day implementation timeline requirement in Section 5 of the bill, could you please provide a time frame as to when the attached BRD will be completed?  
As always we appreciate your assistance and I hope you have a nice holiday weekend.  
Thanks much,  
Clarissa



Clarissa T. Adams | Chief of Staff  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

## Davis, Katrina

---

**From:** Adams, Clarissa  
**Sent:** Friday, February 14, 2025 5:07 PM  
**To:** Adams, Marcia  
**Subject:** S0253 Joint Resolution | BRD  
**Attachments:** BRD Cash Reconciliation Report for submission-4.0.docx

Marcia,

In light of the swift joint resolution passage of [S0253](#) by the General Assembly this week and the 90 day implementation timeline requirement in Section 5 of the bill, could you please provide a time frame as to when the attached BRD will be completed?

As always we appreciate your assistance and I hope you have a nice holiday weekend.

Thanks much,

Clarissa



Clarissa T. Adams | Chief of Staff  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)



## *Business Process Document*

# Agency Cash Confirmation Report

<b>Document Change Control</b>			
<b>Release</b>	<b>Description</b>	<b>By</b>	<b>Date</b>
Version 0.1	Draft	Cindy Vautrin	3/28/2024
Version 1.0	DRAFT	Melissa Simmons	3/28/2024
Version 2.0	DRAFT	Marissa Evans	3/29/2024
Version 3.0	DRAFT	Cindy Vautrin	3/29/2024
Version 4.0	Final	Marissa Evans	3/29/2024

## Business Requirements

### *General Requirements/Expectations Description*

The State Treasurer's Office (STO) currently calculates and distributes cash confirmation statements to certain agencies on a fiscal year basis. STO would like to automate the reporting of cash balances on a quarterly and annual basis and the confirmation process on an annual basis.

A proof of concept will be required.

### **Cash Confirmation Background:**

The STO Treasury Management Division utilizes an excel spreadsheet, *Cash Confirmation Detail FY23.xlsx*, to calculate and confirm cash balances to Agencies at the end of the fiscal year. A summary of cash within each requested fund is sent to each AFS or agency whose auditors request a confirmation of cash balances..

### **Business Systems Used:**

The Treasury Management system used for the administration of statewide cash management is SCEIS. This is the State of South Carolina's SAP ERP financial accounting system. This is the Book of Record for all financial transactions including General Ledger (G/L), Materials Management (MM), Financial Management (FM), Controlling (CO), Sales and Distribution (S&D), Travel, Payroll (PR), Treasury Management System (TRM).

## Cash Confirmation Background :

### **Step 1:**

Two BOBJ reports (*Cash Closing Package – Balance Sheet by Period FY2023* and *Cash Closing Package Pre and Post 6.30 Transactions FY2023*) are run for fiscal year end. They contain ending Cash G/L balances by fund within Agencies plus transactions dated 6/30 in periods 12-16 as well as transactional detail. The data from both is loaded into the spreadsheet (*Cash Confirmation Detail FY23*). An evaluation is made of transactions posted in periods 12-16 to determine if they should be included in year end balances.

Example: *Cash Confirmation Detail FY23.xlsx*, ending cash balance periods 11-16, worksheet titled *Bal per Agency, Fund, GL, & Ass*

GL Opening	GLA	GLA Descr	Agency	Agency Name	Fund	Assess Bal Area	Class Bal Type Desc	12	13	14	15	16	17	18	
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	8,000.00	\$	8,000.00	\$	8,000.00	\$	8,000.00
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	0.00	\$	0.00	\$	0.00	\$	0.00
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	30,481,810.33	\$	2,490,810.17	\$	2,490,810.17	\$	2,490,810.17
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	14,472.00	\$	131,076.72	\$	131,076.72	\$	131,076.72
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	100,885.18	\$	732,280.33	\$	732,280.33	\$	732,280.33
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	120,348.18	\$	105,348.13	\$	105,348.13	\$	105,348.13
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	2,118.50	\$	2,118.50	\$	2,118.50	\$	2,118.50
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	684,220.44	\$	218,150.23	\$	218,150.23	\$	218,150.23
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	2,341.44	\$	2,341.44	\$	2,341.44	\$	2,341.44
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	27,125.45	\$	27,125.45	\$	27,125.45	\$	27,125.45
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	552,608.24	\$	1,687,807.00	\$	1,687,807.00	\$	1,687,807.00
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	591,864.21	\$	1,124,061.21	\$	1,124,061.21	\$	1,124,061.21
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	1,800.00	\$	1,800.00	\$	1,800.00	\$	1,800.00
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	14,282,274.82	\$	1,688,678.00	\$	1,688,678.00	\$	1,688,678.00
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	2,118,000.00	\$	3,198,000.00	\$	3,198,000.00	\$	3,198,000.00
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	1,829,883.7	\$	1,829,883.7	\$	1,829,883.7	\$	1,829,883.7
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$	218,837.9	\$	218,837.9	\$	218,837.9	\$	218,837.9
Bank-Controlled by Agency Not STD	17121000	BOA COMP/INT	State	DEPT OF EMPLOYMENT & WORKFORCE	4000000	A	Not assigned	\$		\$		\$		\$	

Appropriate transaction totals are updated to worksheet titled *Confirmation Detail* and balanced to cash totals by cash g/l by fund within Agencies.

CONCATENATE FOR VLOOKUP	Closing Balance FM 030		Sum of Pre 030 Transactions		Sum of Post 030 Transactions		Calculated FM 16 Balance	Closing Balance FM 16	Variance	Confirmed Balance (Pre 030 FM 16 Balance)
	\$		\$		\$					
H470303960001011200000	\$	(303,111,570.19)	\$	(10,049,629.44)	\$	(3,318,332.28)	\$	(376,479,531.91)	\$	(373,161,199.63)
H470303960001011200700	\$	80,943,110.13	\$	-	\$	-	\$	80,943,110.13	\$	80,943,110.13
H470303960001000000000	\$	588,527,833.08	\$	10,071,305.75	\$	2,937,291.98	\$	295,536,421.78	\$	292,599,129.80
H470303960001000020000	\$	-	\$	-	\$	-	\$	-	\$	-
H470303960001000040000	\$	-	\$	-	\$	-	\$	-	\$	-
H470303960001000060000	\$	-	\$	-	\$	-	\$	-	\$	-
H470303960001000081000	\$	-	\$	-	\$	-	\$	-	\$	-
Bank-Controlled by Agency Not STD	\$	107,577,509.93	\$	(835,995.67)	\$	5,367,375.86	\$	112,108,890.12	\$	112,108,890.12
Bank-Controlled by STD	\$	1,231,206,165.79	\$	204,095,716.38	\$	(808,148,005.83)	\$	627,153,876.34	\$	627,153,876.34
Cash By Fund	\$	11,662,142,622.28	\$	(10,081,939,164.04)	\$	(887,490,922.29)	\$	692,712,535.95	\$	713,827,549.72
Composite Resevor	\$	390,587,214.32	\$	363,125.45	\$	149,869.27	\$	391,100,209.04	\$	391,100,209.04
	\$	13,391,513,512.32	\$	(9,878,316,317.88)	\$	(1,690,121,682.99)	\$	1,823,075,511.45	\$	1,844,190,525.22

**Desired Outcome:**

- 1) Quarterly report: create a process that calculates cash balances by fund within business area by quarter.
  - a) Summary: Closing balances as of quarter end with ability to drill down to detail.
  - b) STO is requesting a proof of concept to validate the process.



G/L Grouping	GLA	GLA Name	Agency Name	Fund	CONCATENATE FOR VLOOKUP	Closing Balance FM
Bank-Controlled by STO	1011300000	WF_E16_CT_CASH	H470 WINTHROP UNIVERSITY	30369000	H470303690001011300000	\$ 1363,111,570.19
Bank-Controlled by STO	1011300700	WF_E16_GENERAL DEP	H470 WINTHROP UNIVERSITY	30359000	H470303590001011300700	\$ 1,521,662.87
Bank-Controlled by STO	1011300700	WF_E16_GENERAL DEP	H470 WINTHROP UNIVERSITY	30369000	H470303690001011300700	\$ 80,843,110.13
Cash By Fund	1000000000	CASH DUE TO/FROM	H470 WINTHROP UNIVERSITY	30369000	H470303690001000000000	\$ 252,527,824.95
Cash By Fund	1000030000	GENER FD APPROP CASH	H470 WINTHROP UNIVERSITY	30369000	H470303690001000030000	\$ -
Cash By Fund	1000040000	CASH DISBURSEMT-STO	H470 WINTHROP UNIVERSITY	30369000	H470303690001000040000	\$ -
Cash By Fund	1000060000	LSUM DEPAWDRAW CASH	H470 WINTHROP UNIVERSITY	30369000	H470303690001000060000	\$ -
Cash By Fund	1000061000	LSUM DEPAWDRAW ASSET	H470 WINTHROP UNIVERSITY	30369000	H470303690001000061000	\$ -
						<b>Closing Balance FM 11</b>
Bank-Controlled by Agency Not STO						\$ 107,577,509.93
Bank-Controlled by STO						\$ 1,231,206,165.79
Cash By Fund						\$ 11,662,142,622.28
Composite Reservoir						\$ 390,587,214.32
						\$ 13,391,513,512.32

c) Detail output: A tabular report (one tab per agency) that provides quarter end cash balances by GL by fund. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day xxx 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day xxxx 30th that are unmatched with banking activity as of xxx 30th. These transactions were posted to Quarter ending xxxxxxx.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at Quarter ending xx/xx/xx.

Confirmation For:	Primary Agency	Related Agency
	R600	E160
	<u>SCDEW</u>	<u>STATE TREASURERS OFFICE</u>
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42S99000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69000011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

- 2) Create a more automated process at fiscal year-end that evaluates transactions posted in accounting periods 12-16, determines if they are pre or post 6/30 and calculates cash balances by cash g/l within fund within Agency. STO is requesting a proof of concept to validate that the process evaluates transactions appropriately and produces the correct balances.

a.) Summary report (with ability to drill down to detail):

The screenshot displays a complex financial reporting interface. It features a top navigation bar with various filters and tabs. The main area is divided into several sections, including a summary table with columns for account numbers, descriptions, and monetary values. A detailed view of a specific account is shown below the summary, providing a breakdown of transactions and balances.

- b.) Detail report would provide by Agency, Cash totals by fund by cash GL. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day June 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day June 30th that are unmatched with banking activity as of June 30th. These transactions were posted to fiscal year 2023 as a result of the "extended Fiscal month 12 (fm13)" processing.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at June 30, 2023.

Confirmation For:	Primary Agency R600 <u>SCDEW</u>	Related Agency E160 <u>STATE TREASURERS OFFICE</u>
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42529000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69000011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

# EXHIBIT 13

## Davis, Katrina

---

**From:** Adams, Clarissa  
**Sent:** Friday, February 14, 2025 6:40 PM  
**To:** Gaines, Brian (CG)  
**Cc:** Starkey, David; Adams, Marcia; Loftis, Curtis; Simmons, Melissa; Koch, Paul  
**Subject:** FW: S0253 Joint Resolution | BRD  
**Attachments:** BRD Cash Reconciliation Report for submission-4.0.docx

Comptroller Gains,

We are requesting a meeting Wednesday or Friday of next week to discuss the passage of [S0253](#) by the General Assembly. Given the 90-day implementation timeline requirement in Section 5 of the bill, we had hoped SCEIS could provide a time frame as to when the attached BRD will be completed.

Marcia has indicated the BRD conflicts with your requirements. I have attached the BRD and we look forward to meeting with you as soon as possible. Again, the goal is to send the BRD to SCEIS as soon as possible and obtain a timeline for the report completion.

As you know, the STO prepared the 2024 STO Custodied Cash and Investments by fund and business area which may possibly meet your requirements. Regardless, Mauldin Jenkins recognized the need for automation and we agree the process needs to be automated.

Lastly, Marcia has agreed to participate in the meeting to discuss the BRD. We believe her participation would be helpful. However, if prefer our two agencies meet first, we are happy to do so.

Thanks,  
Clarissa



Clarissa T. Adams | Chief of Staff  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

**From:** Adams, Marcia <Marcia.Adams@admin.sc.gov>  
**Sent:** Friday, February 14, 2025 5:30 PM  
**To:** Adams, Clarissa <Clarissa.Adams@sto.sc.gov>  
**Subject:** Re: S0253 Joint Resolution | BRD

Clarissa,  
I suggest that you reach out to the CGO since the STO and CGO need to agree upon the requirements. We are, of course, happy to participate in any meetings.

Thanks,  
Marcia

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---

**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:19:10 PM  
**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Subject:** RE: S0253 Joint Resolution | BRD

We are happy to meet as soon as possible. I just don't want the 90 day deadline to "report out a timeline" to sneak up on us. Thanks so much.



Clarissa T. Adams | Chief of Staff  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

**From:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:17 PM  
**To:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Subject:** Re: S0253 Joint Resolution | BRD

Clarissa,  
We can discuss this further but the attached BRD conflicts with the requirements of the CGO requirements. Therefore, I recommend that we all meet so that you can both provide agreed upon requirements to SCEIS. Then, we can build a timeline. Happy to talk if you would like.

Thanks,  
Marcia

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**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:07:10 PM  
**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Subject:** S0253 Joint Resolution | BRD

Marcia,  
In light of the swift joint resolution passage of [S0253](#) by the General Assembly this week and the 90 day implementation timeline requirement in Section 5 of the bill, could you please provide a time frame as to when the attached BRD will be completed?  
As always we appreciate your assistance and I hope you have a nice holiday weekend.  
Thanks much,  
Clarissa



Clarissa T. Adams | Chief of Staff  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)



## *Business Process Document*

# Agency Cash Confirmation Report

<b>Document Change Control</b>			
<b>Release</b>	<b>Description</b>	<b>By</b>	<b>Date</b>
Version 0.1	Draft	Cindy Vautrin	3/28/2024
Version 1.0	DRAFT	Melissa Simmons	3/28/2024
Version 2.0	DRAFT	Marissa Evans	3/29/2024
Version 3.0	DRAFT	Cindy Vautrin	3/29/2024
Version 4.0	Final	Marissa Evans	3/29/2024

## Business Requirements

### *General Requirements/Expectations Description*

The State Treasurer's Office (STO) currently calculates and distributes cash confirmation statements to certain agencies on a fiscal year basis. STO would like to automate the reporting of cash balances on a quarterly and annual basis and the confirmation process on an annual basis.

A proof of concept will be required.

### **Cash Confirmation Background:**

The STO Treasury Management Division utilizes an excel spreadsheet, *Cash Confirmation Detail FY23.xlsx*, to calculate and confirm cash balances to Agencies at the end of the fiscal year. A summary of cash within each requested fund is sent to each AFS or agency whose auditors request a confirmation of cash balances..

### **Business Systems Used:**

The Treasury Management system used for the administration of statewide cash management is SCEIS. This is the State of South Carolina's SAP ERP financial accounting system. This is the Book of Record for all financial transactions including General Ledger (G/L), Materials Management (MM), Financial Management (FM), Controlling (CO), Sales and Distribution (S&D), Travel, Payroll (PR), Treasury Management System (TRM).

## Cash Confirmation Background :

### **Step 1:**



G/L Grouping	GLA	GLA Name	Agency	Agency Name	Fund	CONCATENATE FOR VLOOKUP	Closing Balance FM
Bank-Controlled by STO	1011300000	WF_E16_CT_CASH	H470	WINTHROP UNIVERSITY	30369000	H4703036900010113000000	\$ (363,111,570.19)
Bank-Controlled by STO	1011300700	WF_E16_GENERAL DEP	H470	WINTHROP UNIVERSITY	30369000	H4703036900010113000700	\$ 1,623,862.67
Bank-Controlled by STO	1011300700	WF_E16_GENERAL DEP	H470	WINTHROP UNIVERSITY	30369000	H4703036900010113000700	\$ 30,943,110.13
Cash By Fund	1000000000	CASH DUE TO/FROM	H470	WINTHROP UNIVERSITY	30369000	H4703036900010000000000	\$ 282,527,824.05
Cash By Fund	1000030000	GENER FD APPROP CASH	H470	WINTHROP UNIVERSITY	30369000	H4703036900010000300000	\$ -
Cash By Fund	1000040000	CASH DISBURSEMT-STO	H470	WINTHROP UNIVERSITY	30369000	H4703036900010000400000	\$ -
Cash By Fund	1000060000	LSUM DEP&DRAW CASH	H470	WINTHROP UNIVERSITY	30369000	H4703036900010000600000	\$ -
Cash By Fund	1000061000	LSUM DEP&DRAW ASSET	H470	WINTHROP UNIVERSITY	30369000	H4703036900010000610000	\$ -
							<b>Closing Balance FM 11</b>
Bank-Controlled by Agency Not STO							\$ 107,577,509.93
Bank-Controlled by STO							\$ 1,231,206,165.79
Cash By Fund							\$ 11,662,142,622.28
Composite Reservoir							\$ 390,587,214.32
							\$ 13,391,513,512.32

c) Detail output: A tabular report (one tab per agency) that provides quarter end cash balances by GL by fund. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day xxx 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day xxxx 30th that are unmatched with banking activity as of xxx 30th. These transactions were posted to Quarter ending xxxxxxxx.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at Quarter ending xx/xx/xx.

Confirmation For:	Primary Agency R600 SCDEW	Related Agency E160 STATE TREASURERS OFFICE
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42S99000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69000011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-



- 2) Create a more automated process at fiscal year-end that evaluates transactions posted in accounting periods 12-16, determines if they are pre or post 6/30 and calculates cash balances by cash g/l within fund within Agency. STO is requesting a proof of concept to validate that the process evaluates transactions appropriately and produces the correct balances.

a.) Summary report (with ability to drill down to detail):

The screenshot shows a complex financial reporting interface. The top section displays a summary report with columns for various financial metrics. Below this, there is a detailed table with columns for 'Agency', 'Fund', and 'Balance'. The table lists various agencies and funds, along with their respective balances. The interface includes navigation buttons and filters on the left side.

b.) Detail report would provide by Agency, Cash totals by fund by cash GL. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day June 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day June 30th that are unmatched with banking activity as of June 30th. These transactions were posted to fiscal year 2023 as a result of the "extended Fiscal month 12 (fm13)" processing.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at June 30, 2023.

Confirmation For:	Primary Agency R600 <u>SCDEW</u>	Related Agency E160 <u>STATE TREASURERS OFFICE</u>
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42599000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69X00011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

# EXHIBIT 14

## Davis, Katrina

---

**From:** Davis, Katrina  
**Sent:** Friday, February 21, 2025 3:20 PM  
**To:** Gaines, Brian (CG)  
**Cc:** Adams, Marcia; Loftis, Curtis; Koch, Paul; Starkey, David  
**Subject:** Meeting Request and BRD Follow Up  
**Attachments:** 2.21.25 Gaines' Meeting Request & BRD.pdf

Tracking:	Recipient	Delivery	Read
	Gaines, Brian (CG)	Delivered: 2/21/2025 3:20 PM	
	Adams, Marcia	Delivered: 2/21/2025 3:20 PM	
	Loftis, Curtis	Delivered: 2/21/2025 3:20 PM	
	Koch, Paul		Read: 2/21/2025 3:27 PM
	Starkey, David	Delivered: 2/21/2025 3:20 PM	
	Adams, Clarissa	Delivered: 2/21/2025 3:20 PM	Read: 2/21/2025 3:59 PM

Dear General Gaines:

Please find the attached letter and enclosures from Clarissa Adams. Let me know if I can be of further assistance.



**Katrina Davis | STO Executive Assistant**  
Office of the State Treasurer  
[1200 Senate Street, Suite 214](#)  
[Wade Hampton Office Building](#)  
[Columbia, SC 29201](#)  
803-734-2692 | [Katrina.Davis@sto.sc.gov](mailto:Katrina.Davis@sto.sc.gov)



THE HONORABLE CURTIS M. LOFTIS, JR.  
State Treasurer

February 21, 2025

The Honorable Brian J. Gaines  
Comptroller General  
1200 Senate St., Suite 305  
Columbia, SC 29201

**VIA HAND DELIVERY AND ELECTRONIC MAIL**

Dear General Gaines:

Last week, I reached out to you requesting a meeting on either Wednesday or Friday of this week so that we could discuss the SCEIS modification STO proposed at the request of CGO (please see the attached email and BRD). We did not receive a reply, but I understand it was a busy week.

As this is an important and time-sensitive matter, I'm following up. We would appreciate a reply as to you and/or your staff's availability to meet on Friday February 28, or alternatively the week of March 3-5.

Thank you in advance,

A handwritten signature in blue ink that reads "Clarissa T. Adams".

Clarissa T. Adams  
Chief of Staff

Enclosures

cc: Marcia Adams, (via electronic mail only)  
Curtis Loftis, (via electronic mail only)  
Paul Koch, (via electronic mail only)  
David Starkey, (via electronic mail only)

**From:** [Adams, Clarissa](#)  
**To:** [Gaines, Brian \(CG\)](#)  
**Cc:** [Starkey, David](#); [Adams, Marcia](#); [Lofis, Curtis](#); [Simmons, Melissa](#); [Koch, Paul](#)  
**Subject:** FW: S0253 Joint Resolution | BRD  
**Date:** Friday, February 14, 2025 6:40:00 PM  
**Attachments:** [image004.png](#)  
[BRD Cash Reconciliation Report for submission-4.0.docx](#)  
[image002.png](#)

---

Comptroller Gains,

We are requesting a meeting Wednesday or Friday of next week to discuss the passage of [S0253](#) by the General Assembly. Given the 90-day implementation timeline requirement in Section 5 of the bill, we had hoped SCEIS could provide a time frame as to when the attached BRD will be completed.

Marcia has indicated the BRD conflicts with your requirements. I have attached the BRD and we look forward to meeting with you as soon as possible. Again, the goal is to send the BRD to SCEIS as soon as possible and obtain a timeline for the report completion.

As you know, the STO prepared the 2024 STO Custodied Cash and Investments by fund and business area which may possibly meet your requirements. Regardless, Mauldin Jenkins recognized the need for automation and we agree the process needs to be automated.

Lastly, Marcia has agreed to participate in the meeting to discuss the BRD. We believe her participation would be helpful. However, if prefer our two agencies meet first, we are happy to do so.

Thanks,  
Clarissa



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

**From:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:30 PM  
**To:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Subject:** Re: S0253 Joint Resolution | BRD

Clarissa,  
I suggest that you reach out to the CGO since the STO and CGO need to agree upon the

requirements. We are, of course, happy to participate in any meetings.

Thanks,  
Marcia

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**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:19:10 PM  
**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Subject:** RE: S0253 Joint Resolution | BRD

We are happy to meet as soon as possible. I just don't want the 90 day deadline to "report out a timeline" to sneak up on us. Thanks so much.



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

**From:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:17 PM  
**To:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Subject:** Re: S0253 Joint Resolution | BRD

Clarissa,  
We can discuss this further but the attached BRD conflicts with the requirements of the CGO requirements. Therefore, I recommend that we all meet so that you can both provide agreed upon requirements to SCEIS. Then, we can build a timeline. Happy to talk if you would like.

Thanks,  
Marcia

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**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Friday, February 14, 2025 5:07:10 PM  
**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>  
**Subject:** S0253 Joint Resolution | BRD

Marcia,  
In light of the swift joint resolution passage of [S0253](#) by the General Assembly this week and

the 90 day implementation timeline requirement in Section 5 of the bill, could you please provide a time frame as to when the attached BRD will be completed?

As always we appreciate your assistance and I hope you have a nice holiday weekend.

Thanks much,

Clarissa



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)



## *Business Process Document*

# Agency Cash Confirmation Report

<b>Document Change Control</b>			
<b>Release</b>	<b>Description</b>	<b>By</b>	<b>Date</b>
Version 0.1	Draft	Cindy Vautrin	3/28/2024
Version 1.0	DRAFT	Melissa Simmons	3/28/2024
Version 2.0	DRAFT	Marissa Evans	3/29/2024
Version 3.0	DRAFT	Cindy Vautrin	3/29/2024
Version 4.0	Final	Marissa Evans	3/29/2024

## **Business Requirements**

### ***General Requirements/Expectations Description***

The State Treasurer's Office (STO) currently calculates and distributes cash confirmation statements to certain agencies on a fiscal year basis. STO would like to automate the reporting of cash balances on a quarterly and annual basis and the confirmation process on an annual basis.

A proof of concept will be required.

### **Cash Confirmation Background:**

The STO Treasury Management Division utilizes an excel spreadsheet, *Cash Confirmation Detail FY23.xlsx*, to calculate and confirm cash balances to Agencies at the end of the fiscal year. A summary of cash within each requested fund is sent to each AFS or agency whose auditors request a confirmation of cash balances..

### **Business Systems Used:**

The Treasury Management system used for the administration of statewide cash management is SCEIS. This is the State of South Carolina's SAP ERP financial accounting system. This is the Book of Record for all financial transactions including General Ledger (G/L), Materials Management (MM), Financial Management (FM), Controlling (CO), Sales and Distribution (S&D), Travel, Payroll (PR), Treasury Management System (TRM).

## **Cash Confirmation Background :**

### **Step 1:**





GL Mapping	OLA	OLA Name	Agency Name	Fund	CONCATENATED FUND VLOOKUP	Closing Balance FY 25
Bank-Controlled by STO	121130030	WF_ETB_CT_CASH	H479 WINTHROP UNIVERSITY	3369000	H4793369000101130000	\$ 262,111,670.10
Bank-Controlled by STO	121130038	WF_ETB_GENERAL DEP	H479 WINTHROP UNIVERSITY	3369000	H47933690001011300700	\$ 529,862.01
Bank-Controlled by STO	121130070	WF_ETB_GENERAL DEP	H479 WINTHROP UNIVERSITY	3024500	H479302450001011300700	\$ 30,142,110.12
Cash By Fund	130900090	CASH BJE TOFSOM	H479 WINTHROP UNIVERSITY	3369000	H4793369000100000000	\$ 263,227,824.25
Cash By Fund	108900094	CASH FD APPROX CASH	H479 WINTHROP UNIVERSITY	3049000	H4793049000100000000	\$ -
Cash By Fund	108901030	CASH DISBURSEMENT	H479 WINTHROP UNIVERSITY	3038000	H4793038000100000000	\$ -
Cash By Fund	108900092	CASH DISBURSEMENT	H479 WINTHROP UNIVERSITY	3038000	H4793038000100000000	\$ -
Cash By Fund	100906100	LSOM DEPENDENCY ASSET	H479 WINTHROP UNIVERSITY	3038000	H4793038000100006100	\$ -
						<b>Closing Balance FY 25</b>
Bank-Controlled by Agency Not STO						\$ 107,577,509.93
Bank-Controlled by STO						\$ 1,231,206,165.79
Cash By Fund						\$ 11,662,142,622.28
Comparable Extension						\$ 390,587,214.32
						\$ 13,391,513,512.32

c) Detail output: A tabular report (one tab per agency) that provides quarter end cash balances by GL by fund. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day xxx 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day xxxx 30th that are unmatched with banking activity as of xxx 30th. These transactions were posted to Quarter ending xxxxxx.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at Quarter ending xx/xx/xx.

Confirmation For:	Primary Agency R600 SCDEW	Related Agency E160 STATE TREASURERS OFFICE
33669000	-	-
42469000	83,289.00	-
42479000	10,843,475.40	-
42489000	3,612,357.90	-
42499000	1,554,228,345.97	-
42S99000	-	-
45K79000	-	-
51C19000	-	-
51S19000	-	-
52509000	0.00	-
55S19000	-	-
55S29000	-	-
69000011	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

- 2) Create a more automated process at fiscal year-end that evaluates transactions posted in accounting periods 12-16, determines if they are pre or post 6/30 and calculates cash balances by cash g/l within fund within Agency. STO is requesting a proof of concept to validate that the process evaluates transactions appropriately and produces the correct balances.

a.) Summary report (with ability to drill down to detail):

b.) Detail report would provide by Agency, Cash totals by fund by cash GL. Wording in example below will need to be updated.

The balances confirmed by the State Treasurer's Office on an Agency/Fund basis represent the claim to cash within the Treasury of the State of South Carolina as of the close of banking day June 30th.

Any differences between the General Ledger balance of cash by fund at the close of books represents the effects of G/L transactions subsequent to the banking day June 30th that are unmatched with banking activity as of June 30th. These transactions were posted to fiscal year 2023 as a result of the "extended fiscal month 12 (fm13)" processing.

Detailed below is your Agency's claim to cash, by fund, held within the State Treasury at June 30, 2023.

Confirmation For:	Primary Agency REGO <u>SCDEW</u>	Related Agency REGO <u>STATE TREASURERS OFFICE</u>
38660000	-	-
41100000	83,289.00	-
42479000	10,843,475.40	-
42189000	3,612,357.90	-
42499000	1,554,228,345.97	-
42299000	-	-
45K79000	-	-
51C10000	-	-
51E10000	-	-
52S00000	0.00	-
55S10000	-	-
55S25000	-	-
69000031	200,000.00	-
69000023	105,396,345.23	-
69000024	(431,753.23)	-
69000025	28,267.67	-
69000026	131,624.70	-
47K60000	-	-
32677000	29,521.85	-

# EXHIBIT 15



February 20, 2024

Dear Senator Grooms:

In our meeting on February 15, 2024, I was asked to provide the Finance Constitutional Subcommittee with our thoughts on fund 30350993, including the accounting surrounding the balance remaining in the fund.

Additionally, I am providing some definitions of terms I used in our meeting on February 15<sup>th</sup>. As some of these terms may have different meanings throughout State government, these definitions provide clarity as to how we as auditors use them.

#### Definitions

**ACFR** - the statewide annual comprehensive financial report, also referred to as the statewide financial statements.

**Conversion** – The process of converting STARS, a legacy financial system, to SCEIS, the State's current financial system.

**Fund** – A self-balancing set of accounts used to account for specific activities. A governmental unit may have multiple funds.

**General Fund** – A governmental fund type that is used to account for and report all financial resources not accounted for and reported in another fund. A governmental entity has only one general fund, but the State's General Fund, as presented in the ACFR, reflects the financial activities, balances and funds of numerous State agencies.

It is also important to define the role of management and the auditor.

**Management** - Those in a position of authority in the State who are responsible for day-to-day decision-making and management of the operations of the State. Management responsibilities include preparing the State's ACFR. As it relates to cash management and the ACFR, management usually means the Office of the Comptroller General (CGO) and/or the Office of the State Treasurer (STO).

**Independent Auditor** - Those charged with the responsibility of verifying that the State's financial statements are materially correct, based on an independent and objective view. To be independent and objective, the auditor must be separate from management by refraining from the performance of any management functions including involvement in day-to-day decision-making and management of the operations of the State, preparation of the financial statements, and the design and implementation of internal controls.

## **Fund 30350993 Accounting**

As we discussed in the February 15<sup>th</sup> meeting, fund 30350993 was created primarily to record cash transfers between banks. That remains its primary purpose today. However, the fund was also used to convert bank and agency cash balances as the legacy STARS system was converted to SCEIS.

At the close of fiscal year 2017, fund 30350993 carried a balance of approximately \$1.5 billion, representing STARS to SCEIS conversion activity. That amount grew to approximately \$1.8 billion in subsequent years as the conversion was completed. It was believed that this conversion-related activity was previously recognized financial activity that had no relevance in the preparation of the statewide financial statements. Accordingly, the CGO coded fund 30350993 to ignore the balances for ACFR preparation purposes.

In 2022, the CGO successfully performed a reconciliation of the pool of cash to the balance of cash as presented in the ACFR. The reconciliation was the key to identifying a \$3.5 billion net overstatement of General Fund cash in the ACFR. A correction was reflected in the fiscal year 2022 ACFR, including a correction of the \$1.8 billion understatement caused by the exclusion of the remaining balance of fund 30350993 from the ACFR.

While the \$1.8 billion can not be assigned to a specific agency or fund, the State's pool of cash does not reconcile to the SCEIS general ledger without its inclusion. Therefore, there is evidence that the \$1.8 billion exists.

As independent auditors, our responsibility is to express an opinion on the governmental and other activities of the State, as presented in the State's ACFR. This includes the General Fund as a component of governmental activities. While the General Fund is composed of numerous agencies, activities and funds of the State, our opinion is on the aggregate General Fund and not on individual agencies, funds and activities.

The CGO determined the \$1.8 billion should be classified within the General Fund for financial statement presentation purposes but could not provide us with specific documentation that the \$1.8 billion is owned by the General Fund. We determined that, given the lack of specific documentation, the best approach to testing management's decision was by necessity a process of gaining assurance that the \$1.8 billion is not owned by a fund other than the General Fund for financial statement purposes. We performed the following inquiries and analyses to determine if the \$1.8 billion, or portions thereof, should be reflected by a fund other than the General Fund.

First, cash received or held by the State and its agencies for a specific purpose is generally reflected in the following funds:

- Departmental Services Fund
- Local Government Infrastructure Fund
- Department of Transportation Special Revenue Fund

Accounting for cash assigned to these funds is managed at an agency level. In addition to requirements that cash be used for a specific purpose, there are usually reporting requirements imposed by State or Federal governments or by other granting entities regarding the status of unspent funds. We are not aware of any material issues raised by agencies regarding specific purpose cash either during or after the conversion.

Second, various components of the State, including higher education institutions and other State activities such as the Ports Authority and Public Service Authority, are audited by other auditors. We rely on their audit work in our audit of the statewide financial statements, and we are not aware of material issues related to cash identified by the audits of these approximately 50 separately audited components.

Based on the procedures we performed, we did not obtain any information that refuted management's assertion that the General Fund is the owner of the \$1.8 billion for financial statement purposes. This is consistent with the definition of the General Fund (for financial statement purposes) as the fund used to *account for and report all financial resources not accounted for and reported in another fund*.

### **Status of Fund 30350993**

The accounts composing the \$1.8 billion remain in fund 30350993 and that fund remains unbalanced. While this is unusual, its placement there serves to segregate the accounts composing the balance until an adjusting journal entry can be recorded in SCEIS to reclassify (reallocate) the balances. The journal entry should eliminate the balance of fund 30350993 and clearly establish underlying ownership of cash within the General Fund.

During the summer of 2023, we attended a meeting along with the CGO and STO where fund 30350993 was discussed. Additionally, we were copied on a letter from the Comptroller General to the State Treasurer dated October 31, 2023, formally requesting that the STO research cash balances of Fund 30350993 that arose due to the conversion and classify those amounts to the appropriate funds and general ledger accounts. In its response dated February 8, 2024, to a request for updates on certain matters by the Subcommittee, we noted the State Treasurer indicated that since the 2022 and 2023 ACFR attests to the placement of fund 30350993 in the General Fund, STO expects the CGO to provide a written directive regarding the appropriate SCEIS entry to align the General Fund with the ACFR.

To be clear, while the CGO has asserted that the General Fund is the owner of the \$1.8 billion for financial statement purposes, management must continue to work to establish an underlying claim to cash by agencies within the General Fund to support the journal entry needed to reclassify the accounts. Regardless of which management agency makes the journal entry required to reclassify the balance of fund 30350993, research of historical information will be required.

Based on the process we described above to validate the CGO placement of the \$1.8 billion in the General Fund, we have no reason to believe the research will not support its ownership by agencies reflected in the General Fund. However, if evidence is discovered to support the ownership of the \$1.8 billion or positions thereof by a fund other than the General Fund, a reclassification of cash presented in the ACFR will need to be made.

### **Summary**

In summary, we agree that the ACFR presentation of the balance of fund 30350993 in the General Fund is appropriate. However, management needs to make an adjusting journal entry in SCEIS to move the balances from fund 30350993 to the applicable funds at each respective agency. The journal entry will require continued research of historical activity as support.

Thank you for your attention to this matter. As auditors, we must maintain independence and objectivity and refrain from the performance of management functions, including performing the research necessary to support an adjusting journal entry. However we stand ready to assist management as we can, including reviewing or testing a proposed journal entry, if requested to do so.

Sincerely,

A handwritten signature in black ink that reads "George L. Kennedy, III". The signature is written in a cursive, flowing style.

George L. Kennedy, III, CPA  
State Auditor

# EXHIBIT 16



# **Comprehensive Investment Policy**

for the

South Carolina State Treasurer's Government Investment Portfolios



State Treasurer's Office of South Carolina

Effective: February 1, 2024

Reviewed: January 2024

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## A. MISSION AND PURPOSE

The South Carolina Office of the State Treasurer is responsible for the administration, management, and investment of the State's funds. The investment of Government Investment funds is managed through multiple investment portfolios to preserve capital, while maintaining liquidity and obtaining the best relative rates of return.

The mission of the Investment Management Division within the State Treasurer's Office (STO) is to safely and effectively manage the funds for the State's agencies, local governments, and political subdivisions (Government Investment Portfolios). The office manages multiple U.S fixed income portfolios.

## B. SCOPE

This investment policy applies to all financial assets deposited and retained in the South Carolina Office of the State Treasurer's Government Investment Portfolios. In exercising the functions set forth herein, the Investment Adviser(s) must comply with all applicable state and federal laws, rules, and regulations ("Applicable Laws").

## C. ETHICS AND CONFLICT OF INTEREST

The South Carolina State Treasurer and STO Staff shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

The South Carolina State Treasurer and STO Staff are required to abide by the South Carolina State Ethics Commission's 'Rules of Conduct' regarding the subject of receiving gifts and objects of monetary value, the Rules of Conduct state that:

"A public official, public member, or public employee may not knowingly use his official office, membership, or employment to influence a government decision to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated.

A person may not directly or indirectly give, offer, or promise anything of value to a public official, public member, or public employee with intent to influence the public official's, public member's, or public employee's official responsibilities, nor is the public official, public member, or public employee to ask, demand, solicit, or accept anything of value for himself or for another person in return for fulfilling his official responsibilities or duties.

A public official, public member, or public employee may not receive anything of value for speaking before a public or private group in his/her official capacity. A meal can be accepted if provided in conjunction with the speaking engagement where all participants are entitled to the same meal and the meal is incidental to the speaking engagement. A public official, public member or public employee may receive payment or reimbursement for actual expenses incurred.

Public officials, public members, or public employees may not receive money in addition to that received by the public official, public member, or public employee in his official capacity for advice

or assistance given in the course of his employment as a public official, public member, or public employee.”

#### **D. PRUDENCE**

Investments shall be made with judgment and care, under the prevailing circumstances, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments shall not be made for speculation. Further, the probable safety of capital as well as the probable income derived shall be considered.

The standard of prudence to be used shall be the “fiduciary” standard and shall be applied in the context of managing an overall portfolio. All decisions made on behalf of the STO Government Investment Portfolios shall be made for the sole benefit of the Participants and/or Beneficiaries and in compliance with the prudent investor rule as set forth in the Uniform Prudent Investor Act (“UPIA”).

#### **E. PURPOSE OF THIS COMPREHENSIVE INVESTMENT POLICY (CIP)**

This CIP defines the investment objectives of the STO Government Investment Portfolios and establishes policies and procedures so that investment objectives can be met in a prudent manner. This CIP is intended to:

- Articulate the objectives of the STO Government Investment Portfolios and set forth in writing the expectations, objectives, and guidelines for the investment of the STO Investment Portfolios’ assets;
- Formulate policies regarding permitted investments, benchmarks, and asset allocation strategies;
- Identify roles of specific entities having fiduciary responsibility to the STO;
- Establish guidelines, consistent with Performance Standards defined herein, for monitoring investment risk and evaluating investment performance.

All assets in the STO Government Investment Portfolios must be invested in a manner that meets the requirements of this CIP. In conjunction with this CIP, the STO has also established Performance Standards, which provide guidance on the specific procedures to monitor investment performance and risk. These performance standards help achieve short-term and long-term investment objectives and maximize the investment returns in the STO Investment Portfolios.

Investment criteria, restraints, and portfolio benchmarks will be summarized in the Investment Policy Statement (IPS), which is an executive summary of the CIP.

#### **F. DELEGATION OF AUTHORITY**

The authority to invest State Government Investment Funds is limited to the State Treasurer under S.C. Code of Laws § 11-13-30, and § 6-6-10 which sets the authority for the Local Government Investment Pool.

§ 11-13-30. Only the State Treasurer may invest and deposit funds.

To facilitate the management, investment, and disbursement of public funds, no board, commission, agency or officer within State government except the State Treasurer shall be authorized to invest and deposit funds from any source, including, but not limited to, funds for which he is custodian, such funds to draw the best rate of interest obtainable.

Attorney General's Opinion

*The State Treasurer is authorized to invest and deposit funds as provided in section §11-13-30 of the Code and is further authorized to employ an investment advisory service.*

*1988 S.C. Op. Atty. Gen. 168, 1988 S.C. Op. Atty. Gen. No. 88-60, (Aug. 16, 1988 WL 383543)*

**§ 6-6-10. Establishment of South Carolina Pooled Investment Fund.**

Notwithstanding any other provision of law, the State Treasurer may establish and maintain a common trust fund to be known as the South Carolina Pooled Investment Fund in which may be deposited 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.

Various professionals may be engaged to assist the STO with the STO Investment Portfolios. The STO may employ a qualified firm (the "Investment Adviser") to provide investment management services for the STO Investment Portfolios. The STO may also engage an Investment Consultant to provide advice to the STO and to monitor the STO Investment Portfolios.

The Comprehensive Investment Policy (CIP) for the STO Government Investment Portfolios includes the investment policies of the STO Investment Portfolios, which shall be followed by the STO Staff, the Investment Adviser(s), Investment Consultant and all other entities engaged by the STO to provide investment advice and/or consulting services.

## **G. MANAGEMENT FEES**

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

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

SC Code of Laws §1-11-705 (K) The funds of the SCRHI Trust Fund may only be used for the payment of employer-provided other post-employment benefits under the terms of the state health and dental plans. The administrative costs related to the administration of the SCRHI Trust Fund,

and the investment and reinvestment of its funds, may be funded from the earnings of the SCRHI Trust Fund.

SC Code of Laws §1-11-707 (K) The assets of the LTDI Trust Fund may only be used for the payment of the state's claims under the BLTD Plan along with reasonable expenses associated with the operation of the BLTD Plan, and the assets of the LTDI Trust Fund may not be used for any other purpose. The administrative costs related to the administration of the LTDI Trust Fund, and the investment and reinvestment of its funds, must be funded from the earnings of the LTDI Trust Fund.

## H. ROLES AND RESPONSIBILITIES

- 1. The STO:** The State Treasurer is responsible for the administration, management, and investment of the STO's portfolios. In executing these responsibilities as a trustee and fiduciary of the STO Investment Portfolios, the Treasurer will comply with the prudent investor rule.

The Treasurer may delegate functions that a prudent entity acting in a like capacity and familiar with those matters could properly delegate under the circumstances. Upon engaging an Investment Adviser(s), the STO accepts certain responsibilities. First, it shall provide information and/or documentation as reasonably requested by the Investment Adviser(s) that will assist the Investment Adviser(s) in furtherance of the written agreement with the Investment Adviser(s). Second, it shall provide complete and accurate information to the Investment Adviser(s) about STO's investment objectives, risk tolerance, policies, guidelines, and restrictions and shall keep the Investment Adviser(s) informed of any significant changes that may affect how and the manner in which STO's Investment Portfolios should be invested. Third, it shall monitor its accounts that are managed by the Investment Adviser(s) by reviewing periodic account statements provided by the Investment Adviser(s) or the Custodian Bank. Further, the STO will monitor the Investment Adviser(s) and Investment Consultant for compliance with the SC Code, IPS and this CIP.

Pursuant to this CIP, the STO will:

- (a) Develop a sound and consistent statement of investment policies;
- (b) Review and refine the CIP and IPS as needed;
- (c) Establish criteria for the selection of an Investment Adviser(s), the Custodian and/or an Investment Consultant;
- (d) Review and approve investment proposals by the Investment Adviser(s);
- (e) Approve procedures for monitoring investment performance and investment-related contractual obligations of the Investment Adviser(s) and other vendors;
- (f) Monitor adherence to policies, procedures, and criteria as set forth in the Performance Standards approved by the STO; and

- (g) To assist in meeting local economic needs of communities in South Carolina, the Treasurer may invest in certificates of deposit with financial institutions and branches throughout the State.

**2. Investment Consultant:** The STO may determine that it is necessary and reasonable to retain an Investment Consultant to provide general advice and recommendations on matters including, but not limited to, investment performance, investment strategy, objectives, and risk characteristics of the portfolios. Under this CIP, the Investment Consultant works for the benefit of the STO and shall be responsible for the following:

- (a) Provide independent and unbiased information to the STO;
- (b) Assist in the development and amendment of this Comprehensive Investment Policy ;
- (c) Assist in the establishment of strategic asset allocation targets/guidelines;
- (d) Assist in the development of performance measurement standards;
- (e) Propose appropriate benchmarks, which are congruent with STO's CIP, analyze current benchmarks and provide advice regarding their appropriateness as well as potential changes;
- (f) Report quarterly investment performance results and risk characteristics of the STO Investment Portfolio's investments to the STO;
- (g) Monitor and evaluate the Investment Adviser(s)' performance;
- (h) Provide clarification and assistance to the STO in understanding various investment climate or market conditions that could affect investments held in the STO Government Investment Portfolios;
- (i) Attend quarterly Investment meetings of the STO unless notified otherwise by the STO;
- (j) Be available to consult and provide research and advice as necessary;
- (k) Participate in conference calls to review current performance or other matters in advance of quarterly meetings of the STO and/or other investment meetings as requested by the STO;
- (l) Participate in conference calls with the STO Staff and/or Investment Adviser(s) as needed; and
- (m) Provide independent monitoring of the Investment Adviser(s), including, but not limited to, changes in company structure, investment professionals, investment styles, compensation of investment personnel, litigation, headline risks, growth of assets under management and investment staff, industry competitive position, real and potential conflicts of interest, and immediately notify the STO if a relevant development or change occurs.

- 3. Investment Adviser(s):** The STO may determine that it is necessary and reasonable to retain an Investment Adviser(s) who is qualified to provide professional investment management (full discretion) services, advice and guidance. The Investment Adviser(s) has certain fiduciary responsibilities as defined by the Investment Management Agreement (“IMA”) with the STO and defined by the Investment Advisers Act of 1940 and under South Carolina Law. The Investment Adviser(s) shall:
- (a) Contract by written agreement with the STO to invest within the approved guidelines.
  - (b) Provide the STO with proof of liability and fiduciary insurance coverage at the time of execution of the contract and annually thereafter
  - (c) Be a SEC-Registered Investment Advisor under the 1940 Act or an authorized bank or trust that has demonstrated their expertise over a number of years in the management of institutional assets within a defined investment specialty.
  - (d) Adhere to the investment management style concepts and principles for which they were retained, including, but not limited to, developing portfolio strategy, performing research, developing buy, hold and sell lists, and purchasing and selling securities, while managing the portfolios in full and strict compliance with the CIP and Applicable Laws as well as meeting the STO’s needs for cash flows and liquidity.
  - (e) Obtain best execution for all transactions for the benefit of the portfolios with brokers and dealers that have been approved by the STO and that are qualified to execute institutional orders on an ongoing basis at the best net cost to the Portfolios.
  - (f) Reconcile monthly accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any discrepancies with the custodian and STO Staff.
  - (g) Advise and counsel the STO on methods to achieve investment objectives, including consultation with and proposals to the STO about potential revisions to the IPS and CIP, to address relevant benchmarks, asset allocation, structure, diversification among investment sectors and credit quality.
  - (h) At least quarterly, formally review the investment strategy to ensure compliance with investment objectives and make recommendations to the State Treasurer of needed changes.
  - (i) Consult with the State Treasurer regarding the effect on this CIP of any change of Applicable Laws of which the Adviser becomes aware.
  - (j) Monitor ongoing adherence to the CIP and Applicable Laws. Promptly notify the STO of any action taken by the Investment Adviser(s), including but not limited to changes in representations and warranties in the CIP, which is contrary to or inconsistent with Adviser’s obligations under the CIP, IMA, or Applicable Laws.
  - (k) Establish a communication plan including conference calls, reports, emails, and on-site visits to keep the State Treasurer and the STO staff apprised of portfolio strategy and implementation, as well as compliance with the CIP, and Applicable Laws.



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- (l) Establish a business continuity plan with the STO to be implemented in the event of a disruptive event and conduct quarterly tests to confirm all functionalities of the business continuity plan are operational.
  - (m) Assist the STO in preparing the State Treasurer's Investment projection for General Deposit income earnings for the current and subsequent fiscal year by providing research and input on market trends and interest rate forecasts.
  - (n) Provide the following reporting in a mutually agreed upon format to meet the STO's operational, reporting and disclosure needs:
    - 1. Supporting documentation on all trading activity including execution data, trade recap reports, attribution and broker usage made available through electronic data exchange;
    - 2. Risk reporting and stress testing of portfolios;
    - 3. SSAE (Statement on Standards for Attestation Engagements) 18 Service Auditor's Report regarding the Adviser's controls and the effectiveness of those controls, including design suitability, independent assessment of the placement of the controls in operation, and their operational effectiveness;
    - 4. Monthly and quarterly compliance certification executed by Adviser's Chief Compliance Officer or other duly authorized officers of Adviser, attesting to compliance with the CIP and Applicable Laws and regulations. The certification shall detail all deviations (if any) from Applicable Laws or CIP, including post-purchase concentration deviations, and state whether such deviations had a material effect on the portfolio in question;
    - 5. Additional ad hoc compliance reporting and tests as needed;
    - 6. Provide, no less frequently than monthly, a list of securities held in the portfolios, including the issuer, cost basis and market value for each position, which the Investment Adviser(s) has reconciled its records on a daily basis against information provided by the Custodian;
    - 7. Monthly, quarterly and ad hoc investment reports: including standardized performance and benchmark performance, portfolio characteristics, performance attribution, economic and market commentary and the occurrence of any "critical events;" and
    - 8. Assist the STO staff in responding to FOIA requests and requests for information from auditors, state agencies, or other parties as determined by the STO.
  - (o) Promptly inform the STO:
    - 1. Of significant changes in the investment environment or market conditions that could affect investments;
    - 2. When revisions to the CIP are warranted based on changes in market conditions;
    - 3. Of any material organizational or corporate governance changes; and
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4. Of any changes in Adviser personnel assigned to supply services to the STO, to the extent Adviser is not prohibited from providing notice under Applicable Laws, notification shall be made as soon as practicable following the decision to implement the personnel or assignment change, but in no event later than five business days after the final decision to implement such changes, including those serving in the following capacities:
  - i. Relationship Management,
  - ii. Investment Management,
  - iii. Fixed Income Investment Management and Liquidity/Cash Investment Management, or
  - iv. Their equivalents should the names of these positions be changed by Adviser during the term of the IMA.
- (p) Provide daily notification of the exercise of any proxy rights or corporate actions.
- (q) Attend quarterly investment meetings with the STO staff at the STO offices in Columbia, South Carolina or at such other location designated by the STO in its sole discretion.

- 4. Custodian Bank:** The Custodian Bank's ("Custodian") fiduciary responsibility shall involve the proper safekeeping, valuation, pricing, accounting, and reporting of the STO Government Investment Portfolios' assets across multiple portfolios and asset classes. The Custodian shall apply investment prudence to and securities lending functions.

The Custodian is hired by, and responsible to, the State Treasurer.

The Custodian Bank for the STO Investment Portfolios is responsible for:

*Main Responsibilities*

- (a) Fulfilling all the regular duties of a custodian as required by applicable state and federal laws (as further defined in the custodial services agreement);
- (b) Safekeeping of assets, timely settlement of securities transactions, timely crediting of all income and principal realizable by the STO Investment Portfolios, and the daily sweep of excess cash from the STO Investment Portfolios' accounts into suitable cash management vehicles;
- (c) Pricing all securities at least on a monthly basis, preferably daily, contingent on strategic class and types of securities;
- (d) Providing access to performance history for the specified STO Investment Portfolios to the STO Staff, Investment Adviser(s), and Investment Consultant;
- (e) Providing monthly, quarterly and annual reports; and
- (f) Managing a securities lending program.

*Ancillary Services*

- (a) Performance & Risk Analytics;
- (b) Monthly Risk Analytics and Reporting;
- (c) Collateral Management System;
- (d) Transfer Agency Services; and
- (e) Cash Management

**I. BROAD OBJECTIVES**

As a steward of public funds, the Office of the State Treasurer seeks to generate the best rate of return within prescribed parameters while maintaining liquidity and preserving capital.

This policy recognizes that investment decisions involve managing the State's daily fluctuating cash flows and anticipating future revenues and expenditures. The STO through its Investment Adviser(s) manages cash balances available to anticipate the future use of these funds. Also, earnings on investments provide one of the many sources of revenue for the State and State agencies annually. Consequently, the soundness and success of an investment program is of primary importance to meet the State's funding needs.

The three investment goals are based on the following principles:

**Liquidity** – Securities that qualify as liquid assets are defined within each portfolio's liquid asset requirements.

**Preservation of Capital** – In order to minimize the potential for loss of principal, only investment grade fixed income securities are to be purchased. A range of maturities and diversification among issuers is desirable as a defense against the susceptibility to price change of the STO Investment Portfolios' assets.

**Rate of Return** – Enhancement of purchasing power through consistent compounding of underlying principal at rates exceeding the portfolio's respective benchmark.

**J. ASSET ALLOCATION GUIDELINES**

Asset allocation refers to the strategic deployment of assets among the major classes and/or sectors of investments permitted under the S.C. Code of Laws § 11-9-660: Investment of Funds. Asset allocation is a primary determinant of success in meeting long-term investment objectives. The asset allocation guidelines for the STO Government Investment Portfolios are established by the State Treasurer, STO Staff, and the Investment Adviser(s), with input from the Investment Consultant.

The asset allocation for each of the STO Portfolio's is dependent on a number of factors, including:

1. Expectations of current and future liquidity and income needs;
2. Eligible investment types under the S.C. Codes of Laws § 11-9-660
3. Historical and expected long-term capital market risk and return behavior;
4. An assessment of future economic conditions, including inflation and interest rate levels.

### *Rebalancing Guidelines*

The asset allocations of the STO Government Investment Portfolios are expected to remain within the stated policy guidelines. As markets move over time, the actual asset mix of the Investment Portfolios may vary from the policy ranges established by the State Treasurer. If the Investment Portfolios' allocations are allowed to deviate too far from the acceptable ranges, there is a risk that the Investment Portfolios will fail to meet the investment objectives set by the State Treasurer. The allowable range of policy deviations are defined within each portfolio's respective guidelines.

The STO Staff, with the assistance of the Investment Consultant, will monitor the STO portfolios' asset allocation relative to their respective allocation guidelines at least monthly or more frequently as necessary.

The investment guidelines for each individual STO Investment Portfolio can be found in *Section R: Objectives & Parameters of Specific Investment Portfolios*.

## **K. PERMITTED PROGRAM INVESTMENTS**

Investment options are described under S.C. Code of Laws § 11-9-660:

§ 11-9-660. Investment of Funds.

- A. The State Treasurer has full power to invest and reinvest all funds of the State in any of the following:
  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.

B. The State Treasurer may contract to lend securities invested pursuant to this section.

#### **L. EXCLUDED INVESTMENTS**

The STO will not knowingly invest in the following types of securities unless otherwise denoted.

1. Human Rights Violators: Obligations issued by any country or corporation principally located in any country which the United States Department of State determines commits major human rights violations based on the Country Reports on Human Rights Practices by the Bureau of Democracy, Human Rights and Labor of the U.S. Department of State.
2. Terrorist Sponsors: Any security or obligation issued by a company or a corporation that is a known sponsor of terrorist organizations or of a company domiciled in a country that is a recognized sponsor of terrorism or terrorist organizations as based on reports from the Office of Terrorism and Financial Intelligence of the Department of Treasury and the Country Reports on Terrorism by the Office of the Coordinator for Counterterrorism of the U.S. Department of State.
3. Sudan and Iran Divestment Laws: The managers of the Portfolio's accounts other than index funds, commingled funds, limited partnerships, derivative instruments or the like are required to assist the STO in meeting its obligations under the following laws: (1) S.C. Code Ann. §9-16-55 sets forth limitations on investment in certain types of companies that are engaged in active business operations in Sudan. (2) S.C. Code Ann. §11-57-10 et seq. sets forth limitations on investment in certain types of companies that are engaged in business operations in Iran.

#### **M. MARKET VALUATION**

The market valuation of investments shall be priced monthly. Market pricing is determined by the custodian bank.

- 1) The current value as determined by the custodial bank for all bonds, notes, certificates of indebtedness, and commercial paper.
- 2) Par value for certificates of deposit and repurchase agreements.

## N. SAFEKEEPING AND CUSTODY

Investments shall be held in custody with the custodian bank, or other institutions approved by the State Treasurer.

## O. PERFORMANCE STANDARDS

The STO has developed investment performance standards as a management tool to monitor performance and compliance issues in the Investment Portfolios. STO may delegate such a role to the Investment Consultant.

### *Performance Evaluation*

Investment Portfolios will be evaluated against their stated investment objectives and investment performance standards, and it is expected that each Investment Portfolio meet or exceed these investment objectives over a complete market cycle (generally three- to five-years). Performance will be compared relative to the Investment Portfolios' benchmarks. A list of the STO Government Investment Portfolios and their respective benchmarks is provided below. Performance will be measured and analyzed quarterly. Evaluation will take into consideration both rates of return and volatility of returns.

Portfolio ID	Portfolio Name	Maturity	Benchmark
AA	Local Government Investment Pool	Short-term bias	Primary: iMoneyNet Taxable Instl Reference: 80% 90-day T-Bills 20% BB Short-term Govt/Credit
GF	State General Fund / General Deposit	Short/intermediate bias	BBC 1-3 Yr Govt/Credit
01	State Investment Pool / General Deposit	Medium-term bias	BBC 1-5 Yr Govt/Credit
SB	Insurance Reserve Fund / General Deposit	Long-term bias	BBC Intermediate Govt/Credit
03	Long Term Pool / General Deposit	Long-term bias	BBC Govt/Credit
HI	SC Retirement Health Insurance – OPEB	Long-term bias	BBC Intermediate Govt/Credit
DI	Long Term Disability Insurance – OPEB	Long-term bias	BBC Govt/Credit
AD	USC Insurance & Stock Trust*	n/a	n/a
CRA	Composite Reservoir Account	1 day	Overnight Bank Funding Rate (OBFR)
EI	Education Improvement Fund / General Deposit	0-90 days	Overnight Bank Funding Rate (OBFR)
SA	Ordinary Sinking Fund	Short-term bias	Overnight Bank Funding Rate (OBFR)
04	Treasury Fund/ General Deposit	Medium-term bias	BBC 1-3 Yr Government

Shading indicates Investment Portfolios being monitored and reviewed by Investment Consultant.

\*Given the portfolio structure, this portfolio is not measured against a benchmark.

### *i. Benchmarks:*

All investment decisions made on behalf of the STO Investment Portfolios shall be made with due consideration of the objectives set forth in this IPS and CIP. The STO Staff shall evaluate investment performance relative to assigned benchmarks but may also delegate this task to a third party such as an Investment Consultant. The Investment Adviser(s),

shall at all times, seek to provide performance consistent with performance objectives as shown in *Section R. Objectives & Parameters of Specific Investment Portfolios*. When evaluating investment performance, a benchmark will be used to provide relative results with the following stipulations:

To determine the appropriate benchmark to be used for comparison purposes, each Investment Portfolio is evaluated by the Investment Adviser(s) and STO Staff, who may seek consultation from an Investment Consultant. Benchmarks will be reviewed on (at least) an annual basis and be conducted by the STO Staff, Investment Adviser(s), and/or Investment Consultant(s) engaged by the STO. More frequent evaluations will be conducted as market conditions, portfolio adjustments, or other factors warrant.

#### *Benchmark Parameters*

- (a) Industry standard benchmarks may be used;
- (b) Customized or blended benchmarks are also acceptable, provided the component indexes are industry standard benchmarks;
- (c) Each Investment Portfolio is to be compared against an appropriate benchmark as outlined in the Performance Standards; and
- (d) Each Investment Portfolio shall be considered against their respective benchmarks over multiple time periods.

#### *ii. Portfolio Characteristics:*

Each STO Investment Portfolio will be monitored with respect to the following characteristics:

- (a) Diversification
- (b) Duration
- (c) Quality
- (d) Marketability

Parameters for these characteristics corresponding to specific STO Investment Portfolios can be found in *Section R. Objectives & Parameters of Specific Investment Portfolios*.

#### *iii. Quarterly Investment Monitoring Report*

The Investment Adviser(s) and Investment Consultant shall prepare and present to the Treasurer an evaluation of the performance and status of the stipulated STO Government Investment Portfolios<sup>1</sup> on a quarterly basis at the Quarterly Investment meeting. The investment monitoring report shall include:

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<sup>1</sup> Stipulated STO Investment Portfolios include: 1) Local Government Investment Pool, 2) Long Term Disability Insurance – OPEB, 3) State General Fund, 4) SC Retirement Health Insurance – OPEB, 5) Insurance Reserve Fund, 6) State investment Pool, 7) Long Term Pool, 8) Education Improvement Fund, 9) Ordinary Sinking Fund, and 10) Treasury Fund.

- (a) An overview of the capital markets;
- (b) Performance and allocation comparisons of the STO Investment Portfolios versus their respective benchmarks,
- (c) Current allocation versus policy ranges;
- (d) Portfolio characteristics; and
- (e) An executive summary highlighting the STO Investment Portfolios' relative performance and compliance with policy ranges.

## **P. SECURITIES LENDING**

The policies and guidelines governing the securities lending program shall pertain to the Custodian, unless such services are contracted otherwise. A separate contract, distinct from the custody relationship, detailing the type of securities lending relationship and program is both mandatory and essential, as the treatment of securities lending is an investment function with associated risk and return implications and fiduciary responsibility.

Investment objectives, policies, and procedures regarding the securities lending program are detailed in the Securities Lending Agreement.

The Investment Adviser(s) is required to manage the portfolios taking into consideration securities that may be out on loan. If a security is traded that is out on loan and the STO experiences a negative balance, the adviser will make the STO whole for any losses.

## **Q. ADOPTION AND REVIEW OF COMPREHENSIVE INVESTMENT POLICY**

The STO will review this CIP at least annually. Changes to this CIP can be made at any time by the STO to the extent such changes would be in the best interest of the Portfolios; however, material changes are expected to be infrequent as the CIP reflects long-term considerations, rather than short-term changes in the financial markets. The STO will communicate any proposed modifications in writing on a timely basis to interested parties, including any Investment Adviser(s) and/or Investment Consultant(s), who shall have a reasonable amount of time to respond to such proposals.

## **R. OBJECTIVES & PARAMETERS OF SPECIFIC INVESTMENT PORTFOLIOS**

Each STO Government Investment Portfolio possesses unique purposes and cash flows. As a result, the STO has developed custom guidelines for each STO Investment Portfolio that reflects their respective attributes. Some STO Investment Portfolios are *General Deposit Portfolios* while others are *Separate Portfolios*.

### **General Deposit Portfolios**

- State General Fund
- State Investment Pool
- Insurance Reserve Fund
- Long Term Pool
- Education Improvement Fund



- Ordinary Sinking Fund
- Treasury Fund

**Separate Portfolios**

- Local Government Investment Pool
- Composite Reservoir Account
- SC Retirement Health Insurance - OPEB
- Long Term Disability Insurance - OPEB

Guidelines pertaining to each STO Investment Portfolio are provided on the following pages.

## I. Local Government Investment Pool (LGIP) - AA

### 1. Overview:

The Local Government Investment Pool (LGIP) is a voluntary investment vehicle authorized by SC State Legislation and operated by the STO. It was signed into law in 1983 to provide local governments and other political subdivisions a conservative, liquid, and competitive investment option.

Section 6-6-10, Section 12-45-220 and Section 11-1-60 of the 1976 Code of Laws of South Carolina authorize the State Treasurer to sell to all political subdivisions of the State participation units in the Pool, which shall be legal investments for the subdivisions. Local governments that are eligible to join include: cities and towns, counties, special purpose districts, municipal corporations, and political subdivisions.

The LGIP lets local governments use the State Treasurer’s resources to conservatively invest their funds while enjoying the economies of scale available from a multi-billion dollar pooled fund investment portfolio.

LGIP’s investment objectives are: 1) preservation of capital, 2) maintaining adequate liquidity to meet cash flow needs and provide daily liquidity to participants, and 3) providing a competitive interest rate relative to other comparable investment alternatives.

### 2. Performance Objective and Benchmark:

Given the LGIP’s investment objectives, the goal of the LGIP portfolio is to generate long-term performance exceeding its primary and reference benchmarks by investing in a diversified portfolio. The LGIP shall practice fair valuation in accordance with GASB 72 guidelines.

#### i. Benchmarks

Primary Benchmark:	iMoneyNet Taxable Institutional Index
Reference Benchmark:	80% T-Bills and 20% Bloomberg Barclays Short-term Government/Credit Index

### 3. Investment Parameters:

To provide for the safety and liquidity of LGIP funds, the investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or corporate issuance, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer and STO Staff in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the

deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer may extend these exceptions at his/her discretion.

i. Liquidity

The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests based upon knowledge of the expected cash needs of the participants. A minimum of ten percent will be maintained in “daily liquid” assets, which includes cash, direct obligations of the U.S. Government with maturities of 1 year or less, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

(a) Weighted Average Maturity and Weighted Average Life

- I. The weighted average maturity should not exceed 90 days.
- II. The weighted average life should not exceed 120 days.

ii. Diversification and Percentage Limitations

(a) Non-government Securities

Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:

- |  |     |
|--|-----|
| I. Single Industry (except financials) | 25% |
| II. Financials                         | 70% |
| III. Private Placements                | 10% |

(b) Holdings are subject to the following limitations by issuer:

- I. No more than five percent of the market value of the portfolio shall be invested in any one issuer or single issue and no one position will be greater than five percent of that security’s total issuance outstanding with the following exceptions:
  - a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion without limit.
- II. The only permissible securities include:
  - U.S. government and government agency bonds,
  - Debt obligations of domestic and non-U.S. corporations, (including Yankee bonds, Yankee CDs, CDs, and commercial paper (including asset-backed commercial paper),

- The International Bank for Reconstruction and Development,
  - The African Development Bank, or
  - The Asian Development bank,
  - Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
  - GNMA's,
  - FNMA's,
  - FHLMA's,
  - Municipal securities, and
  - Private Placements.
- a. All such securities and other obligations must be U.S. dollar denominated.
- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.
- III. Prohibited securities include: non-agency mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, non-agency asset-backed securities (non-agency asset-backed commercial paper is not prohibited), Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.
- iii. Investment Maturity
- (a) Maximum Final Maturity
- I. The maximum final maturity of an individual corporate security will not exceed 397 days; the maximum maturity for a U.S. government security will not exceed two years.
- iv. Repurchase Agreements
- (a) Repurchase agreements will be subject to the following additional restrictions:
- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record, or master custodial bank, and under the terms of a written master repurchase agreement; and

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- II. The maximum term of repurchase agreements will be 30 days.
- (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:
- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
  - II. The market value, plus accrued income, of securities utilized in repurchase agreements will be at least 102 percent of the value of the repurchase agreement plus accrued income;
  - III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.
- v. Commercial Paper
- (a) Commercial paper may be purchased directly from the issuers.
- (b) Commercial paper will be subjected to the following additional restrictions:
- I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations. Ratings may be tier 1 or tier 2 “across the board” but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody’s Investor Service (Moody’s) and Fitch Ratings (Fitch).
  - II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. Dollar-denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
  - IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities (e.g. A-2/P-2, A-2/P-2/F2), which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.
  - V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.
  - VI. No more than five percent of total par value of the total portfolio may be in

- one issuer. There may be deviations to the policy maximum due to settlement issues.
- VII. Commercial paper backed by a direct letter of credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
- VIII. Additionally, asset-backed commercial paper (ABCP) shall not exceed 25% of the market value of the portfolio.
- vi. Certificates of Deposit (CDs)
- (a) CD's must be denominated in U.S. Dollars and will be subjected to the following additional restrictions:
- I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
  - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### **4. Portfolio Characteristics:**

- i. Quality: The total portfolio's weighted average credit rating will be at least A-1/P-1, or the equivalent, as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, or U.S. government-sponsored enterprises (U.S. government debt) are deemed to carry an [A-1+] rating.
- ii. Rated Securities: At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply.
- iii. Unrated Securities: Securities or other obligations (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.
- iv. Downgraded Securities: Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be

written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

**5. Administrative Fee and Reserve Account:**

- i.* A prorated portion of the LGIP's total assets have been designated to be held in reserve to (1) cover the administrative expenses associated with the management of the portfolio and (2) serve as a contingency reserve for losses.
- ii.* The administrative fee is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## II. State General Fund (General Deposit Portfolio) - GF

### 1. Overview:

This portfolio applies to all money that comprises the State General Fund, the purpose of which is to finance the ordinary operations of the State and to finance those operations not provided for in other funds. It also applies to money deposited in special revenue funds, debt service funds, proprietary fund types, fiduciary fund types, and capital projects funds. All funds are reported in the State's Comprehensive Annual Financial Report (CAFR), which is audited annually by an independent accounting firm.

The State General Fund's investment objectives are: 1) preservation of capital, 2) maintaining adequate liquidity to meet cash flow needs, 3) attaining a competitive interest rate in relation to prevailing budgetary and economic environments while taking into account the State's investment risk constraints and cash flow characteristics of the portfolio, and 4) legality, where the State Treasurer will invest the State's excess funds only within the legal guidelines set forth by the laws of the State, including Section 11-9-660 of the 1976 Code of Laws of South Carolina.

### 2. Performance Objective and Benchmark:

Given the State General Fund's investment objectives, the goal of the State General Fund portfolio is to generate long-term performance exceeding that of its benchmark over a full market cycle by investing in a diversified portfolio of investment grade, short-term fixed income securities.

#### i. Benchmarks

Primary Benchmark:	Bloomberg Barclays 1-3 Year Government/Credit
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### 3. Investment Parameters:

To provide for the safety and liquidity of the State General Fund, the investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) are required to notify the State Treasurer and STO Staff in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.



Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer may extend these exceptions at his/her discretion

*i.* Liquidity

- (a) The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “daily liquid” assets, which includes cash, direct obligations of the U.S. Government with maturities of 1 year or less, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

*ii.* Diversification and Percentage Limitations:

(a) Non-government Securities

- I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:

- a. Single industry 25%
  - i. Although Financials can have up to 70% single industry exposure for commercial paper holdings, the total financial industry exposure (commercial paper, CDs, corporate bonds, etc.) cannot exceed 25% of the entire portfolio.
- b. Repurchase Agreements 50%
- c. Total Credit (Corporates, Asset-backed Securities and CDs) is limited to 55% above its benchmark exposure.
  - i. Corporate securities are limited to 50% above its benchmark exposure. Included in this limit are commercial paper, corporate notes and fixed and floating rate securities.
  - ii. Asset-backed Securities are limited to 5% of the total portfolio value.
- d. Private Placements 10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than three percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that security’s total issuance outstanding with the following exceptions:
- a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion

without limit.

- b. Asset-backed securities are limited to a 1% maximum allocation to a single issuer (or trust) and to a sponsor.

II. The only permissible securities include:

- U.S. government and government agency bonds,
- Debt obligations of domestic and non-U.S. corporations (including Yankee bonds, Yankee CDs, CDs, and commercial paper),
- Non-agency asset-backed securities (including asset-backed commercial paper),
- The International Bank for Reconstruction and Development,
- The African Development Bank,
- The Asian Development Bank,
- Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
- GNMA's,
- FNMA's,
- FHLMC's,
- Municipal securities, and
- Private Placements.

- a. All such securities and other obligations must be U.S. dollar denominated.

- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.

- III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

iii.

Repurchase Agreements

- (a) Repurchase agreements will be subject to the following additional restrictions:

- I. Transactions will be conducted only with primary dealers, the Federal

Reserve Bank of New York, the State's bank of record or master custodial bank, and under the terms of a written master repurchase agreement.

- II. The maximum term of repurchase agreements will be 30 days.
- (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:
- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
  - II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
  - III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

#### Commercial Paper

iv.

- (a) Commercial paper may be purchased directly from the issuers.
- (b) Commercial paper will be subjected to the following additional restrictions:
  - I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 "across the board" but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody's Investor Service (Moody's) and Fitch Ratings (Fitch).
  - II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. dollar-denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
- IV. No more than 10 percent of the market value of the portfolio may be placed

in second-tier securities (e.g. A2/P2, A2/P2/F2, which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.

- V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.
- VI. No more than three (3) percent of total par value of the total portfolio may be in one issuer or single issue. There may be deviations to the policy maximum due to settlement issues.
- VII. Commercial paper backed by a direct letter of credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
- VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.

#### Certificates of Deposit (CDs)

- v. (a) CD's must be denominated in U.S. Dollars and will be subjected to the following restrictions:
  - I. CDs must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
  - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### **4. Portfolio Characteristics:**

##### i. Quality

- (a) The total portfolio's average rating will be A- or better as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [AAA] rating.
- (b) **Rated Securities:** At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSOs, the lower rating (if applicable) shall apply. At time of purchase, the maximum

exposure to securities rated BBB or the equivalent will be 50% above the relevant benchmark exposure.

- (c) **Unrated Securities:** Securities (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.
- (d) **Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

(b) Duration Exposure

- (a) The effective duration of the State General Fund will be  $\pm 30$  percent of the benchmark.

**5. Administrative Fee:**

The administrative fee, established by the Proviso 98.5, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

### III. State Investment Pool (General Deposit Portfolio) - 01

#### 1. Overview:

This portfolio is comprised of State funds and State Agency funds. Agencies include colleges, universities and their affiliated organizations. These agency funds are partially comprised of bond proceeds.

Section 6-6-10, Section 12-45-220 and Section 11-1-60 of the 1976 Code of Laws of South Carolina authorize the State Treasurer to receive, keep and invest all money of the State of South Carolina, which is not expressly required by law to be received and kept by another party.

The State Investment Pool's investment objectives are: 1) preservation of capital, 2) maintaining adequate liquidity to meet cash flow needs, 3) attaining a competitive interest rate in relation to prevailing budgetary and economic environments while taking into account the State's investment risk constraints and cash flow characteristics of the portfolio, and 4) legality, where the State Treasurer will invest the State's excess funds only within the legal guidelines set forth by the laws of the State. Any investment alternative outside these guidelines is not permissible.

#### 2. Performance Objective and Benchmark:

Given the State Investment Pool's investment objectives, the goal of the State Investment Pool portfolio is to generate long-term performance exceeding that of its benchmark over a full market cycle by investing in a diversified portfolio of investment grade, short-term fixed income securities.

##### i. Benchmarks

Primary Benchmark:	Bloomberg Barclays 1-5 Year Government/Credit Index
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#### 3. Investment Parameters:

To provide for the safety and liquidity of the State Investment Pool, the investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., due to fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer and STO Staff in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months, although the Treasurer can extend these exceptions at his/her discretion.

i. Liquidity

- (a) The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “daily liquid” assets, which includes cash, direct obligations of the U.S. Government with maturities of 1 year or less, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

ii. Diversification and Percentage Limitations:

(a) Non-government Securities

- I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:

- a. Single industry 25%
- i. Although Financials can have up to 70% single industry exposure for commercial paper holdings, the total financial industry exposure (commercial paper, CDs, corporate bonds, etc.) cannot exceed 25% of the entire portfolio.
- b. Repurchase Agreements 50%
- c. Total Credit (Corporates, Asset-backed Securities and CDs) is limited to 55% above its benchmark exposure.
- i. Corporate Securities are limited to 50% above its benchmark exposure. Including in this limit are commercial paper, corporate notes and fixed and floating rate securities.
- ii. Asset-backed Securities are limited to 5% of the total portfolio value.
- d. Private Placements 10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than three percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that security’s total issuance outstanding with the following exceptions:
- a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for

inclusion without limit.

- b. Asset-backed securities are limited to a 1% maximum allocation to a single issuer (or trust) and to a sponsor.

II. The only permissible securities include:

- U.S. government and government agency bonds,
- Debt obligations of domestic and non-U.S. corporations, (including Yankee bonds, Yankee CDs, CDs, and commercial paper), non-agency asset-backed securities (including asset-backed commercial paper),
- The International Bank for Reconstruction and Development,
- The African Development Bank,
- The Asian Development bank,
- Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
- GNMA's,
- FNMA's,
- FHLMA's,
- Municipal securities, and
- Private Placements.

- a. All such securities and other obligations must be U.S. dollar denominated.

- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.

III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

iii. Repurchase Agreements

- (a) Repurchase agreements will be subject to the following additional restrictions:

- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record, or master custodial



bank, and under the terms of a written master repurchase agreement; and

II. The maximum term of repurchase agreements will be 30 days.

(b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:

- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
- II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
- III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

vi. Commercial Paper

(a) Commercial paper may be purchased directly from the issuers.

(b) Commercial paper will be subjected to the following additional restrictions:

- I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 “across the board” but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody’s Investor Service (Moody’s) and Fitch Ratings (Fitch).
- II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
- III. Commercial paper must be U.S. Dollar-denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
- IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.

- V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.
  - VI. No more than three (3) percent of total par value of the total portfolio may be in one issuer or single issue. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter of credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
  - VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.
- vii. Certificates of Deposit (CDs)
- (a) CDs Must be denominated in U.S. Dollars and will be subjected to the following restrictions:
    - I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
    - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### **4. Portfolio Characteristics:**

i.

##### Quality

- (a) The total portfolio's average rating will be A- or better as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [AAA] rating.
- (b) **Rated Securities:** At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply. At time of purchase, the maximum exposure to securities rated BBB or the equivalent will be 50% above the relevant benchmark exposure.
- (c) **Unrated Securities:** Securities or other obligations (other than U.S. government debt and CDs from local banks) not covered by the standards in (3) above are not permissible investments.

**Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

Duration Exposure

- ii. (a) The effective duration of the State Investment Pool will be within  $\pm 30$  percent of the benchmark.

**5. Administrative Fee:**

The administrative fee, established by the Proviso 98.5, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

#### IV. Insurance Reserve Fund (General Deposit Portfolio) - SB

##### 1. Overview:

The purpose of the South Carolina Insurance Reserve Fund is to provide property and liability insurance products to governmental entities in South Carolina. Governmental entities include state agencies, counties, municipalities, school districts, regional transportation authorities, special purpose districts and governmental and eleemosynary hospitals.

The Insurance Reserve Fund is an Office of the South Carolina State Fiscal Accountability Authority and reports to the five-member board through the Division of Insurance and Grants Services and the Office of the Executive Director. The State Fiscal Accountability Authority is authorized and required to provide insurance to governmental entities by a number of statutes. Those statutes are:

Section 1-11-140	Authority to provide tort liability insurance to governmental entities, their employees, and charitable medical facilities
Section 10-7-10 through 10-7-40	Authority to insure public buildings and contents
Section 10-7-120	Authority to purchase reinsurance
Section 10-7-130	Authority to hold monies paid as premiums for the purpose of paying Insured losses
Section 15-78-10 through 15-78-150	S.C. Governmental Tort Claims Act. Authority to provide liability insurance
Section 59-67-710 / 59-67-790	Authority to insure school buses and pupils transported by school bus
Section 59-67-790	Pupil Injury Fund
Section 1-11-147	Automobile Liability Reinsurance
Section 11-9-75	Debt Collection Procedures
Section 38-13-190	Requires South Carolina Insurance Department audits of Insurance Reserve Fund finances

The Insurance Reserve Fund functions as a governmental insurance operation with the mission to provide insurance specifically designed to meet the needs of governmental entities at the lowest possible cost. The Insurance Reserve Fund operates like an insurance company by issuing policies, collecting premiums (based on actuarially calculated rates), and paying claims from the accumulated premiums in accordance with the terms and conditions of the insurance policies it has issued. The Insurance Reserve Fund uses its consulting actuaries in determining rates, IBNR reserves, adequacy of loss reserves, and adequacy of policyholder's equity in making management recommendations to the State Fiscal Accountability Authority regarding the financial

management of the Fund. The Insurance Reserve Fund is a revenue agency and does not receive any appropriation from the General Fund.

The Insurance Reserve Fund files a National Association of Insurance Commissioners (NAIC) Annual Statement with the South Carolina Department of Insurance, as required by law, reflecting the annual financial status of its insurance operation. Also, the Insurance Reserve Fund is audited by the South Carolina Department of Insurance every three years, or more often as needed, pursuant to Section 38-13-190 of the South Carolina Code of Laws. The South Carolina Fiscal Accountability Authority and the Insurance Reserve Fund are also audited annually by an independent CPA firm.

All premiums received by the Insurance Reserve Fund are deposited with the Office of the State Treasurer where the funds are maintained as the Insurance Reserve Fund Trust Account. By statutory requirement, these funds are to be used to pay claims and operating expenses of the Insurance Reserve Fund. The Office of the State Treasurer is responsible for investing these funds.

The Insurance Reserve Fund uses no agents, brokers, or advertising, and does not actively solicit accounts. The lack of a profit motive and the lack of acquisition expenses such as agents’ commissions, along with the use of the investment income in rate determination allows the Insurance Reserve Fund to maintain the lowest possible rate structure. Not all governmental entities elect to purchase their insurance through the Insurance Reserve Fund. The South Carolina Tort Claims Act allows political subdivisions of the State access to other mechanisms to meet their insurance needs at their discretion. Some entities participate in other self-insurance pools, some purchase commercial insurance, and some elect to self-insure their insurance exposures.

The Insurance Reserve Fund offers the following lines of insurance:

Liability Insurance:	Automobile Liability School Bus Liability General Tort Liability Medical Professional Liability
Property Insurance:	<b>"All Risk" Coverage on Buildings and Contents Builders' Risk</b> Data Processing Equipment and Media Inland Marine Business Interruption and Extra Expense

Because South Carolina has significant hurricane and earthquake exposures, Insurance Reserve Fund property insurance policies include coverage for wind, flood, and earthquakes. Insurance Reserve Fund liability policies are designed to meet the needs of governmental entities and to comply with applicable statutes.

The South Carolina Insurance Reserve Fund also provides risk management services such as driver improvement training, real property appraisals, boiler and machinery inspections, and property engineering inspections for its participants.

The investment objectives of the Insurance Reserve Fund are, as a priority, to accumulate and preserve assets from ongoing premiums received in order to meet claim payments and operating expenses of the Insurance Reserve Fund. Secondly, the Insurance Reserve Fund seeks growth of assets using a diversified portfolio of fixed-income investments, as allowed under S.C. Code of Laws § 11-9-660, that emphasizes current income and capital appreciation, while minimizing risk when possible.

**2. Performance Objective and Benchmark:**

Given the Insurance Reserve Fund’s investment objectives, the goal of the Insurance Reserve Fund is to generate long-term performance exceeding that of its benchmark over a full market cycle by investing in a diversified portfolio of investment grade, short-term fixed income securities.

Benchmarks

i.

Primary Benchmark:	Bloomberg Barclays Intermediate Government/Credit Index
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**3. Investment Parameters:**

To protect capital and meet benefit and expense obligations when due, the Insurance Reserve Fund will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

i.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at his/her discretion.

Liquidity

- (a) The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “monthly liquid” assets, which includes cash, direct obligations of the U.S. Government, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

Diversification and Percentage Limitations:

(a) Non-government Securities

- ii.
- I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:
- a. Single industry 25%
    - i. Although Financials can have up to 70% single industry exposure for commercial paper holdings, the total financial industry exposure (commercial paper, CDs, corporate bonds, etc.) cannot exceed 25% of the entire portfolio.
  - b. Repurchase Agreements 50%
  - c. Total Credit (Corporates, Asset-backed Securities and CDs) is limited to 55% above its benchmark exposure.
    - i. Corporate Securities are limited to 50% above its benchmark exposure. Included in this limit are commercial paper, corporate notes and fixed and floating rate securities.
    - ii. Asset-backed securities are limited to 5% of the total portfolio value.
  - d. Private Placements 10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than three percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that securities total issuance outstanding with the following exceptions:
- a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion without limit.
  - b. Asset-backed securities are limited to a 1% maximum allocation to a single issuer (or trust) and to a sponsor.
- II. The only permissible securities include:
- U.S. government and government agency bonds,

- Debt obligations of domestic and non-U.S. corporations, (including Yankee bonds, Yankee CDs, CDs, and commercial paper), non-agency asset-backed securities (including asset-backed commercial paper),
  - The International Bank for Reconstruction and Development,
  - The African Development Bank,
  - The Asian Development bank,
  - Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
  - GNMAs,
  - FNMAs,
  - FHLMCs,
  - Municipal securities, and
  - Private Placements.
- a. All such securities and other obligations must be U.S. dollar denominated.
- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.
- iii. III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

#### Repurchase Agreements

- (a) Repurchase agreements will be subject to the following additional restrictions:
- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record, or master custodial bank, and under the terms of a written master repurchase agreement;
  - II. The maximum term of repurchase agreements will be 30 days.
- (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:



- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
- II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
- III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

#### Commercial Paper

- iv. (a) Commercial paper may be purchased directly from the issuers.
- (b) Commercial paper will be subjected to the following additional restrictions:
  - I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 “across the board” but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody’s Investor Service (Moody’s) and Fitch Ratings (Fitch).
  - II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. Dollar-denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
  - IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.
  - V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which will not exceed 70 percent at daily market value.

- VI. No more than three (3) percent of total par value of the total portfolio may be in one issuer or single issue. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter or credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
  - VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.
- vii. Certificates of Deposit (CDs)
- (a) CD's must be denominated in U.S. Dollars and will be subjected to the following restrictions:
    - I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
    - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### **4. Portfolio Characteristics:**

- i. Quality
  - (a) The total portfolio's average rating will be A- or better as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [AAA] rating.
  - (b) **Rated Securities:** At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply. At time of purchase, the maximum exposure to securities rated BBB or the equivalent will be 50% above the relevant benchmark exposure.
  - (c) **Unrated Securities:** Securities or other obligations (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.

**Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All

downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

ii. Duration Exposure

- (a) The effective duration of the Insurance Reserve Fund Trust will be within  $\pm$  30 percent of the Index.

**5. Administrative Fee:**

The administrative fee, established by the Proviso 98.5, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

**V. Long Term Pool (General Deposit Portfolio) - 03**

**1. Overview:**

Participants in this portfolio include trusts, endowments and scholarships. Beneficiaries may be the State, an Agency or an educational entity.

Section 6-6-10, Section 12-45-220 and Section 11-1-60 of the 1976 Code of Laws of South Carolina authorize the State Treasurer to receive, keep and invest all money of the State of South Carolina, which is not expressly required by law to be received and kept by another party.

The Long Term Pool’s investment objectives are: 1) preservation of capital, 2) maintaining adequate liquidity to meet cash flow needs, 3) attaining a competitive interest rate in relation to prevailing budgetary and economic environments, while taking into account the State’s investment risk constraints, the cash flow characteristics of the portfolio, and 4) legality, where the State Treasurer will invest the State’s excess funds only within the legal guidelines set forth by the laws of the State. Any investment alternative outside these guidelines is not permissible.

**2. Performance Objective and Benchmark:**

Given the Long Term Pool’s investment objectives, the goal of the Long Term Pool is to generate long-term performance exceeding that of the its benchmark over a full market cycle by investing in a diversified portfolio of investment grade, short-term fixed income securities.

i.

Benchmarks

Primary Benchmark:	Bloomberg Barclays Government/Credit Index
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**3. Investment Parameters:**

To provide for the safety and liquidity of the Long Term Pool, the investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., due to fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in

policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at his/her discretion.

i. Liquidity

- (a) The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “monthly liquid” assets, which includes cash, direct obligations of the U.S. Government, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

Diversification and Percentage Limitations:

ii.

(a) Non-government Securities

- I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:

- a. Single Industry 25%
- i. Although Financials can have up to 70% single industry exposure for commercial paper holdings, the total financial industry exposure (commercial paper, CDs, corporate bonds, etc.) cannot exceed 25% of the entire portfolio.
- b. Repurchase Agreements 50%
- c. Total Credit (Corporates, Asset-backed securities and CDs) is limited to 55% above its benchmark exposure.
- i. Corporate Securities are limited to 50% above its benchmark exposure. Included in this limit are commercial paper, corporate notes and fixed and floating rate securities.
- ii. Asset-backed Securities are limited to 5% of the total portfolio value.
- d. Private Placements 10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than three percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that security's total issuance outstanding with the following

exceptions:

- a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion without limit.
- b. Asset-backed securities are limited to a 1% maximum allocation to a single issuer (or trust) and to a sponsor.

- The only permissible securities include
- U.S. government and government agency bonds,
- Debt obligations of domestic and non-U.S. corporations, (including Yankee bonds, Yankee CDs, CDs, and commercial paper),
- Non-agency asset-backed securities (including asset-backed commercial paper),
- The International Bank for Reconstruction and Development,
- The African Development Bank,
- The Asian Development bank,
- Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
- GNMAs,
- FNMAs,
- FHLMCs,
- Municipal securities, and
- Private Placements.

- a. All such securities and other obligations must be U.S. dollar denominated.
- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.

- iii. II. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

Repurchase Agreements

- (a) Repurchase agreements will be subject to the following additional restrictions:
- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record, or master custodial bank, and under the terms of a written master repurchase agreement;
  - II. The maximum term of repurchase agreements will be 30 days.
- (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:
- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
  - II. the market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
  - III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

iv. Commercial Paper

- (a) Commercial paper may be purchased directly from the issuers.
- (b) Commercial paper will be subjected to the following additional restrictions:
- I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 "across the board" but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody's Investor Service (Moody's) and Fitch Ratings (Fitch).
  - II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. Dollar-denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
  - IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least

two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.

- V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which should not exceed 70 percent at daily market value.
  - VI. No more than three (3) percent of total par value of the total portfolio may be in one issuer or single issue. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter or credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
  - VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.
- v. Certificates of Deposit (CDs)
- (a) CD's must be denominated in U.S. Dollars and will be subjected to the following restrictions:
    - I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
    - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

i. **4. Portfolio Characteristics:**

Quality

- (a) The total portfolio's average rating will be A- or better as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [AAA] rating.
- (b) Rated Securities: At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply. At time of purchase, the maximum exposure to securities rated BBB or the equivalent will be 50% above the relevant benchmark exposure.



(c) **Unrated Securities:** Securities or other obligations (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.

I. **Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

Duration Exposure

ii.

(a) The effective duration of the Long Term Pool will be within  $\pm 30$  percent of the Index.

**5. Administrative Fee:**

The administrative fee, established by the Proviso 98.5, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## VI. SC Retirees Health Insurance Trust Fund – OPEB (RHI Trust) - HI

### 1. Overview:

The South Carolina Retirees Health Insurance Trust Fund (RHI Trust) was established by the State of South Carolina through Act 195 on May 1, 2008. In accordance with Act 195, the RHI Trust was created to provide for the employer costs of retiree post-employment health and dental insurance benefits for retired state employees and retired employees of public-school districts. The South Carolina Public Employee Benefit Authority (PEBA) administers the RHI Trust and the PEBA Board has been designated as the Trustee. The State Treasurer is the custodian of the funds held in the RHI Trust and invests those funds in accordance with the statutes of the State.

The investment objectives of the RHI Trust are primarily to accumulate and preserve assets from ongoing employer and participant contributions in order to meet benefit and expense obligations when due. Secondly, the RHI Trust seeks growth of assets using a diversified portfolio of investments, as allowed under S.C. Code of Laws § 11-9-660, that emphasizes current income and capital appreciation, while minimizing risk when possible.

PEBA executes and manages the benefits, services, expenditures, and costs associated with the RHI Trust, including plan options, vendors, and authorized service providers. PEBA’s controlled costs and expenditures impact the size of the unfunded liability as well. Moreover, the RHI Trust is “pay-as-you-go”; therefore, PEBA’s monthly disbursements to pay bills prevent the STO from investing the entirety of the funds.

The STO invests the RHI Trust funds dedicated for benefit services in accordance with strict, conservative statutory mandates and can only invest the amount of funds provided by the General Assembly. The STO has no input whatsoever on funding decisions made by the General Assembly or the management and expenditure of services by PEBA.

### 2. Performance Objective and Benchmark:

Given the RHI Trust’s investment objectives, the goal of the RHI Trust portfolio is to generate long-term performance exceeding its benchmark over a full market cycle by investing in a diversified portfolio of investment grade, fixed income securities.

#### i. Benchmarks

Primary Benchmark:	Bloomberg Barclays Intermediate Government/Credit Index
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### 3. *Investment Parameters:*

To protect capital and meet all benefit and expense obligations as they come due, the RHI Trust investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at their discretion.

#### i. Liquidity

- (a) The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “monthly” assets, which includes cash, direct obligations of the U.S. Government, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

#### ii. Diversification and Percentage Limitations

##### (a) Non-government Securities

- I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:
  - a. Single Industry 25%
    - i. Although Financials can have up to 70% single industry exposure for commercial paper holdings, the total financial industry exposure (commercial paper, CDs, corporate bonds, etc.) cannot exceed 25% of the entire portfolio.
  - b. Repurchase Agreements 50%
  - c. Total Credit (Corporates, Asset-backed Securities and CDs) is limited to 55% above its benchmark exposure.

- i. Corporate Securities are limited to 50% above its benchmark exposure. Included in this limit are commercial notes and fixed and floating rate securities.
  - ii. Asset-backed Securities are limited to 5% of the total portfolio value.
- d. Private Placements                      10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than three percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that security's total issuance outstanding with the following exceptions:
  - a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion without limit.
  - b. Asset-backed securities are limited to a 1% maximum allocation to a single issuer (or trust) and to a sponsor.
- II. The only permissible securities include:
  - U.S. government and government agency bonds,
  - Debt obligations of domestic and non-U.S. corporations (including Yankee bonds, Yankee CDs, CDs, and commercial paper),
  - Non-agency asset-backed securities (including asset-backed commercial paper),
  - The International Bank for Reconstruction and Development,
  - The African Development Bank,
  - The Asian Development bank,
  - Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
  - GNMA's,
  - FNMA's,
  - FHLMC's,
  - Municipal securities and
  - Private placements.

- a. All such securities and other obligations must be U.S. dollar

denominated.

- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.

- III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

iii. Repurchase Agreements

- (a) Repurchase agreements will be subject to the following additional restrictions:

- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record or master custodial bank, and under the terms of a written master repurchase agreement;
- II. The maximum term of repurchase agreements will be 30 days.

- (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:

- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
- II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
- III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

iv. Commercial Paper

- (a) Commercial paper may be purchased directly from the issuers.

- (b) Commercial paper will be subjected to the following additional restrictions:

- I. Commercial paper must be rated at the time of purchase in either of the two

highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 “across the board” but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody’s Investor Service (Moody’s) and Fitch Ratings (Fitch).

- II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. Dollar Denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
  - IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.
  - V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.
  - VI. No more than three (3) percent of total par value of the total portfolio may be in one issuer or single issue. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter or credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
  - VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.
- v. Certificates of Deposit (CDs)
- (a) CD’s must be denominated in U. S. Dollars and will be subjected to the following restrictions:
    - I. CD’s must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
    - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### 4. **Portfolio Characteristics:**

##### Quality

- i. (a) The total portfolio's average rating will be A- or better as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [AAA] rating.
- (b) **Rated Securities:** At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply. At time of purchase, the maximum exposure to securities rated BBB or the equivalent will be 50% above the relevant benchmark exposure.
- (c) **Unrated Securities:** Securities or other obligations (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.
- (d) **Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.
- ii.

##### Duration Exposure

- (a) The effective duration of the RHI Trust will be within  $\pm$  30 percent of the Index.

#### 5. **Administrative Fee:**

The administrative fee, established by SC Code of Laws §1-11-705, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## VII. Long-Term Disability Insurance – OPEB Trust Fund (LTDI Trust) - DI

### 1. Overview:

The Long-Term Disability Insurance Trust Fund (LTDI Trust) was established by the State of South Carolina through Act 195 on May 1, 2008. In accordance with Act 195, the LTDI Trust was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan. The Employee Insurance Program administers the Trust, and the State Fiscal Accountability Authority is the Trustee. The State Treasurer is the custodian of the funds held in the Trust and invests those funds in accordance with the statutes of the State.

The investment objectives of the LTDI Trust are primarily to accumulate and preserve assets from ongoing employer and participant contributions in order to meet all benefit and expense obligations when due. Secondly, the LTDI Trust seeks growth of assets using a diversified portfolio of fixed-income investments, as allowed under S.C. Code of Laws § 11-9-660, that emphasizes current income and capital appreciation, while minimizing risk when possible.

### 2. Performance Objective and Benchmark:

Given the LTDI Trust's investment objectives, the goal of the LTDI Trust is to generate long-term performance exceeding that of its benchmark over a full market cycle by investing in a diversified portfolio of fixed income securities.

i.

#### Benchmarks

Primary Benchmark:	Bloomberg Barclays Government/Credit Index
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### 3. Investment Parameters:

To protect capital and meet all benefit and expense obligations as they come, due the LTDI Trust investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.



Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at his/her discretion.

### Liquidity

- i. (a) The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “monthly liquid” assets, which includes cash, direct obligations of the U.S. Government, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

### Diversification and Percentage Limitations

- ii. (a) Non-government Securities
  - I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at market:
    - a. Single Industry 25%
      - i. Although Financials can have up to 70% single industry exposure for commercial paper holdings, the total financial industry exposure (commercial paper, CDs, corporate bonds, etc.) cannot exceed 25% of the entire portfolio.
    - b. Repurchase Agreements 50%
    - c. Total Credit (Corporates, Asset-backed Securities and CDs) is limited to 55% above its benchmark exposure.
      - i. Corporate Securities are limited to 50% above its benchmark exposure. Included in this limit are commercial paper, corporate notes and fixed and floating rate securities.
      - ii. Asset-backed Securities are limited to 5% of the total portfolio value.
    - d. Private Placements 10%
  - (b) Holdings are subject to the following limitations by issuer:
    - I. No more than three percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that security’s total issuance outstanding with the following exceptions:
      - a. Obligations issued or guaranteed by the U.S. government, U.S. agencies,

or U.S. government-sponsored enterprises are eligible for inclusion without limit.

- b. Asset-backed securities are limited to a 1% maximum allocation to a single issuer (or trust) and to a sponsor.

II. The only permissible securities include:

- U.S. government and government agency bonds,
- debt obligations of domestic and non-U.S. corporations (including Yankee bonds, Yankee CDs, CDs, and commercial paper),
- Non-agency asset-backed securities (including asset-backed commercial paper),
- The International Bank for Reconstruction and Development,
- The African Development Bank, or
- The Asian Development bank,
- Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
- GNMA's,
- FNMA's,
- FHLMC's,
- Municipal securities and
- Private placements.

- a. All such securities and other obligations must be U.S. dollar denominated.

- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations and are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.

- iii. III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

Repurchase Agreements

- (a) Repurchase agreements will be subject to the following additional restrictions:

- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record or master custodial bank, and under the terms of a written master repurchase agreement; and
  - II. The maximum term of repurchase agreements will be 30 days.
- (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:
- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
  - II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
  - III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

#### Commercial Paper

iv.

- (a) Commercial paper may be purchased directly from the issuers
- (b) Commercial paper will be subjected to the following additional restrictions:
  - I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 "across the board" but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody's Investor Service (Moody's) and Fitch Ratings (Fitch).
  - II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. Dollar Denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
  - IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two

different ratings.

- V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.
  - VI. No more than three (3) percent of total par value of the total portfolio may be in one issuer and no more than five percent of that security's total issuance outstanding. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter or credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
  - VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.
- v. Certificates of Deposit (CDs)
- (a) CD's must be denominated in U.S. Dollars and will be subjected to the following restrictions:
    - I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
    - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### **4. Portfolio Characteristics:**

i. Quality

- (a) The total portfolio's average rating will be A- or better as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [AAA] rating.
- (b) Rated Securities: At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade, fixed-income securities as defined by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply. At time of purchase, the maximum exposure to securities rated BBB or the equivalent will be 50% above the relevant benchmark exposure.

- (c) **Unrated Securities:** Securities or obligations (other than U.S. government debt) not covered by the standards in (13) above are not permissible investments.
  
  - (d) **Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.
- ii. Duration Exposure
- (a) The effective duration of the LTDI Trust will be within  $\pm$  30 percent of the index.

**5. Administrative Fee:**

The administrative fee, established by SC Code of Laws §1-11-707, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## VIII. Education Improvement Fund (General Deposit) - EI

### 1. **Overview:**

The Education Capital Improvements Sales and Use Tax Act was established by the State of South Carolina through Act 316 on June 12, 2008. In accordance with Act 316, revenues of the sales and use tax collected must be remitted to the State Treasurer and credited to a fund separate and distinct from the State General Fund. The State Treasurer is the custodian of the funds held in the portfolio and invests those funds in accordance with the statutes of the State.

The Education Improvement Fund's investment objectives are: 1) preservation of capital, 2) maintaining adequate liquidity to meet cash flow needs, and 3) providing a competitive interest rate relative to other comparable investment alternatives.

### 2. **Performance Objective and Benchmark:**

Given the Education Improvement Fund's investment objectives, the goal of the Education Improvement Fund is to generate long-term performance as compared to the Overnight Bank Funding Rate (OBFR).

### 3. **Investment Parameters:**

To provide for the safety and liquidity of the Education Improvement Fund, the investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at their discretion.

#### i. Liquidity

The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “daily liquid” assets, which includes cash, direct obligations of the U.S. Government with maturities of 1 year or less, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

ii. Diversification and Percentage Limitations

(a) Non-government Securities

- I. At the time of purchase, the maximum investment in the debt of a single industry will be 25 percent, excluding financials, which are not to exceed 70 percent.
- II. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at an amortized cost:
  - a. Single Industry (except financials) 25%
  - b. Financials 70%
  - c. Private Placements 10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than five percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that securities total issuance outstanding with the following exceptions:
  - a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion without limit.
- II. The only permissible securities include:
  - U.S. government and government agency bonds,
  - Debt obligations of domestic and non-U.S. corporations (including Yankee bonds, Yankee CDs, CDs, and commercial paper (including asset-backed commercial paper),
  - The International Bank for Reconstruction and Development,
  - The African Development Bank,
  - The Asian Development bank,
  
  - Other supranationals (if in corporate form), or Organization for

Economic Cooperation and Development governments or agencies (in each case, if in corporate form),

- GNMAAs,
- FNMAAs,
- FHLMAAs,
- Municipal securities, and
- Private Placements.

- a. All such securities and other obligations must be U.S. dollar denominated.
- b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.

- III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, non-agency asset-backed securities (non-agency asset backed commercial paper is not prohibited), Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.

iii. Investment Maturity

(a) Maximum Final Maturity

- I. One hundred percent of the portfolio will be invested in securities with maturities of 90 days or less.

iv. Repurchase Agreements

(a) Repurchase agreements will be subject to the following additional restrictions:

- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record or master custodial bank, and under the terms of a written master repurchase agreement.
- II. The maximum term of repurchase agreements will be 30 days.

(b) Securities utilized in repurchase agreements will be subject to the following



additional restrictions:

- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
- II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
- III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

v. Commercial Paper

(a) Commercial paper may be purchased directly from the issuers.

(b) Commercial paper will be subjected to the following additional restrictions:

- I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g. A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 “across the board” but may also be split rated paper (e.g. A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody’s Investor Service (Moody’s) and Fitch Ratings (Fitch).
- II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
- III. Commercial paper must be U.S. Dollar Denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
- IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least two NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.
- V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.

- VI. No more than five percent of total par value of the total portfolio may be in one issuer and no one position will be greater than five percent of that security's total issuance outstanding. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter or credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-1, A-1/P-1, P-1/F1+).
  - VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.
- vi. Certificates of Deposit (CDs)
- (a) CD's must be denominated in U.S. Dollars and will be subjected to the following restrictions:
    - I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
    - II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

#### 4. **Portfolio Characteristics:**

i. Quality

- (a) The total portfolio's average rating will be at least A-1/P-1, or the equivalent as rated by Moody's, Standard & Poor's (S&P), and/or Fitch. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, and U.S. government-sponsored enterprises are deemed to carry a [A-1+] rating.
- (b) **Rated Securities:** At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is rated by only two NRSROs, the lower rating (if applicable) shall apply.
- (c) **Unrated Securities:** Securities or other obligations (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.

(d) **Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

ii. Maturity

(a) The maximum maturity will be no greater than 90 days.

5. **Administrative Fee:**

The administrative fee, established by the Proviso 98.4, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## IX. Ordinary Sinking Fund – SA

### 1. **Overview:**

The Ordinary Sinking Fund is derived from receipts from the sale and/or income of public lands. All monies arising from the redemption of lands, leases, and sales of property or otherwise coming to the authority for the Ordinary Sinking Fund must be paid into the State Treasury. These monies must be kept on a separate account by the Treasurer as a fund to be drawn upon the warrants of the department for the exclusive uses and purposes which have been or shall be declared in relation to the Ordinary Sinking Fund.

In accordance with S.C. Code of Laws § 11-9-610, the Ordinary Sinking Fund is controlled by the State Fiscal Accountability Authority. Proceeds are used for emergency purposes.

The Ordinary Sinking Fund's investment objectives are: 1) preservation of capital, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparable investment alternatives.

### 2. **Performance Objective and Benchmark:**

#### i. Liquidity

Given the Ordinary Sinking Fund's investment objectives, the goal of the Ordinary Sinking Fund is to generate long-term performance exceeding that of the Overnight Bank Funding Rate (OBFR).

### 3. **Investment Parameters:**

To protect capital and meet all expense obligations when due, the Ordinary Sinking Fund investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required for all non-passive violations. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at his/her discretion.

i. Liquidity

The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “daily liquid” assets, which includes cash, direct obligations of the U.S. Government with maturities of 1 year or less, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

ii. Diversification and Percentage Limitations

(a) Non-government Securities

- I. Investments in non-government securities will not exceed the following percentages of the total daily portfolio balance at amortized cost:

a. Single Industry (except Financials)	25%
b. Financials	70%
c. Private Placements	10%

(b) Holdings are subject to the following limitations by issuer:

- I. No more than five percent of the market value of the portfolio shall be invested in any one issuer and no one position will be greater than five percent of that security’s total issuance with the following exceptions:

- a. Obligations issued or guaranteed by the U.S. government, U.S. agencies, or U.S. government-sponsored enterprises are eligible for inclusion without limit.

II. The only permissible securities include:

- U.S. government and government agency bonds,
- Debt obligations of domestic and non-U.S. corporations, (including Yankee bonds, Yankee CDs, CDs, and commercial paper (including asset-backed commercial paper),
- The International Bank for Reconstruction and Development,
- The African Development Bank,
- The Asian Development bank,
- Other supranationals (if in corporate form), or Organization for Economic Cooperation and Development governments or agencies (in each case, if in corporate form),
- GNMA’s,
- FNMA’s,
- FHLMA’s,

- Municipal securities, and
  - Private Placements.
- a. All such securities and other obligations must be U.S. dollar denominated.
  - b. Investment in U.S. dollar denominated issues of foreign governments and international organizations are permitted; however, these shall not exceed 20 percent of the lesser of cost or market value of the aggregate portfolio. Domestic branches of foreign banks and corporations are not included in this limit.
- III. At present, prohibited securities include: non-agency commercial mortgage bonds (including non-agency CMOs), non-agency mortgage-backed securities, non-agency asset-backed securities (non-agency asset-backed commercial paper is not prohibited), Rule 144A investment-grade bonds without registration rights, financial futures, forward foreign exchange contracts, currency futures, derivatives, and all security types outlined in *Section L. Excluded Investments*.
- iii. Investment Maturity
- (a) Maximum Final Maturity
    - I. One hundred percent of the portfolio will be invested in securities with maturities of 90 days or less.
- iv. Repurchase Agreements
- (a) Repurchase agreements will be subject to the following additional restrictions:
    - I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State's bank of record or master custodial bank, and under the terms of a written master repurchase agreement.
    - II. The maximum term of repurchase agreements will be 30 days.
  - (b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:
    - I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
    - II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement,

plus accrued income;

- III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

v. Commercial Paper

- (a) Commercial paper may be purchased directly from the issuers.
- (b) Commercial paper will be subjected to the following additional restrictions:
  - I. Commercial paper must be rated at the time of purchase in either of the two highest short-term rating categories (e.g., A-1/P-1/F1, A-2/P-2/F2) by at least two nationally recognized statistical rating organizations (NRSROs). Ratings may be tier 1 or tier 2 “across the board”, but may also be split rated paper (e.g., A-1/P-2 or A-2/P-2/F1). Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings. The nationally recognized statistical rating organizations used by the STO include the following: Standard & Poors (S&P), Moody’s Investor Service (Moody’s) and Fitch Ratings (Fitch).
  - II. Eligible paper is further limited to issuing corporations that have a total commercial paper program size greater than or equal to \$750 million.
  - III. Commercial paper must be U.S. Dollar Denominated and issued by a corporation organized and/or operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States.
  - IV. No more than 10 percent of the market value of the portfolio may be placed in second-tier securities, which shall mean any security that is rated by at least NRSROs as tier 2 and does not have any tier 3 ratings. Split rated paper is considered tier 2 for compliance purposes when there are only two different ratings.
  - V. Approved commercial paper programs should provide some diversification by industry. The maximum amount of commercial paper in any one industry will be 25 percent, excluding financials, which are not to exceed 70 percent at daily market value.
  - VI. No more than five percent of total par value of the total portfolio may be in one issuer and no one position will be greater than five percent of that security’s total issuance outstanding. There may be deviations to the policy maximum due to settlement issues.
  - VII. Commercial paper backed by a direct letter or credit from a financial institution must be rated tier 1 or better by at least two NRSROs (e.g. A-1+/P-

1, A-1/P-1, P-1/F1+).

VIII. Additionally, asset-backed commercial paper shall not exceed 25% of the market value of the portfolio.

vi. Certificates of Deposit (CDs)

(a) CD's must be denominated in U.S. Dollars and will be subjected to the following restrictions:

- I. CD's must bear an investment grade credit tier 1 or better rating (e.g. A-1+/P-1, A-1/P-1, P-1/F1+) from at least two NRSROs.
- II. No more than five percent of total par value of the total portfolio may be in one issuer. There may be deviations to the policy maximum due to settlement issues.

**4. Portfolio Characteristics:**

i. Quality

- (a) The total portfolio's average rating will be A-1/P-1 or better as rated by Moody's, Standard & Poor's (S&P), or Fitch. For purposes of determining the average credit quality of the portfolio, debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or instrumentalities, or U.S. government-sponsored enterprises (U.S. government debt) are deemed to carry an [A-1+] rating.
- (b) **Rated Securities:** At time of purchase, each security or other obligation (other than U.S. government debt) must be rated investment-grade as defined by at least two of the Nationally Recognized Statistical Rating Organizations (NRSRO). If a security is not rated by only two NRSROs, the higher rating shall apply.
- (c) **Unrated Securities:** Securities or other obligations (other than U.S. government debt) not covered by the standards in (3) above are not permissible investments.
- (d) **Downgraded Securities:** Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the Investment Adviser(s)' discretion with the approval of the Treasurer. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include the



following information: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

ii. Maturity

(a) The maximum maturity will be no greater than 90 days.

**5. Administrative Fee:**

The administrative fee, established by the Proviso 98.4, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## X. Treasury Fund (General Deposit) – 04

### 1. **Overview:**

The Treasury Fund was established by the State of South Carolina in 1989 to provide a vehicle to invest the reserve funds of The Medical University of South Carolina that are restricted to U.S. Treasuries.

The investment objectives of the Treasury Fund are primarily to accumulate and preserve assets, growth of assets, as allowed under S.C. Code of Laws § 11-9-660, while emphasizing current income and capital appreciation, while minimizing risk when possible.

### 2. **Performance Objective and Benchmark:**

Given the Treasury Fund's investment objectives, the goal of the Treasury Fund is to generate long-term performance exceeding that of its benchmark over a full market cycle by investing in a portfolio of U.S. Treasury securities.

#### i. Benchmarks

Primary Benchmark:	Bloomberg Barclays 1-3 Year Government Index
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### 3. **Investment Parameters:**

To protect capital and meet all obligations when due, the Treasury Fund's investment portfolio will be subject to the restrictions listed below. These represent baseline investment restrictions under this formal investment policy.

Minimum/maximum percentages for an issuer or issue, investment type or liquidity constraints may on occasion be exceeded (e.g., fluctuations in fund balances and/or settlement issues/rollover dates). Passive violations do not require securities to be liquidated to realign the portfolio. However, consideration will be given to this matter when future purchases are made. Additionally, the Investment Adviser(s) is required to notify the State Treasurer, in writing within 1 business day of a non-compliance event. The Investment Adviser(s) must provide an explanation of the rationale for the deviation in policy within 2 business days, including the duration of time the portfolio is expected to be misaligned with the policy guidelines.

Approval from the State Treasurer is required. Once the State Treasurer is notified, a determination will be made if an exception is granted for the temporary policy exemption. If the exemption is not granted, the portfolio will be realigned within policy limits within 30 days. Temporary policy exceptions are limited to three months. The Treasurer can extend these exceptions at his/her discretion.

#### i. Liquidity

The investment portfolio will be structured to maintain a sufficient degree of liquidity necessary to meet reasonable redemption requests. A minimum of ten percent will be maintained in “daily liquid” assets, which includes cash, direct obligations of the U.S. Government, demand deposits, overnight repurchase agreements, and securities that mature the following business day.

ii. Repurchase Agreements

(a) Repurchase agreements will be subject to the following additional restrictions:

- I. Transactions will be conducted only with primary dealers, the Federal Reserve Bank of New York, the State’s bank of record or master custodial bank, and under the terms of a written master repurchase agreement.
- II. The maximum term of repurchase agreements will be 30 days.

(b) Securities utilized in repurchase agreements will be subject to the following additional restrictions:

- I. Securities utilized in a repurchase agreement with a maturity date longer than seven days will be priced daily;
- II. The market value, plus accrued income, of securities utilized in repurchase agreements will be 102 percent of the value of the repurchase agreement, plus accrued income;
- III. Only securities authorized in SC Code Section 11-9-660(A)(1) for the investment of public funds will be utilized as collateral in repurchase agreements.

**4. Portfolio Characteristics:**

iii. Quality

(a) The total portfolio's average rating will be AA+, or equal to the current credit rating of the U.S. Government, as rated by Moody’s, Standard & Poor’s (S&P), and/or Fitch.

- I. All downgraded securities below the minimum credit requirement held in the portfolio must be reported to the Treasurer on at least a monthly basis. The Investment Adviser(s) is required to notify the State Treasurer immediately in writing of compliance violations. The written communication should be emailed to the State Treasurer and the Director of Investments with Senior Investment Analysts copied on the correspondence. The correspondence should be written by the Portfolio Manager in charge of the portfolio where the compliance violation has occurred and should include information such as: date of occurrence, security involved, a detailed explanation of the non-compliance event, and resolution.

iv. Duration Exposure

- (a) The effective duration of the Treasury Fund will be within  $\pm$  30 percent of the Index.

**5. Administrative Fee:**

The administrative fee, established by the Proviso 98.4, is set by the Division Director with the approval of the State Treasurer. This fee may change upon recommendation by the Division Director to the State Treasurer.

## GLOSSARY

**ASSET-BACKED SECURITY (ABS)** - A security backed by notes or receivables against assets other than real estate. Examples are automobiles and credit card receivables.

**AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS** - Broker/dealers and financial institutions approved by the State Treasurer to provide investment services.

**BANKERS' ACCEPTANCES (BA)** - Negotiable short-term financial instruments, which are unconditional obligations of the accepting bank. They are issued on a discount basis.

**BENCHMARK** - A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BROKER** - A party who brings buyers and sellers together and charges a commission, fee, or "mark-up" for this service.

**CERTIFICATE OF DEPOSIT (CD)** - A negotiable time deposit issued by a bank in certificate form. A CD is issued with a specific maturity date and pays interest at maturity.

**COLLATERAL** - Securities or cash for which a borrower pledges to secure repayment of a loan.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO)** - A security that pools together mortgages and separates them into short, medium, and long-term "tranches". Tranches are set up to pay different rates of interest depending upon their maturity. Interest is usually received on a monthly basis.

**COMMERCIAL PAPER (CP)** - A short-term promissory note issued by a corporation. Commercial paper is issued on a discount basis and has specific maturity dates.

**CORPORATE NOTE/BOND** - A negotiable security issued by a corporation.

**DEALER** - An enterprise that buys and sells for its own account.

**DELIVERY VS. PAYMENT (DVP)** - The exchange of securities and cash at settlement date.

**DISCOUNT BASIS** - The price of a security expressed as an annualized rate of discount. Discounted securities are purchased at a dollar price below face value and mature at face value.

**DIVERSIFICATION** - Allocating investment funds to a variety of securities to minimize market risk.

**DURATION** - The weighted average maturity of the security's cash flows, where the present values of the cash flows serve as the weights. The greater the duration of a security, the greater its percentage price volatility.

**FAIR VALUE** - The amount at which an investment can be exchanged between buyer and seller.

**FANNIE MAE (FNMA)** - Established by Congress in 1938 to provide liquidity to the mortgage market, especially the secondary market for residential mortgages. Legislation in 1968 transformed the agency into a publicly owned, privately managed corporation but which still requires government regulation. Previously known as the Federal National Mortgage Association.

**FEDERAL AGRICULTURAL MORTGAGE CORPORATION ("FARMER MAC")** - A federally chartered agency of the United States. It was established to provide a secondary market for agricultural real estate mortgage loans.

**FEDERAL FARM CREDIT BANK (FFCB)** - The Federal Farm Credit Administration, a federal agency, is responsible for regulating the banks and associations that comprise the Federal Farm Credit System. This System provides credit solely to the United States agricultural sector.

**FEDERAL FUNDS RATE** - The interest rate charged by banks having excess reserves to banks needing the money to meet reserve requirements.

**FEDERAL HOME LOAN BANK (FHLB)** - The Federal Home Loan Bank Board, established by Congress in 1932, is comprised of 12 Federal Home Loan Banks. The Board is authorized to provide support and liquidity to savings and loans, banks, and insurance companies engaged in home financing.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (“FREDDIE MAC”)** - Established by Congress in 1970 to enhance the liquidity of mortgage investments and to improve the distribution of investment capital available for home mortgage financing. Legislation in 1989 transformed the agency into a publicly owned, privately managed corporation but which still requires government regulation.

**FIDUCIARY STANDARD** - Investment advisers are bound to a fiduciary standard that was established as part of the Investment Advisers Act of 1940 and under South Carolina Law. They can be regulated by the SEC or state securities regulators, both of which hold advisers to a fiduciary standard that requires them to put their client's interests above their own.

**FLOATING RATE NOTES (“FLOATERS”)** – Securities issued with a variable rate that resets (daily, weekly, monthly, quarterly, etc.), according to the index it is benchmarked against. When issued, the security can either be benchmarked to an index with no spread, a positive spread, or a negative spread which will hold steady through the life of the security.

**GOVERNMENT AGENCIES** - Refers to securities issued by agencies of the United States government and United States government sponsored enterprises. Securities issued range in maturity from overnight to longer than 10 years. Securities may be issued on a discount basis or may be interest bearing. Agencies would include FARMER MAC, FFCB, FHLB, FREDDIE MAC, and FANNIE MAE.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR “GINNIE MAE”)** - Established in 1986 to take over some of the functions performed by FNMA. GNMA is an agency controlled by the Department of Housing and Urban Development (HUD). GNMA is authorized to confer a full faith and credit guarantee of the United States government for the timely payment of both principal and interest on packages of mortgages it creates in its mortgage pass-through securities program.

**LIQUIDITY** - The capacity to meet future financial obligations from available resources.

**MASTER REPURCHASE AGREEMENT** - A written contract between the State Treasurer and an approved counter-party, which details each party's obligations in a repurchase agreement transaction. Among other things, it will specify the right of the buyer to liquidate the underlying securities in the event of default by the seller.

**MONEY MARKET FUNDS** - A fund that invests only in money market instruments, or those securities having a maturity of 397 days and under.

**PREMIUM** - The amount by which the market price of an issue exceeds face value, or par.

**PRUDENT PERSON RULE** - An investment standard which may be adopted by an investment organization to guide those with the responsibility for the investment of money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments.

**RATINGS** - The evaluation of an issuer's credit standing is limited to the Nationally Recognized Statistical Rating Organizations (NRSROs) published by Moody's, Standard & Poor's (S&P), and Fitch.

**REPURCHASE AGREEMENT** - A simultaneous sale of securities by a bank or broker/dealer with an agreement to repurchase those securities at an agreed upon date and an agreed-upon rate of interest.

**SAFEKEEPING** - A fee arrangement whereby an approved financial institution holds a customer's securities in its vaults, or in the case of book-entry securities, maintains a safekeeping receipt recorded in the customer's name as evidence of ownership.

**STUDENT LOAN MARKETING ASSOCIATION (SALLIE MAE)** - Established in 1972 by Congress as a publicly owned, government sponsored enterprise (GSE), created to provide liquidity for originators of student loans made under federally sponsored student loan programs. In 1997, shareholders voted to privatize Sallie Mae, although the GSE remains the obligor in all pre and post privatization public debt issued.

**UNITED STATES TREASURY BILLS (T-BILLS)** - Short-term government securities with maturities ranging from a few days to 52 weeks. Bills are sold at a discount from their face value. For purposes of this CIP, the STO considers all United States Treasury securities with a remaining maturity of one year or less to be Treasury Bills, regardless of issue date.

**UNITED STATES TREASURY NOTES** - Government securities that are issued with maturities of 2, 3, 5, 7, and 10 years and pay interest every six months.

**UNITED STATES TREASURY BONDS** – Government securities that are issued with a maturity of 30 years and pay interest every six months.

**YIELD / YIELD TO MATURITY** - The rate of annual return on an investment expressed as a percentage. The total money earned from investment date to maturity date assuming: 1) semi-annual interest payments, 2) interest is reinvested at same rate security was purchased at, and 3) the premium is subtracted or discount is added to final money.

**STO PORTFOLIO BENCHMARK DEFINITIONS**

	<b>LGIP</b>	<b>General Fund</b>	<b>State Investment Pool</b>
Previously	100% BofAML 3 mo T-Bills	100% BC 1-3 Yr Govt/Credit	100% BC 1-3 Yr Govt/Credit
10/1/15 - 2/28/16	35% BofAML 3 mo T-Bills 35% S&P U.S. CP 30% BC Short-term Gov/Corp	40% BofAML 3 mo T-Bills 25% S&P U.S. CP 25% BC 1-3 Yr Govt/Credit 10% BC Aggregate	15% BofAML 3 mo T-Bills 30% S&P U.S. CP 30% BC 1-3 Yr Govt/Credit 20% BC Aggregate
3/1/16 - 12/31/16	70% BofAML 3 mo T-Bills 30% BCs Short-term Gov/Corp	65% BofAML 3 mo T-Bills 25% BC 1-3 Yr Govt/Credit 10% BC Aggregate	45% BofAML 3 mo T-Bills 30% BC 1-3 Yr Govt/Credit 20% BC Aggregate
1/1/17 - 10/31/17	80% BofAML 3 mo T-Bills 20% BC Short-term Gov/Corp	50% BofAML 3 mo T-Bills 30% BC 1-3 Yr Govt/Credit 20% BC Inter Aggregate	40% BofAML 3 mo T-Bills 30% BC 1-3 Yr Govt/Credit 30% BC Inter Aggregate
11/01/17 – current	100% iMoneyNet Taxable Inst.	100% BBC 1-3 Yr Govt/Credit	100% BBC 1-5 Yr Govt/Credit

	<b>Insurance Reserve</b>	<b>Long-Term Pool</b>	<b>SCRHI</b>	<b>LTDI</b>
Previously	100% BC Aggregate	100% BC Aggregate	100% BC Aggregate	100% BC Aggregate
10/1/15 - 2/28/16	15% BofAML 3 mo T-Bills 5% S&P U.S. CP 80% BC Aggregate	10% BofAML 3 mo T-Bills 90% BC Aggregate	20% BofAML 3 mo T-Bills 5% S&P U.S. CP 75% BC Aggregate	20% BofAML 3 mo T-Bills 5% S&P U.S. CP 75% BC Aggregate
3/1/16 - 12/31/16	20% BofAML 3 mo T-Bills 80% BC Aggregate	20% BofAML 3 mo T-Bills 80% BC Aggregate	25% BofAML 3 mo T-Bills 75% BC Aggregate	25% BofAML 3 mo T-Bills 75% BC Aggregate
1/1/17 - 10/31/17			20% BofAML 3 mo T-Bills 80% BC Aggregate	20% BofAML 3 mo T-Bills 80% BC Aggregate
11/01/17 – current	BBC Intermediate Govt/Credit	BBC Govt/Credit	BBC Intermediate Govt/Credit	BBC Govt/Credit



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	<b>Edu. Improvement Fund</b>	<b>Ord. Sinking Fund</b>	<b>Treasury Fund</b>
Previously	100% Fed Funds Rate	100% Fed Funds Rate	100% BC Govt 1-3 Yr
11/01/17 – current	100% Overnight Bank Funding Rate (OBFR)	100% Overnight Bank Funding Rate (OBFR)	Bloomberg Barclays 1-3 Year Government Index

# EXHIBIT 17

**From:** Putman, Thomas <Thomas.Putman@claconnect.com>  
**Sent:** Wednesday, January 17, 2024 4:47 PM  
**To:** Evans, Marissa; Adams, Clarissa  
**Cc:** Omisore, Remi  
**Subject:** [External] General Fund Negative Cash Balances  
**Attachments:** For Treasury.xlsx

Hello,

Please see the attached excerpt of accounts that make up the \$-474,408 of cash and equivalents that was pulled from Katherine Kip's workbook, and a snip of **the initial ACFR draft** in which those were reported. Please let us know if you

State of South Carolina

**Balance Sheet**  
 GOVERNMENTAL FUNDS  
 June 30, 2023  
 (Expressed in Thousands)


	General Fund	Departmental/Program Activities	Local Government Substitutions	Department of Transportation Special Revenue
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,114,408	\$ 508,838	\$ 154,288	\$ 3,089,873
Investments	1,461,000	1,948,987	343,863	—
Secured securities lending collateral	483,839	82,438	38,815	85,881
Receivables, net	—	388,368	1,820	25,328
Accounts receivable	126,013	260	—	—
Contractual	—	749	—	—
Accounts receivable	125,792	13,879	1,688	—
Interest receivable	1,286,995	—	—	—
Notes and other loans	304,929	1,828	—	7,748
Financial instruments	—	—	—	—
Prepaid accounts	18,884	2,746	—	—
Loans and notes	38,546	—	782,967	4,395
Leases	8,700	4,881	—	—
Due from Federal government and other parties	10,342	1,588,006	7,758	144,780
Due from other funds	88,422	17,917	26,074	184,874
Due from component units	83,886	188	4,080	42
Interfund receivables	81,157	4,788	81,544	—
Interfund	32,157	48,888	—	4,294
Prepaid assets	18,545	—	681,323	—
Cash and cash equivalents	—	—	8,688	—
Accounts receivable, net	—	—	13,384	—
Other	36,400	8,414	—	5,362
Prepaid assets	192	—	—	762
Other assets	—	—	—	—
<b>Total assets</b>	<b>\$ 14,840,654</b>	<b>\$ 4,125,195</b>	<b>\$ 2,887,238</b>	<b>\$ 3,987,868</b>
<b>LIABILITIES</b>				
Accounts payable	389,871	440,287	4,307	218,562
Accrued salaries and related expenses	134,448	87,624	111	24,880
Postponed payments	41	1,340	—	—
Tax refunds payable	1,133,878	—	—	—
Payable to individuals/entities	8,088	18,860	—	—
Intergovernmental payables	72,767	3,148,888	23,541	—
Due to other funds	384,088	57,327	983	1,838
Due to component units	31,870	(7,773)	—	—
Interfund payables	4,740	940	—	81,544
Unearned revenues	25,124	1,817,457	18,311	321,328
Deposits	—	—	38,725	1,872
Securities lending collateral	483,839	82,438	48,813	85,881
Other liabilities	872,058	13,727	—	—
<b>Total liabilities</b>	<b>\$ 3,189,891</b>	<b>\$ 3,882,894</b>	<b>\$ 227,281</b>	<b>\$ 636,486</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	12,870	48,548	(3,988)	4
Deferred merchandise (revenue)	38,777	—	—	—
Loans related	7,883	5,435	—	—
<b>Total deferred inflows of resources</b>	<b>\$ 59,530</b>	<b>\$ 54,993</b>	<b>\$ 18,087</b>	<b>\$ 4</b>
<b>FUND BALANCES</b>				
Nonspendable	141,290	38,400	—	8,881
Restricted	(1,588,438)	(60,814)	(2,414,488)	(8,272,614)
Committed	—	38,564	—	—
Assigned	722,538	—	—	—
Unassigned	5,800,150	(3,733)	—	—
<b>Total fund balances</b>	<b>\$ 4,275,440</b>	<b>\$ 84,357</b>	<b>\$ 2,414,488</b>	<b>\$ 2,887,238</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 14,243,228</b>	<b>\$ 4,170,183</b>	<b>\$ 2,887,238</b>	<b>\$ 3,987,868</b>

(474,408)  
 11,481,666  


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 11,007,258

would like to discuss further.  
Thank you,

Thomas Putman  

 Thomas Putman, CPA  
 Senior Associate  
 State and Local Government  
 CLA (CliftonLarsonAllen LLP)

Direct 410-308-8024  
[thomas.putman@CLAconnect.com](mailto:thomas.putman@CLAconnect.com)

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**CliftonLarsonAllen LLP**

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# EXHIBIT 18

## Adams, Clarissa

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**From:** Adams, Clarissa  
**Sent:** Tuesday, December 12, 2023 6:00 PM  
**To:** Simmons, Melissa; Kelly, Shelly; Evans, Marissa; Breazeale, Perry; Miller, Leann; Royal, Caroline; Macdonald, Robert  
**Subject:** Fwd: CG Letter  
**Attachments:** image001.jpg; Letter to Treasurer Loftis 12.12.23.pdf; FY 2023 ACFR - Draft - 2023-11-30.pdf

FYI...we will discuss tomorrow.  
Clarissa



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

Begin forwarded message:

**From:** "Loftis, Curtis" <Curtis.Loftis@sto.sc.gov>  
**Date:** December 12, 2023 at 4:08:49 PM EST  
**To:** "Adams, Clarissa" <Clarissa.Adams@sto.sc.gov>  
**Subject:** FW: Letter

In case u did not receive...

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**From:** Gaines, Brian (CG) <bgaines@cg.sc.gov>  
**Date:** Tuesday, December 12, 2023 at 4:04 PM  
**To:** Loftis, Curtis <Curtis.Loftis@sto.sc.gov>  
**Subject:** RE: Letter

Good afternoon Mr. Treasurer,

Please see attached.

Also, thank you so very much for my Christmas card. Likewise, I hope you have a most enjoyable holiday season!

--Brian

Brian J. Gaines

Comptroller General

**From:** Loftis, Curtis <Curtis.Loftis@sto.sc.gov>

**Sent:** Thursday, November 30, 2023 3:18 PM

**To:** Gaines, Brian (CG) <bgaines@cg.sc.gov>

**Subject:** Letter

Good afternoon General,

Please see the attached letter.

I hope you and yours have a wonderful upcoming holiday season.

Curt

**Curtis M. Loftis, Jr. | State Treasurer**

South Carolina Treasurer's Office

803.734.2016

[Curtis.Loftis@sto.sc.gov](mailto:Curtis.Loftis@sto.sc.gov)

An outline map of the state of South Carolina, centered on the page. The text is placed within the map's boundaries.

**STATE OF  
SOUTH CAROLINA**

**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**

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

**2023**

**Prepared by the Comptroller General's Office**



**Balance Sheet**

GOVERNMENTAL FUNDS

June 30, 2023

(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ —	\$ 546,636	\$ 159,395
Investments.....	11,007,258	1,846,867	543,884
Invested securities lending collateral.....	492,055	62,486	46,613
Receivables, net:			
Accounts.....	138,015	280,359	1,822
Contributions.....	260	749	—
Accrued interest.....	125,705	15,870	10,086
Income taxes.....	1,249,190	—	—
Sales and other taxes.....	909,929	1,820	—
Student accounts.....	126	—	—
Patient accounts.....	16,164	2,246	—
Loans and notes.....	38,569	—	762,987
Leases.....	8,200	4,867	—
Due from Federal government and other grantors.....	10,343	1,289,905	7,798
Due from other funds.....	68,422	17,967	26,074
Due from component units.....	53,036	189	4,000
Interfund receivables.....	51,157	6,750	81,944
Inventories.....	32,157	48,066	—
Restricted assets:			
Cash and cash equivalents.....	16,385	—	891,323
Accounts receivable, net.....	—	—	8,000
Other.....	—	—	13,304
Prepaid items.....	26,405	8,416	—
Other assets.....	150	—	—
<b>Total assets.....</b>	<b>\$ 14,243,626</b>	<b>\$ 4,133,193</b>	<b>\$ 2,557,230</b>
<b>LIABILITIES</b>			
Accounts payable.....	289,071	440,657	4,307
Accrued salaries and related expenditures.....	134,448	37,874	111
Retainages payable.....	41	1,242	—
Tax refunds payable.....	1,122,979	—	—
Payable—aid to individuals/families.....	8,068	18,893	—
Intergovernmental payables.....	75,767	516,925	33,341
Due to other funds.....	294,539	57,321	363
Due to component units.....	31,670	17,773	—
Interfund payables.....	6,750	249	—
Unearned revenues.....	25,124	1,917,457	10,311
Deposits.....	—	—	32,715
Securities lending collateral.....	492,055	62,486	46,613
Other liabilities.....	673,039	11,727	—
<b>Total liabilities.....</b>	<b>3,153,551</b>	<b>3,082,604</b>	<b>127,781</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues.....	12,970	49,548	15,000
Deferred nonexchange revenues.....	22,777	—	—
Lease related.....	7,863	5,435	—
<b>Total deferred inflows of resources.....</b>	<b>43,610</b>	<b>54,983</b>	<b>15,000</b>
<b>FUND BALANCES</b>			
Nonspendable.....	141,250	56,482	—
Restricted.....	1,580,428	905,614	2,414,469
Committed.....	—	36,844	—
Assigned.....	722,535	—	—
Unassigned.....	8,602,152	(3,334)	—
<b>Total fund balances.....</b>	<b>11,046,365</b>	<b>996,606</b>	<b>2,414,469</b>
<b>Total liabilities, deferred inflows and fund balances.....</b>	<b>\$ 14,243,626</b>	<b>\$ 4,133,193</b>	<b>\$ 2,557,230</b>

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

# EXHIBIT 19

## Adams, Clarissa

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**From:** Measley, Justin <Justin.Measley@claconnect.com>  
**Sent:** Wednesday, January 10, 2024 5:02 PM  
**To:** Adams, Clarissa  
**Cc:** Omisore, Remi; Kennedy, George  
**Subject:** [External] STO Mgmt. Rep. Letter and Mgmt. Letter  
**Attachments:** State of SC Management Letter FY23.docx; State of South Carolina Rep Letter (STO) - FY23 Draft.docx

Hi Clarissa,

Please see attached for the following:

1. Management representation letter: please review, add letterhead, have appropriately signed and returned to us. Note – this is dated 12/20/23, this should not change.
2. Management letter: see attached for a draft of the management letter comments for review and input. The first 2 comments are for the STO so you can disregard the other 2. Please provide management's response for inclusion in the final document.

Let me know if you have any questions or comments.

Thank you,  
Justin



**Justin N. Measley, CPA**  
Principal  
State and Local Government  
CLA (CliftonLarsonAllen LLP)

**Direct 410-308-8071**  
[Justin.Measley@claconnect.com](mailto:Justin.Measley@claconnect.com)

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**From:** Omisore, Remi <Remi.Omisore@claconnect.com>  
**Sent:** Wednesday, January 10, 2024 1:59 PM  
**To:** Measley, Justin <Justin.Measley@claconnect.com>  
**Subject:** FW: [External] FW: Representation Letter

**From:** Adams, Clarissa <Clarissa.Adams@sto.sc.gov>  
**Sent:** Monday, January 8, 2024 7:43 PM  
**To:** Kennedy, George <gkennedy@osa.sc.gov>  
**Cc:** Loftis, Curtis <Curtis.Loftis@sto.sc.gov>; Simmons, Melissa <Melissa.Simmons@sto.sc.gov>; Adams, Clarissa <Clarissa.Adams@sto.sc.gov>  
**Subject:** Representation Letter

George,

Thank you for your time today to discuss the additional and unanticipated responsibilities as it relates to the representation letters. We are proposing the following in a letter addressed to your office from the STO.

As you are aware, the reporting packages were completed by the STO and were submitted to the Comptroller General's Office (CGO) with signatures by the appropriate deadlines (see attached). Subsequently, on December 21, 2023 the Office of the State Auditor (OSA) notified the State Treasurer's Office (STO) that while wrapping up the audit of the statewide financial statements, the CGO had additional concerns regarding 7 items in the representation letter as it pertains to STO responsibilities.

Rather than delay the Annual Comprehensive Financial Report (ACFR), the OSA requested the STO consider signing a separate representation letter containing 7 items related to STO responsibilities. However, the representations presented to the STO were unacceptable as they included proposed representations for "all State entities" versus representations for the "STO only" in the 2022-2023 ACFR. We are therefore providing the following modifications to appropriately represent "STO only". Lastly, we wish to thank our business partners, investment and STO staff for their speedy responses to our enquires and for assisting us in gathering and validating information needed to provide these timely and necessary assurances.

We confirm to the best of our knowledge and belief, the following representations made to the OSA:

1. The State has no loss to be sustained as a result of other-than-temporary declines in the fair value of investments held by the State Treasurer's Office (STO), except for the amounts that have been reflected in the STO reporting packages.
2. We have no knowledge that during the year the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the State's name" significantly exceeded the amounts in those categories as of the financial statement date.
3. The STO is responsible for determining the fair value of certain investments as required by Governmental Accounting Standards Board (GASB) Statements for funds custodied by the STO in the reporting packages. The amounts reported represent the best estimate of fair value of investments required to be reported under the Statements. The STO reporting packages have also disclosed the methods and significant assumptions used to estimate the fair value of its investments, and the nature of investments reported at net asset value or amortized cost, as applicable.
4. The following information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk, if applicable, has been properly disclosed for assets custodied by the STO:
  - a. The extent, nature, and terms, of financial instruments with off-balance sheet risk;
  - b. The amount of credit risk for financial instruments with off-balance sheet credit risk and information about the collateral supporting such financial instruments.
  - c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.
5. As of June 30, 2023, and through the subsequent events period ending December 13, 2023, the STO has not been informed of any compliance issues relating to State debt and to the best of our knowledge we are not currently aware of any compliance issues.
6. Investments custodied by the STO are properly valued.
7. Deposits and investment securities custodied by the STO are properly classified as to risk and are properly valued and disclosed.

Thank you,  
Clarissa



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

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**CliftonLarsonAllen LLP**

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Management  
State of South Carolina  
Columbia, South Carolina

In planning and performing our joint audit of the financial statements of State of South Carolina as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

However, during our joint audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated December 20, 2023, contains our written communication of significant deficiencies and material weaknesses in the State's internal control. This letter does not affect our report on the financial statements dated December 20, 2023, nor our internal control communication dated December 20, 2023.

#### **Cash and Investment Reporting**

The State Treasurer's Office (STO) has custody of most of the State's cash and investment balances and pools the funds across state agencies for investment purposes. The South Carolina Enterprise Information System (SCEIS) tracks the allocation of these funds in separate general ledger accounts so that each agency can review its respective balances. The State General Fund (which represents all residual activity of the State) had a negative cash position which was offset by investment balances for reporting within the State's financial statements. The negative cash position indicates that the general fund is borrowing from other funds for short-term liquidity. We recommend that the State review its current policies and procedures regarding liquidity analysis in conjunction with financial statement reporting.

#### **Investment Reconciliation**

The Cash and Investment Closing File reconciliation was prepared as of June 30, 2023 from SCEIS data, which is recorded at cost; however, generally accepted accounting principles require these amounts to be reported at fair value. While the STO records the fair value of investments in the SCEIS Treasury Management (TM) module, adjustments are not made to the SCEIS Finance (FI) module until the end of the fiscal year. The STO also identified accrued interest receivables were overstated by approximately \$58 million within the TM module. We recommend that the STO consider recording the investments at fair value in the FI module at least quarterly.

#### **Cash and Investment Reconciliation Process**

The process performed by the Comptroller General's Office (CGO) to prepare the Cash and Investment closing file is manual and time consuming. The reconciliation process is initiated by general ledger export and review of approximately 31,000 transactions to determine if those transactions should be included or excluded from the reconciliation process. The inclusion/exclusion decision is determined based off review of the account coding and historical knowledge. We recommend that management of the State review the reconciliation to determine if any components of the process can be automated.

# EXHIBIT 20

Intentionally left blank

# EXHIBIT 21



## Evans, Marissa

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**From:** Omisore, Remi <Remi.Omisore@claconnect.com>  
**Sent:** Thursday, January 18, 2024 2:50 PM  
**To:** Simmons, Melissa; Evans, Marissa  
**Cc:** Adams, Clarissa; Kennedy, George; Measley, Justin  
**Subject:** [External] Finding Response/Removal

All,

After discussion today, we wanted to provide a quick update and let everyone know that we have decided to drop the comment related to "Cash and Investment Reporting". If we could receive the response to the other comment by tomorrow it would help us hit the deadline for SFAA distribution.



**Remi Omisore, CPA, CISA, MBA**  
Principal  
State and Local Government

**Direct 410-308-8157** Mobile 443-538-2875  
CLA (CliftonLarsonAllen LLP)  
[remi.omisore@CLAconnect.com](mailto:remi.omisore@CLAconnect.com)

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**CliftonLarsonAllen LLP**

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# EXHIBIT 22

Senate Finance Committee  
Constitutional Subcommittee

**LARRY GROOMS**  
CHAIRMAN

**MEMBERS**  
THOMAS MCELVEEN  
MIKE FANNING  
STEPHEN GOLDFINCH  
TOM YOUNG  
MARGIE BRIGHT MATTHEWS



**JESSICA WIGINGTON**  
ANALYST  
803-212-6651

**MILLER A. SMOAK**  
ADMINISTRATIVE ASSISTANT  
803-212-6677  
FAX: 803-212-6690

March 7, 2024

**VIA ELECTRONIC MAIL & HAND DELIVERY**

The Honorable Curtis M. Loftis  
1200 Senate Street – Suite 214  
Wade Hampton Building  
Columbia, SC, 29201

**RE: Fund 30350993 and its contents of over \$1,800,000,000**

Dear Treasurer Loftis:

The Senate Finance Committee Constitutional Subcommittee is aware that on numerous occasions the Comptroller General has requested information from the State Treasurer regarding Fund 30350993. For example, see attached letter dated October 31, 2023.

Section 11-5-180 of the South Carolina Code of Laws stipulates that the State Treasurer shall “at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State.” See attached Section 11-5-180.

Additionally, Section 11-5-120 of the South Carolina Code of Laws stipulates that “the State Treasurer shall publish quarterly, by electronic means and in a manner that allows for public review, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds to which it belongs.” See attached Section 11-5-120.

In view of the above, please provide this Subcommittee with agency ownership, by agency, by fund regarding fund 30350993 no later than noon on March 14, 2024. If you have questions, contact Jessica Wigington, Staff Analyst for the Subcommittee, at [jessicawigington@scsenate.gov](mailto:jessicawigington@scsenate.gov).

Thank you for your timely response,

A handwritten signature in black ink that reads "Larry K. Grooms".

Larry K. Grooms, Chairman, Constitutional Subcommittee of the Senate Finance Committee

**Senate Finance Committee**  
**Constitutional Subcommittee**

Enclosures

cc:     The Honorable Henry McMaster, Governor  
          The Honorable Brian Gaines, Comptroller General  
          The Honorable Thomas Alexander, President of the South Carolina Senate  
          The Honorable Murrell Smith, Speaker of the South Carolina House of Representatives  
          The Honorable Harvey Peeler, Chairman of the Senate Finance Committee  
          The Honorable Bruce Bannister, Chairman of the House Ways & Means Committee  
          The Honorable Thomas McElveen  
          The Honorable Mike Fanning  
          The Honorable Stephen Goldfinch  
          The Honorable Tom Young  
          The Honorable Margie Bright Matthews  
          George Kennedy, South Carolina State Auditor



BRIAN J. GAINES  
COMPTROLLER GENERAL

State of South Carolina  
**Office of Comptroller General**

1200 Senate Street  
305 Wade Hampton Office Building  
Columbia, South Carolina 29201

Telephone: (803) 734-2121  
Fax: (803) 734-1765  
E-Mail: [cgooffice@cg.sc.gov](mailto:cgooffice@cg.sc.gov)

CHIEF OF STAFF

October 31, 2023

**VIA HAND DELIVERY**

The Honorable Curtis M. Loftis, Jr.  
State Treasurer of South Carolina  
Wade Hampton Building, Suite 214

Dear Treasurer Loftis,

In accordance with South Carolina Code sections 11-3-100, 11-5-120, 11-5-180, and 11-13-40 and the 2024 Appropriations Act provisos 97.2 and 98.14, the State Treasurer's Office ("STO") is directed to:

1. Fully cooperate with the Comptroller General's Office ("CGO") to automate and provide accurate financial accounting and reporting of Cash and Investments in the custody of the STO for the State of South Carolina, including for the preparation of accurate ACFRs;
2. Certify by duly authorized signature, without qualification, each Fiscal Year's ACFR Compiled Cash and Investment Closing Package-STO Treasury and Investments Signature Page no later than the applicable Fiscal Year's closing package submission deadline to be specified by the CGO beginning with Fiscal Year 2024;
3. Provide Quarterly Reports in compliance with GAAP/GASB of Cash and Investments in the custody of the STO by Fund as of the end of each of the first quarter, second quarter and third quarter of each Fiscal Year within 60 days following the close of the relevant quarter beginning with the quarter ending December 31, 2023 and continuing each quarter thereafter; and
4. Before the end of Fiscal Year 2024, complete research of cash balances in Triple Zero Agencies and Fund 30350993 that arose due to conversion; and after completing that research, then classify (or reclassify) those amounts of money to the appropriate Fund(s) and general ledger accounts—all in accordance with notes 9 and 10 of the STO Signature Page for the Fiscal Year 2023 ACFR Closing Package.

It is my understanding your office has agreed to automate and frequently update the reports necessary for compliance with these directives. This automation should be completed to allow the STO to meet the deadlines described above.

We hope these directives achieve the cooperation necessary for accurate financial accounting and reporting for the State of South Carolina.

Most respectfully,

A handwritten signature in cursive script that reads "Brian J. Gaines". The signature is written in dark ink and is positioned above the printed name.

Brian J. Gaines  
South Carolina Comptroller General

cc: Governor Henry D. McMaster  
Senator Thomas C. Alexander, President of the Senate  
Senator Harvey S. Peeler, Jr., Chair, Senate Finance Committee  
Senator Lawrence K. Grooms, Chair, Senate Finance Constitutional Subcommittee  
Representative G. Murrell Smith, Jr., Speaker of the House of Representatives  
Representative Bruce W. Bannister, Chair, House Ways and Means Committee  
Mr. George L. Kennedy, III, State Auditor

CHAPTER 5  
State Treasurer

ARTICLE 1  
General Provisions

**SECTION 11-5-120.** Publication of quarterly statements.

The State Treasurer shall publish, quarterly, by electronic means and in a manner that allows for public review, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds to which it belongs.

**SECTION 11-5-180.** Monthly reports to Comptroller General of cash transactions.

The State Treasurer shall, at the end of every month, report to the Comptroller General an accurate statement of the cash transactions of the Treasury, of every description, stating therein every sum of money received or paid away in behalf of the State, particularizing the person and his office of whom received and to whom paid, as also on what account received and for what purpose paid.

He shall, at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State.

# EXHIBIT 23





**THE HONORABLE CURTIS M. LOFTIS, JR.**

State Treasurer

March 14, 2024

The Honorable Larry K. Grooms  
Chairman of the Constitutional Budget Subcommittee  
of the Senate Finance Committee  
313 Gressette Building  
Columbia, South Carolina 29201

**OFFICIAL ELECTRONIC MAIL SENT VIA EMAIL.**

Dear Chairman Grooms:

I am in receipt of your recent letter dated March 7, 2024. The demand that the State Treasurer's Office (STO) "provide this Subcommittee with agency ownership, by agency, by fund regarding fund 30350993 no later than noon on March 14, 2024," is unrealistic in light of the seriousness of this issue. It is also at odds with the Senate's recent introduction of legislation calling for thorough research and resolution of this matter and even conflicts with the Comptroller General's (CG) own the October 31, 2023 request that which contemplates continuing research and reclassify by June 30, 2024.

The STO has devoted considerable staff time to this issue and is fully prepared to continue its contributions to this effort, yet I must emphasize, as I have before, that this is a task beyond our independent capability, especially with an arbitrary deadline.

**Defining the Problem and Finding a Solution**

The problem is straightforward, but the solution is complicated. The "ownership" of a \$1.8 billion state fund is not apparent. The funds may be owned by State agencies or entities, or by the State, which may make the dollars eligible for appropriation. Resolution will take the cooperation and collaboration of multiple agencies and experts to research and review the STARS to SCEIS conversion to determine if the funds accounted for in SCEIS Fund 30350993 have agency or entity ownership, other than the state's General Fund. Yesterday I made a formal request to the SCEIS Executive Oversight Committee to establish a working group to include representatives of all agencies involved in the conversion as well as any other state agencies and offices who can lend their expertise to finding the answers. I recognized that both the House and the Senate have proposals that would allow for the research and review of this matter. This working group can serve as a resource for both the House and Senate efforts.

The conversion from STARS to SCEIS was a meticulous, multi-year process spearheaded by the Comptroller General's Office (CGO) and involving numerous agencies. To demand that the STO complete this research alone, under an artificial deadline is completely unreasonable. The Treasury Management legacy system conversions took place between 2014 and 2018 and the \$1.8 billion in Fund 30350993 resulted from a netting of thousands of conversion entries and transactions by the STO, CGO, and SCEIS team.

### **History and Timeline**

- 2005 – South Carolina Enterprise System (SCEIS) legislation adopted. The SCEIS Executive Oversight Committee is established with membership to be appointed by the Comptroller General (S.C. Code § 11-53-20). The General Assembly is invited to and does designate nominees to participate in the work of the SCEIS Executive Oversight Committee.
- 2014 - 2018 – STARS to SCEIS conversion of legacy Treasury Management Systems, a project that involved the CGO, STO, SCEIS, and two outside consultants, Grant Thornton and SAP.
- 2017 – SCEIS Fund 30350993 was used as the conversion account. In consultation by the CGO, STO, and SCEIS. After the conversion, \$1.5 billion is remaining where no agency of record could be identified by the conversion team.
- The cash left in SCEIS Fund 30350993 remain protected and available in the event that a claim was made for them. The STO is unaware of any agency submitting any warrant request for the release of funds held in this SCEIS accounting fund. The cash in SCEIS Fund 30350993 was custodied by the State Treasurer and invested. Investment earnings accrued to the General Fund are appropriated by the General Assembly. All SCEIS funds are pooled and invested to maximize investment earnings as is common practice in most states. This balance is not segregated in any specific bank account—but instead is accounted for in SCEIS Fund 30350993.
- 2018 – CGO added \$324 million to SCEIS Fund 30350993
- 2018 – State Auditor and CLA audited the conversion and SCEIS Fund 30350993 and found no exceptions.
- 2014 to present – SCEIS Fund 30350993 is used for STO transfers between banks. These transfers flow through the account and do not affect the balance.
- The balance in SCEIS Fund 30350993 is reported annually to the CGO as part of the STO's Cash Closing Package.
- December 2022 – the CGO issued the 2022 ACFR including a \$3.5 billion downward restatement of cash in the General Fund.
- December 2022 - the CGO moved the \$1.8 billion in SCEIS Fund 30350993 to the General Fund for ACFR purposes and made a \$517 million DOT transfer to reduce what would have been a \$5.9 billion restatement to a \$3.5 billion restatement without consultation or notification to the STO.
- The CGO did not communicate with the STO prior to making this adjustment.
- October 31, 2023 - the CGO sent a letter to the State Treasurer directing the STO research cash balances of Fund 30350993 by the end of Fiscal Year 2024.
- Chairman Grooms states that the October 31, 2023 letter was the first time he heard of the \$1.8 billion.

The question now facing South Carolina is whether this \$1.8 billion is “available” or “general funds”? The CGO reported the \$1.8 billion in the General Fund for ACFR purposes, and the State Auditor agreed with

The Honorable Larry K. Grooms  
March 14, 2024

that accounting treatment to a “reasonable degree of certainty.” The STO cannot now opine on that the propriety of these decisions, since work is still on-going to identify the source of the cash represented by SCEIS Fund 30350993. *We can, however, assure you and the taxpayers of this State that we have safeguarded that cash and invested it over these many years. SCEIS fund 30350993 is a separate and distinct fund for accounting purposes. Nevertheless, all investment earnings have accrued to the benefit of the General Fund.*

### Statutory Compliance

In addition to imposing an impractical one-week deadline, the insinuation that my office has failed its statutory requirements is unfounded. The State Treasurer’s Office is in full compliance with both S.C. Code §§ 11-5-180 and 11-5-120, with certain functions now executed by SCEIS, as acknowledged by the Comptroller General in official reports.

The inference that the State Treasurer’s Office is neglecting its statutory duties is baseless. Section 11-5-180 requiring the Treasurer to produce “satisfactory statements of cash in hand” is “performed by SCEIS” according to the CGO’s Annual Accountability Report (Exhibit 1) <https://ce.sc.gov/sites/ce/files/Documents/Publications%20and%20Reports/Annual%20Accountability%20Reports/E120.pdf>

Consistent with the CGO’s invocation of SCEIS to report “cash in hand,” the STO relies on the CGO to comply with its statutory obligation “to maintain an Enterprise Information System for State Government (SCEIS) that will result in proper authorization and control of agency expenditures” (see Budget Proviso 97.2, Exhibit 2) such that the CGO will be able to identify agency ownership of funds within SCEIS once the STO inputs its information regarding cash in hand. It is disingenuous to infer that the STO is not carrying out its statutory duty pursuant to Section 11-5-180 when the CGO has acknowledged for many years that that reporting function is now satisfied through SCEIS.

The reference in your letter to S.C. Code Ann. § 11-5-120 is similarly misguided. The interpretation has not changed over time. The historical roots of this statute go back to the early 1900s (see excerpt below from the 1912 Civil Code Section 794). The word “funds” referred to in 1912 is “money” not SCEIS “fund.” The statutory language has remained consistent for over a century, with only a slight modification in 2008 replacing the requirement of publication “in one daily paper in the city of Columbia” with “by electronic means.” State Treasurers have always interpreted this public disclosure obligation to require quarterly summary statements containing statutorily specified information.

1912 Civil Code Section 794:

§ 794. Treasurer to Publish Quarterly Statement of Money on Hand and Where Deposited. – The State Treasurer shall pubhsh, quarterly, in one daily paper in the City of Columbia, a statement showing the amount of money on hand and in what banks the same is deposited, and the respective funds to which the same belongs.  
1903, XXIV, 21.

The statutory specific information is currently contained in two online reports: The Portfolio Performance Summary (<https://treasurer.sc.gov/media/pnzi0hfb/investment-performance-report-93023.pdf>) (Exhibit 3)

The Honorable Larry K. Grooms  
March 14, 2024

provides information concerning the funds maintained by the State Treasurer with its primary custodian, the Bank of New York Mellon for investment purposes, while the Statement of the State Treasurer's Bank Deposits identifies other financial institutions wherein monies/"funds" are deposited. (see [quarterly-statement-of-bank-balances.pdf\(sc.gov\)](#)) (Exhibit 3). The information contained in the current Statement of Bank Deposits is functionally identical to that contained in historical reports published in Columbia newspapers. (See legal advertisement from The State Newspaper from April 29, 2004, (Exhibit 4). The term "fund" as used in this very old statute predates SCEIS and STARS and does not refer to a fund within SCEIS. The Comptroller General has the same ability as the STO to run a report in SCEIS that shows "cash by SCEIS fund." The CGO does not need to request this information from the STO. I have attached an excerpt from cash by SCEIS fund report for your information so you can see the level of detail included, however, please note that this report has thousands of lines of data—certainly not what is required to be published for perusal by the general public under § 11-5-120. (Exhibit 1). Additionally, publishing this much data online would provide a blueprint for mischief by internet scammers and hackers.

As part of our research, we asked outside counsel to review the statutory roles of the Comptroller General and the State Treasurer. I am providing a copy of a PowerPoint overview summarizing these statutory obligations for your information. (Exhibit 5) We note that the General Assembly itself has recognized and codified the separation of powers and responsibilities, including the oft-repeated designation of the Comptroller General as the "State Accounting Officer" in the annual budget provisos for that office. The bottom line is that the Treasurer is the state's bank and responsible for investing funds, whereas the Comptroller General is the state's accountant, responsible for the ACFR, the General Ledger, SCEIS, and compliance with GAAP.

#### **CGO misled Senate and has now Diverted Blame for CGO's ACFR Restatement**

I want to take this opportunity to clear up misunderstandings about SCEIS fund 30350993. The CGO has always been aware of 30350993 and any adjusting fund entries and balances. To believe that somehow this \$1.8 billion was recently "found" by a CGO junior staff member is patently false. The truth is that the CGO used the \$1.8 billion in SCEIS fund 30350993 to reduce or minimize what would have been a \$5.9 billion overstatement and restatement in ACFR cash. According to Note 15 in the 2022 ACFR, the CGO failed to capture cash transfers out from the General Fund to AFS entities causing the overstatement of cash in the General Fund in the ACFR only. The CGO and others did not explain in Note 15, or in any of the sworn testimony to the Senate last year, that it used SCEIS fund 30350993 and a DOT transfer of approximately \$517 million, to reduce the overstatement of cash to \$3.5 billion. The CGO included the \$1.8 billion in the ACFR General Fund without discussion or consultation with the STO. In fact, the STO was not made aware that the \$1.8 billion was used to reduce the overstatement of ACFR cash until over six months after the CGO adjusted the funds for ACFR purposes. Again, we find it disingenuous for the Senate to look towards the STO to validate the CGO's ACFR General Fund classification. If there was any question about where these funds belong, the CGO should never have moved them for ACFR purposes.<sup>1</sup>

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<sup>1</sup> CGO staffer Katherine Kip sent an email to STO staffer on October 6, 2022, asking about Fund 30350993. This email was used to try to demonstrate that the STO had knowledge of the \$1.8 billion in October 2022. There was no indication in that email exchange that CGO staffer was using 30350993 to reduce the overstatement of cash. This misleading document was provided by the CGO to the SFAA.

As the restatement issue developed, there were many instances where the use of the \$1.8 billion could have been, but was not disclosed by the CGO to the General Assembly.

In a December 15, 2022, email from David Starkey to Richard Eckstrom (Exhibit 6), that is included on page 50 of the Constitutional Subcommittee of the Senate Finance Committee's *Report on the Investigation of the FY 2022 Annual Comprehensive Financial Report Restatement*, David Starkey shows the "Restatement by Entities" as \$3.5 billion with no mention of the \$1.8 billion reduction from \$5.9 billion.

At the February 9, 2023, hearing Comptroller General Eckstrom testified that the restatement was a "mapping error" – with no mention of the \$1.8 billion in SCEIS fund 30350993 that the CGO included in the ACFR General Fund to help reduce the amount of the restatement. In fact, the total cash overstatement resulting from the mapping error was \$5.9 billion, not \$3.5 billion.

On February 16, 2023, the Comptroller General again referred to agencies with Audited Financial Statements as the source of the problem. Further, the Senate report acknowledges that there was a \$517 million "cash issue" that was not mentioned in Note 15 or presented by the Comptroller General in his testimony. (Senate Report p. 8). This was presumably the DOT transfer.

There is no question that CGO and others failed to inform the Senate that \$1.8 billion was part of the restatement. I will not speculate as to why the CGO withheld this information from the Senate but cannot but be astonished that the Comptroller General and others testified under oath about the source of the restatement, yet failed to notify the Senate that they reduced the restatement by including \$1.8 billion in the General Fund for ACFR purposes. Now the CGO is trying to shift the problem that it created onto the STO. The CGO's unilateral decision to include those funds in the General Fund created an urgency to retroactively confirm the soundness of that decision. If those funds do not belong in the General Fund, the CGO overstated – yet again – the State's cash in the ACFR. The CGO's actions may have a negative impact on our state's bond credit rating. My staff has dedicated thousands of hours in trying to research fund 30350993. We have asked the CGO for assistance and documentation. Time after time the CGO refused to provide meaningful assistance and refused to meet with my staff.<sup>2</sup> I had to resort to asking for assistance from the SFAA to finally get records from the CGO. The CGO provided a data dump, which my staff has culled through yet still found lacking. I reject any accusation that my staff has not been helpful to the CGO.<sup>3</sup>

In an attempt to conduct the research that the Comptroller General and now the Senate, has requested, the STO asked George Kennedy, State Auditor, for copies of the working papers so that the STO could understand how the CGO made its determination to include the \$1.8 billion from SCEIS fund 30350993 to

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<sup>2</sup> For example, on August 9, 2023, Comptroller General Gaines halted weekly meetings between the STO and the CGO and stated that no further meetings were necessary, and we would communicate by email. (Exhibit 8). One December 28, 2023, STO Chief of Staff Clarissa Adams, emailed Comptroller General Gaines to request meetings with Katherine Kip on January 3 and 5, 2024. The CGO never responded to these meeting requests. (Exhibit 9). On January 8, 2024, Clarissa Adams heard from a partner agency that the CG changed his mind about allowing Kip to meet with the STO.

<sup>3</sup> To the contrary, the STO was told that Kip had researched the \$1.8 billion in fund 30350993 and got it down to 150 lines of information but the CG has not provided the STO with any documents or other information supporting this research.

The Honorable Larry K. Grooms  
March 14, 2024

off-set the cash overstatement in the 2022 ACFR. The State Auditor informed the STO astonishingly that there are no working papers (Exhibit 7).

### **CGO's Role in Cash Conversion and Access to the Fund**

**Statements by CGO staff that they have no involvement with SCEIS Fund 30350993 or the conversion are patently false. As previously stated, the conversion was a multi-agency effort including the CGO, STO, and SCEIS.** As noted previously, the CGO is the only agency that can approve the creation of SCEIS fund categories or accounts. For example, on October 26, 2018, John Morrison, CPA at CGO sent an email to Martin Taylor of the STO saying "Here is a list of balances that we have identified that need to be washed through the conversion account based on our conversation." (Exhibit 10). The amount of those entries was \$324 million. This also clarifies the misconception that has been stated in Senate hearings about account access. The STO is NOT the only entity that can or has made entries in 30350993. As an example, in Fiscal Year 2017 multiple agencies entered transactions to that fund. The largest number of transactions posted were in batches posted by the STO with the collaboration of the CGO and SCEIS. Period 15 must be opened by the Comptroller General's Office, so all transactions would be posted with the CGO's knowledge. Exhibit 10 contains additional records that show other agencies posted to 30350993.

### **Restricted Access in account**

We are perplexed by the lack of cooperation and finger-pointing by the Comptroller General's Office and others since the restatement error came to light. Statements made about my office have sometimes been so off-base that I initially determined that no response was warranted. Regretfully, I seem to have underestimated the desire by some to avoid their responsibilities and to blame others. I reject much of the information that has previously been asserted by the Comptroller General as being completely false. In his December 12, 2023, letter to me, Comptroller General Gaines incorrectly asserts that the "State Treasurer's Office would have sole and exclusive possession of the State records showing the source and history of the moneys in Fund 30350993." That statement is false. The CGO, SCEIS, and others with SCEIS rights have the access to the records that support the entries in Fund 30350993, since those records are maintained in the SCEIS system and in fact the CGO and SCEIS teams may have additional documents not available to the STO.

He also wrongly implies that the fund is "invisible" to the General Assembly, that the STO is the "only" state entity that can may move the funds. Except for investment purposes, which are fully disclosed, the STO does not release or otherwise "move" funds without the knowledge and approval via statutorily mandated warrants from the CG. Any statements to the contrary are false.

### **Conclusion**

As the elected Treasurer of the State of South Carolina I remain committed to ensuring the funds that I custody are properly managed and invested. The \$1.8 billion has always been reported by the STO in its cash closing package. The STO did not "hide" this fund. The State Auditor or Clifton Larson never had a finding or recommendation regarding the fund or placement of funds since 2017.

The CGO was intimately involved with the conversion and the resulting inclusion of the \$1.8 billion in 30350993. It was only when the CGO finally got around to reconciling cash after not doing so for many years that it needed the \$1.8 billion to reduce the restatement required to correct its own errors. After making this unilateral treatment, the CGO is attempting to shift responsibility to clean up its mess to the Treasurer.

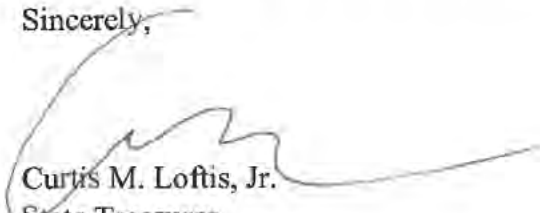
The Honorable Larry K. Grooms  
March 14, 2024

The CGO and not the Treasurer has the legal obligation to notify the General Assembly of remaining funds. (See S.C. Code § 11-3-90, "The Comptroller General shall report, annually, to the General Assembly his transactions in regard to unappropriated funds in the State Treasury."). The CG and not the Treasurer has the legal responsibility to "implement appropriate accounting procedures to consolidate accounts, in connection with lump sum agencies, as necessary for proper accounting and for facilitation of financial reporting in accordance with generally accepted accounting principles." S.C. Code § 11-3-175. the Treasurer has the legal responsibility for the custody and control of the moneys of the State and has "full power to invest and reinvest all funds of the State." S.C. Code § 11-9-660. My office has always met these responsibilities. The cash in SCEIS Fund 30350993 has always been safeguarded and fully invested.

Senator Grooms, the State finds itself in a precarious position. Because of the deception surrounding the actual amount of the "mapping error" (\$5.9 billion, not \$3.5 billion), and the continuing lack of candor about the method in which the number was reduced, there is discord between agencies and a terrific burden has been placed on the staff of the STO. The events of the last year have postponed any resolution of this issue, and have placed the State's excellent credit rating in jeopardy. I can only hope and pray that these issues are dealt with and the system can achieve a sense of harmony and cooperation.

Finally, I offer this—had the answer to this question been easy, wouldn't the conversion team – made up of highly knowledgeable professionals with the CGO, STO, and SCEIS – have handled this during the conversion process? If they didn't have the answers at the time of the conversion, I don't know how you expect my team alone to find the answers in one week's time. As such, I support the effort as proposed by the House via budget proviso to hire an auditing firm to study and make a recommendation as to whether these funds should be moved to a different fund. In addition, I asked the SCEIS Executive Oversight Committee for the establishment of a working group to research SCEIS Fund 30350993. (Exhibit 11). My office remains committed to the resolution of this important issue and stands ready to cooperate with all legitimate inquiries.

Sincerely,



Curtis M. Loftis, Jr.  
State Treasurer

Enclosures

cc: The Honorable Henry McMaster, Governor  
The Honorable Thomas Alexander, President of the South Carolina Senate  
The Honorable Harvey Peeler, Senate Finance Chairman  
The Honorable Murrell Smith, Speaker of the South Carolina House of Representatives  
The Honorable Bruce Bannister, House Ways & Means Chairman  
The Honorable Thomas McElveen  
The Honorable Mike Fanning  
The Honorable Stephen Goldfinch  
The Honorable Tom Young

The Honorable Larry K. Grooms  
March 14, 2024

The Honorable Margie Bright Matthews  
The Honorable Brian J. Gaines, Comptroller General  
Marcia S. Adams, Executive Director of the SC Department of Administration  
George Kennedy, SC State Auditor



# EXHIBIT 24

# EXHIBIT 1

Law number	Jurisdiction	Type	Description	Purpose of the law (state): Report our agency mission/ provide	Notes:	Changes made during FY2022
11-3-90	State	Statute	(Report as to unappropriated Treasury funds) The Comptroller General shall report, annually, to the General Assembly his transactions in regard to unappropriated funds in the State Treasury.			No Change
11-49-100	State	Statute	(Accounts to be maintained separately; annual report) All accounts of the authority must be held and maintained separately from all other funds, properties, assets, and accounts of this State and its other agencies. The board shall keep an accurate account of all of its activities and all of its receipts and expenditures and annually, in the month of January, shall make a report of its activities to the State Budget and Control Board. Audited financial statements must be submitted to the Comptroller General by October fifteenth following the end of the fiscal year.	Not related to agency deliverable		No Change
11-5-130	State	Statute	(Payment of appropriations to state institutions) The appropriation made for a state institution shall be paid to the treasurer of the institution, who shall be a bonded officer. The bond shall be approved by the Attorney General as to its form and execution and by the Governor as to its sufficiency and shall be filed with the State Treasurer. The treasurer of the institution shall draw his receipt warrant upon the Comptroller General for the amount as needed. Such receipt warrant shall be countersigned by the president or superintendent of the institution and have attached thereto an itemized sworn statement showing the purposes in detail for which the money to be drawn is to be used. All money shall be drawn only when actually owing and due. Upon receipt by the Comptroller General of the receipt warrant, signed and countersigned and with the statement attached as above provided, the Comptroller General shall issue his warrant on the State Treasurer in favor of the treasurer of the institution for the amount drawn, and the State Treasurer shall pay the warrant, the amount thereof to be charged to the appropriation account of such institution by the Comptroller General and the State Treasurer.	Distribute funding to another entity		No Change
11-5-170	State	Statute	(State Treasurer to send daily reports to Comptroller General) The State Treasurer shall, at the close of business on each day, send to the Comptroller General a report of all moneys paid out by him, to whom paid and on what account, except that paid upon warrants of the Comptroller General.	Not related to agency deliverable	Performed by SCEIS	No Change
11-5-180	State	Statute	(Monthly reports to Comptroller General of cash transactions) The State Treasurer shall, at the end of every month, report to the Comptroller General an accurate statement of the cash transactions of the Treasury, of every description, stating therein every sum of money received or paid away in behalf of the State, particularizing the person and his office of whom received and to whom paid, as also on what account received and for what purpose paid. It shall, at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State.	Not related to agency deliverable	Performed by SCEIS	No Change

<b>AGENCY NAME:</b>	Office of the Comptroller General		
<b>AGENCY CODE:</b>	E120	<b>SECTION:</b>	097

**2022**  
**Accountability Report**

**SUBMISSION FORM**

I have reviewed and approved the data submitted by the agency in the following templates:

- Data Template
  - Reorganization and Compliance
  - FY2022 Strategic Plan Results
  - FY2023 Strategic Plan Development
  - Legal
  - Services
  - Partnerships
  - Report or Review
  - Budget
- Discussion Template
- Organizational Template

I have reviewed and approved the financial report summarizing the agency’s budget and actual expenditures, as entered by the agency into the South Carolina Enterprise Information System.

The information submitted is complete and accurate to the extent of my knowledge.

<b>AGENCY DIRECTOR</b> <i>(SIGN AND DATE):</i>	<b>SIGNATURE ON FILE</b>	<b>Signature Received:</b> 9/15/2022 4:00
<i>(TYPE/PRINT NAME):</i>	Richard Eckstrom, CPA	

<b>BOARD/CMSN CHAIR</b> <i>(SIGN AND DATE):</i>	<b>N/A</b>	
<i>(TYPE/PRINT NAME):</i>		

# EXHIBIT 2

**Budget Proviso 97.2.** (CG: GAAP Implementation & Refinement) It is the intent of the General Assembly that the State of South Carolina issue financial statements in conformance with Generally Accepted Accounting Principles (GAAP). To this end, the Comptroller General is directed, as the State Accounting Officer, to maintain an Enterprise Information System for State Government (SCEIS) that will result in proper authorization and control of agency expenditures, including payroll transactions, and in the preparation and issuance of the official financial reports for the State of South Carolina. Under the oversight of the General Assembly, the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by GAAP.

# EXHIBIT 3

**Statement of the State Treasurer's Bank Deposits  
As of Close of Business 12/31/2023**

PUBLISHED AS REQUIRED BY SECTION 11-5-120, CODE OF LAWS OF S.C. 2016

Arthur State Bank	5,063
Bank of America, NA	1,050,033,759
BNY Mellon	75,994
Blue Ridge Bank	4,273
Citizens Bank	859,842
Coastal Carolina National Bank	50,921
Enterprise Bank of SC	4,555
Farmers & Merchants Bank of SC	1,525
First Citizens Bank of SC	3,021,081
First National Bank of South Carolina	775
JP Morgan	5,301,612
Palmetto State Bank	935,444
South State Bank	5,735,924
Synovus Bank	2,445,773
TD Bank	27,526,349
The Bank of Clarendon	37,320
Truist Bank	193,738
United Community Bank	151,855,434
Wells Fargo Bank	584,621,282
<b>TOTAL</b>	<b>1,832,710,664</b>

Deposits in excess of federal insurance limits are collateralized in accordance with Statute 11-13-60.





# SOUTH CAROLINA

## OFFICE OF THE STATE TREASURER

Curtis M. Lofis, Jr., Treasurer

### Portfolio Performance Summary

As of 12/31/23

Account/ Benchmark	Market Value	Annualized Total Returns (Net)			
		1-Year	3-Years	5-Years	10-Years
LGIP <sup>1</sup> 80% 90dTbill, 20%BBShort Gov	\$ 12,057,149,304.12	5.39	2.40	2.06	1.47
		5.07	2.13	1.91	1.28
Education Improvement Fund <sup>2</sup> Overnight Bank Funding Rate	\$ 534,137,395.37	5.22	2.30	1.90	1.30
		5.05	2.29	1.86	1.28
State General Fund <sup>3</sup> BBC Govt/Credit 1-3 Years	\$ 11,670,039,563.76	4.76	0.81	1.66	1.31
		4.61	0.09	1.51	1.24
State Investment Pool <sup>4</sup> BBC Govt/Credit 1-5 Years	\$ 12,610,865,920.00	5.15	-0.09	1.61	1.37
		4.89	-0.62	1.54	1.27
Insurance Reserve Fund <sup>5</sup> BBC Intermediate Govt/Credit	\$ 648,570,675.04	5.13	-1.43	1.68	1.94
		5.24	-1.63	1.59	2.00
Long-Term Pool <sup>6</sup> BBC Govt/Credit	\$ 295,941,503.92	5.74	-3.37	1.32	1.94
		5.72	-3.53	1.41	1.86
LTDI Trust Fund <sup>6</sup> BBC Govt/Credit	\$ 33,471,827.33	5.85	-3.39	1.47	1.94
		5.72	-3.53	1.41	1.83
SCRHI Trust Fund <sup>5</sup> BBC Intermediate Govt/Credit	\$ 1,634,341,733.94	5.17	-1.39	1.71	2.00
		5.24	-1.63	1.59	1.99

**Liquidity requirements and daily fluctuations in investable balances affect investment options .**

The State Treasurer's Office currently manages approximately \$39.5 billion in U.S. fixed income securities. This amount's estimated range is between \$30 billion and \$40 billion depending upon the cyclical nature of cash flows for State agencies, local governments and political subdivisions and the revenues they receive. More than 1500 accounts are managed by the STO for the State agencies, local governments, and political subdivisions.

The South Carolina Office of the State Treasurer is responsible for the administration, management, and investment of the State's funds. The investment of State funds is managed through multiple investment portfolios to preserve the State's capital, while maintaining liquidity and obtaining the best relative rates of return.

The mission of the State Treasurer's Office is to safely and effectively manage the funds for the State's agencies, local governments, and political subdivisions. The office manages multiple U.S. fixed income portfolios and the Local Government Investment Pool, which invests in money market securities and US Government guaranteed backed instruments. The authority to invest State Funds is limited to the State Treasurer under S.C. Code of Laws § 11-13- 30.

It is important to recognize that investment decisions involve managing the State's daily fluctuating cash flows and anticipating future revenues and expenditures. STO Staff manages cash balances available to anticipate the future use of these funds. Also, earnings on investments provide one of the many sources of revenue for the State and Local Governments annually. Consequently, the soundness and success of an investment program is of primary importance to meet the State's funding needs.

# Disclosures & Index

**Liquidity requirements and daily fluctuations in investable balances affect investment options.**

**The SCSTO prepares this report in accordance with data supplied by the adviser and the custodian .**

Total return represents the change in value of an investment after reinvesting all income and capital gains. Annualized total return is the geometric average amount of money earned by an investment each year over a given time period. Stated benchmarks reflect a blending over time.

Past performance is no guarantee of future results.

**Index definitions:**

The following benchmarks are used as a relative performance measure for each of the SCSTO's portfolios; the benchmarks utilized reflect similar target composition/maturity ranges as the underlying portfolios.

<sup>1</sup> Index: Represents a customized blend of the 90-day T-Bill and Bloomberg Barclays Short-Term Government/Credit Indexes.

<sup>2</sup> Overnight Bank Funding Rate: Published by the Federal Reserve Bank of New York, this rate is calculated as a volume-weighted median of overnight federal funds transactions and certain Eurodollar transactions.

<sup>3</sup> Bloomberg Barclays US Govt/Credit 1-3 Year Bond Index: Includes all medium and larger issues of U.S. government, investment-grade corporate debt, and investment-grade international dollar-denominated bonds that have maturities of between 1-3 years.

<sup>4</sup> Bloomberg Barclays US Govt/Credit 1-5 Year Bond Index: Includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities that have a remaining maturity of 1-5 years.

<sup>5</sup> Bloomberg Barclays Intermediate Govt/Credit Bond Index: Includes all intermediate government and investment-grade corporate debt securities with maturities of 1-10 years.

<sup>6</sup> Bloomberg Barclays Govt/Credit Bond Index: Includes all government and investment-grade corporate debt securities with maturities of at least one year.

# EXHIBIT 4

## PUBLIC NOTICE

IN ACCORDANCE WITH STATE LAW, THE  
STATE TREASURER'S OFFICE HAS  
PREPARED THE FOLLOWING STATEMENT  
OF BANK DEPOSITS AS OF March 31, 2004

STATEMENT  
OF BALANCES IN THE STATE TREASURER'S  
OFFICE SHOWING THE BANK IN WHICH  
FUNDS ARE DEPOSITED AT THE  
CLOSE OF BUSINESS 3/31/2004

PUBLISHED AS REQUIRED BY SECTION  
11-8-120, CODE OF LAWS OF S.C. 1976

Anderson Sicochre Bank	2,000,500.00
Arthur State Bank	5,002,373.49
Bank of America	80,100,651.75
Bank of Anderson, N. A.	100,000.00
Bank of Camden	3,700,000.00
Bank of Greasleyville	1,000,000.00
Bank of New York	6,335,423.98
Bank of Ridgeway	500,000.00
Bank of Travelers Rest	3,000.00
Bank of Walterboro	1,000,000.00
Blue Ridge Bank	6,731.50
Branch Bank and Trust	254,158.12
Capital Bank	10,000,000.00
Carolina Bank & Trust Co	500.00
Carolina Commercial Bank	506,012.98
Carolina Community Bank	5,000,000.00
Carolina First Bank	753,757.79
Coastal Federal Savings & Loan	5,000,000.00
Conway National Bank	10,000,000.00
Enterprise Bank of SC	589.84
Farmers & Merchants Bank of SC	5,001,506.00
First Citizens Bank	509,002.82
First Federal of Charleston	5,000,000.00
First National Bank of Spartanburg	4,000,000.00
First National Bank of SC	4,003,601.79
First Palmetto Savings Bank	10,000,000.00
First Reliance Bank	5,000,000.00
First Savers	5,000,000.00
First South Bank	2,000,000.00
Founders FCU	7,500,000.00
Home Federal Savings & Loan	500,000.00
National Bank of S C	20,050,655.91
National Bank of York County	10,000,000.00
Palmetto State Bank	11,882.45
Peoples Commercial Bank to S C	5,000,000.00
Peoples National Bank	100,000.00
Plantation Federal Savings	5,000,000.00
Provident Community Bank	7,000,000.00
S C Bank & Trust	10,546,125.18
S C Telco FCU	100,000.00
SC Community Bank	300,000.00
Security Federal Savings	10,000,000.00
Seneca National Bank	100,000.00
Southcoast Community Bank	3,000,000.00
Summit National Bank	4,000,000.00
The Bank of Clarendon	27,792.40
The Citizens Bank	3,000,000.00
The Exchange Bank of SC	5,000.00
The Palmetto Bank	23,793.57
Wachovia Bank of SC	100,000,091.64
Williamsburg First National Bank	23,324.27
U. S. Fixed Income Securities	2,925,676,024.00
<b>TOTAL</b>	<b>3,268,359,506.38</b>

THE ABOVE BANK BALANCES INCLUDE  
\$350,000,000.00 IN FULLY COLLATERALIZED  
CERTIFICATES OF DEPOSIT WHICH ARE  
PLACED BY COMPETITIVE BID. THE REMAIN-  
ING BALANCES ARE TO COVER OUTSTAND-  
ING CHECKS

GRADY L. PATTERSON, JR  
STATE TREASURER

# EXHIBIT 5

# Statutory Duties and Obligations of State Treasurer and Comptroller General

*Presented by*

Elizabeth Zeck and Mitchell Willoughby



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the State Treasurer

## Duties and Powers of Comptroller General and State Treasurer are Defined by Statutes.

- ▶ “[T]he comptroller is a constitutional officer, having only such powers and duties as have been, or may be, provided by law.”
- ▶ [\*State of South Carolina v. Corbin & Stone\*, 16 S.C. 533 \(1882\)](#)
- ▶ “[The State Treasurer possesses no common law or inherent powers of office. Instead, it is recognized by authorities that ‘[t]he powers and duties of the state treasurer are generally only as specified by the state constitution and pertinent statutes.’”

▶ *In re Loftis* (S.C.A.G. Op. 2011), 2011 WL 5304078



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# The Treasurer is the Custodian of State Funds

- ▶ State Treasurer “has by law the custody and control of the moneys of the State.”  
*In re Morris*, 1998 WL 196487 (S.C.A.G.)
- ▶ S.C. Code §11-13-120  
“All state departments, boards, bureaus, commissions or other state agencies charged with the collection of any taxes, licenses, fees, interest or any income to the State shall, with ordinary business promptness, deposit the same when collected with or to the credit of the State Treasurer, either at his office in the State Capitol or in such bank or banking institution within the State as shall be designated by the State Treasurer. . . .”
- ▶ S.C. Code §11-13-125  
“All funds received by any department or institution of the state Government shall be deposited and maintained in appropriate accounts in the State Treasury . . .”



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# The Treasurer is the Investment Manager of State Funds

- ▶ S.C. Code Ann. § 11-9-660(A)

“The State Treasurer has full power to invest and reinvest all funds of the State” in statutorily designated investment vehicles.



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## All state spending must be authorized by appropriation by the General Assembly

▶ S.C. Constitution, Art. X, §8

Money shall be drawn from the treasury of the State . . . only in pursuance of appropriations made by law.

“[T]he Legislature has the exclusive power to direct how, when and for what purposes the public monies shall be applied in carrying out the objects of the State government.”

- *In re Leatherman*. (SC Atty Gen. Op. 2005)



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## Statutory Directives for Payment of State Funds

▶ S.C. Code Ann. § 11-5-140

The several amounts appropriated from year to year to meet the ordinary expenses of the State shall be paid by the Treasurer out of the usual income of the State and any unexpended balance in his hands not otherwise appropriated, in the manner prescribed by Section 11-3-130 . . . .

▶ S.C. Code Ann. § 11-3-130

All payments by the State Treasurer . . . shall be made on warrants drawn by the Comptroller General, and the vouchers for the same must be filed in his office.

▶ S.C. Code § 11-5-130

Upon the receipt by the Comptroller General of the receipt warrant [from the requesting institution], the Comptroller General shall issue his warrant on the State Treasurer in favor of the treasurer of the [requesting] institution for the amount drawn, and the State Treasurer shall pay the warrant, the amount thereof to be charged to the appropriation account of such institution by the Comptroller General and the State Treasurer.



South Carolina's Office of  
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# Managing State Funds in the Electronic Age Using the S.C. Enterprise Information System



▶ S.C. Code Ann. § 11-3-140

[T]he Comptroller General, after the installation of an electronic data processing system to serve the offices of Comptroller General and State Treasurer, shall present warrants for the payment of each State obligation directly to the State Treasurer, who shall then make payment of the obligation by check.

▶ S.C. Code § 11-53-20 (initially enacted in 2005, implementation began in 2009)

It is mandated by the General Assembly that SCEIS shall be implemented for all agencies . . . .



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# Role of Comptroller General in Release of State Funds

## About SCEIS

## Training

## Finance

## HR & Payroll

## Materials Management

## Reporting

## Imaging

## Technical

## Finance

The SCEIS Finance modules provide agencies with the tools to consolidate all of their accounting and financial processes. Using transaction codes in SCEIS to perform accounting transactions, display account information, or look up documents, state employees will benefit greatly from the integrated system.

On July 1, 2009 SCEIS replaced the 30-year-old Statewide Accounting and Reporting System (STARS) as the Book of Record for South Carolina state government. SCEIS is now the single place where all of South Carolina's financial transactions are recorded; this includes agencies that have converted to SCEIS as well as those preparing to do so.

### ► S.C. Code § 11-3-170

After the approval of the annual appropriation act by the Governor, monies may be obtained from the State Treasury only by drawing vouchers upon the Comptroller General. All vouchers, except for appropriated salaries, shall be accompanied by a classified and itemized statement of expenditures showing in each case the name of the payee and a list of articles purchased or services rendered, together with a certified statement that such articles or services were purchased or rendered exclusively for the purpose or activity for which the appropriation was made. These statements of expenditures shall be prepared on printed forms prescribed by the Comptroller General and they shall be prepared in duplicate, the copy to be retained for the purpose of assisting in the annual audit and as a permanent office record.

# Who is Responsible for SCEIS?

▶ S.C. Code § 11-53-20

The [SCEIS] Oversight Committee, as appointed by the Comptroller General, shall provide oversight for implementation and continued operations of the system. . . .

▶ SCEIS Executive Oversight Committee is chaired by CGO's representative.

▶ State Treasurer has one appointee among the eleven members



## SCEIS Executive Oversight Committee Members

Name	Agency	Email Address
Eddie Gunn (Chairperson)	Office of the Comptroller General	<a href="mailto:egunn@col.sc.gov">egunn@col.sc.gov</a>
<i>Senate Finance Committee Appointee</i>		
Jake Scoggins	SC Senate Senate Finance Committee	<a href="mailto:jake.scoggins@scsenate.gov">jake.scoggins@scsenate.gov</a>
<i>House Ways and Means Committee Appointee</i>		
Stephanie Meetze	SC House of Representatives House Ways and Means Committee	<a href="mailto:StephanieMeetze@scrhousesc.gov">StephanieMeetze@scrhousesc.gov</a>
<i>State Treasurer's Office Appointee</i>		
Tonia Morris	State Treasurer's Office	<a href="mailto:Tonia.Morris@sto.sc.gov">Tonia.Morris@sto.sc.gov</a>
<i>Department of Revenue Appointee</i>		
Laura Watts	Department of Revenue	<a href="mailto:Laura.watts@dor.sc.gov">Laura.watts@dor.sc.gov</a>
<i>Department of Social Services Appointee</i>		
William Bray	Department of Social Services	<a href="mailto:William.Bray Jr@dss.sc.gov">William.Bray Jr@dss.sc.gov</a>
<i>Department of Health and Human Services Appointee</i>		
Rhonda Morrison	Health and Human Services	<a href="mailto:morrison@scdhhs.gov">morrison@scdhhs.gov</a>
<i>Department of Administration, Division of State Human Resources Appointee</i>		
Karen Wingo	Division of State Human Resources	<a href="mailto:Karen.Wingo@admin.sc.gov">Karen.Wingo@admin.sc.gov</a>
<i>Department of Administration Representatives</i>		
Paul Koch	Chief of Staff, Department of Administration	<a href="mailto:Paul.Koch@edmin.sc.gov">Paul.Koch@edmin.sc.gov</a>
Ed Pearce	SCEIS Project, Department of Administration	<a href="mailto:Ed.Pearce@admin.sc.gov">Ed.Pearce@admin.sc.gov</a>
<i>Governor's Office Appointee</i>		
Vacant	Governor's Office	
<i>Department of Disabilities and Special Needs Appointee</i>		
Vacant	Department of Disabilities and Special Needs	
<i>Department of Mental Health Appointee</i>		
Vacant	Department of Mental Health	
<i>Department of Motor Vehicles Appointee</i>		
Vacant	Department of Motor Vehicles	



South Carolina Office of the State Treasurer

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LITIGATION | REGULATORY BUSINESS

## The Comptroller General is the State Accounting Officer responsible for SCEIS

### ▶ 2023-24 Budget Proviso 97.2: GAAP Implementation and Refinement

It is the intent of the General Assembly that the State of South Carolina issue financial statements in conformance with Generally Accepted Accounting Principles (GAAP). To this end, **the Comptroller General is directed, as the State Accounting Officer, to maintain an Enterprise Information System for State Government (SCEIS)** that will result in proper authorization and control of agency expenditures, including payroll transactions, and in **the preparation and issuance of the official financial reports for the State of South Carolina**. Under the oversight of the General Assembly, the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by GAAP.



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South Carolina Office of  
the State Treasurer

# Comptroller General Acknowledges Responsibility over SCEIS in its Accountability Reports

Agency Name: **COMPTROLLER GENERAL'S OFFICE**

Agency Code: **E120** Section: **097**

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted
2	97.2	State	Proviso	

**(CG: GAAP Implementation & Refinement)** It is the intent of the General Assembly that the State of South Carolina issue financial statements in conformance with Generally Accepted Accounting Principles (GAAP). To this end, the Comptroller General is directed, as the State Accounting Officer, to maintain an Enterprise Information System for State Government (SCEIS) that will result in proper authorization and control of agency expenditures, including payroll transactions, and in the preparation and issuance of the official financial reports for the State of South Carolina. Under the oversight of the General Assembly, the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by GAAP.

Does this law specify who your agency must or may serve? (Y/N)	Does the law specify a product or service your agency must or may provide?	If yes, what type of service or product?	If other service or product, please specify what service or product.
Yes	Yes	Other service product our agency must/may provide	Maintain SCEIS that will result in proper authorization and control of agency expenditures.



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South Carolina Office of  
the State Treasurer



# CGO's Continuing Responsibility over SCEIS: FY2022 Accountability Report

## FY2022

### Legal Data

as submitted for the Accountability Report by:

E120 - COMPTROLLER GENERAL'S OFFICE

Case number	Jurisdiction	Type	Description	Request a service	Notes	Change made during FY2022
971	State	FY22-23 Phone	(CC, GAA) (Implementation & Refinement) It is the order of the General Assembly that the State of South Carolina issue financial information in accordance with Generally Accepted Accounting Principles (GAAP). To this end, the Comptroller General is directed, in the State Accounting Officer's manual on Enterprise Information System for State Government (EIS) that will result in proper administration and control of agency expenditures, including payroll, transactions, and in the preparation and issuance of the official financial reports for the State of South Carolina. Under the oversight of the General Assembly, the Comptroller General is given full power and authority to issue attending policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, engage consulting services, and implement new procedures required to implement fully changes required by GAAP.	Request a service	Maintain SCEIS that will result in proper administration and control of agency expenditures.	No Change



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South Carolina Office of  
the State Treasurer

# CGO Establishes Accounting Policies and Procedures for Other State Agencies



South Carolina  
**Comptroller General**  
*Brian J. Gaines*

Meet the Comptroller General

Financial Reports

Guidance and Forms for State Agencies

[Home](#) » [Guidance and Forms for State Agencies](#) » [Accounting Policies and Procedures](#)

## Accounting Policies and Procedures

### Accounting Forms

[Fund Validation Form](#) - This form is used by state agencies to request the use of an existing fund in SCEIS not currently authorized for that agency.

[Journal Entry Template](#)

[New Fund Request Form](#) - This form is used by state agencies to request a new fund in [SCEIS](#).

[New General Ledger Account Request Form](#)

[Primary Finance Contacts Form](#)



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# CGO Defines SCEIS Funds for Use by Other State Agencies

## State of South Carolina Statewide Fund Definition Guidance

Effective Date	Continuous
Current Through	12/31/23

### **Purpose**

The following Statewide Accounting Policy has been established by the Comptroller General's Office to reduce errors, improve consistency and reporting. The fund definitions are applicable to transactional processing in the General Ledger. Other funds starting with a 6XXXXXX are used to record Composite Account activity and other financial statement activity. 9XXXXXX funds are used for a specific purpose by CG's Financial Reporting team. The definition for the GASB 54 fund balance classification is listed in Section 20 (Fund Balance and Net Assets) of the "Year-End Reporting Policies and Procedures Manual".

### **FUND DEFINITIONS**

- **General Fund:**
  - General Fund amounts are appropriated through the Appropriations Act for funds starting with 1XXXXXX.
  - General Fund cash revenue is posted to funds starting with 2XXXXXX.
- **Earmarked Fund:**
  - Earmarked Fund amounts are authorized through the Legislative process for funds starting with 3XXXXXX.
  - Earmarked Funds consist of deposits from revenues which are to be used by certain agencies for purposes specified by law.
  - Earmarked Funds must have both cash and authority in order to process disbursement related transactions.



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# CGO's Reporting Requirements

▶ S.C. Code § 11-3-90

The Comptroller General shall report, annually, to the General Assembly his transactions **in regard to unappropriated funds in the State Treasury.**

▶ S.C. Code § 11-3-175

The . . . Comptroller General shall implement appropriate accounting procedures to consolidate accounts, in connection with lump sum agencies, as necessary for proper accounting and for facilitation of financial reporting in accordance with generally accepted accounting principles.”

▶ S.C. Code § 11-3-210

The Comptroller General shall enter in books, kept for that purpose, such statements of the accounts of persons having the distribution of public money, directed by law to be rendered to him, as will enable him, at any time, to show how such accounts stand between the parties, respectively.



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## CGO's Reporting Requirements, cont.

▶ S.C. Code § 11-3-90

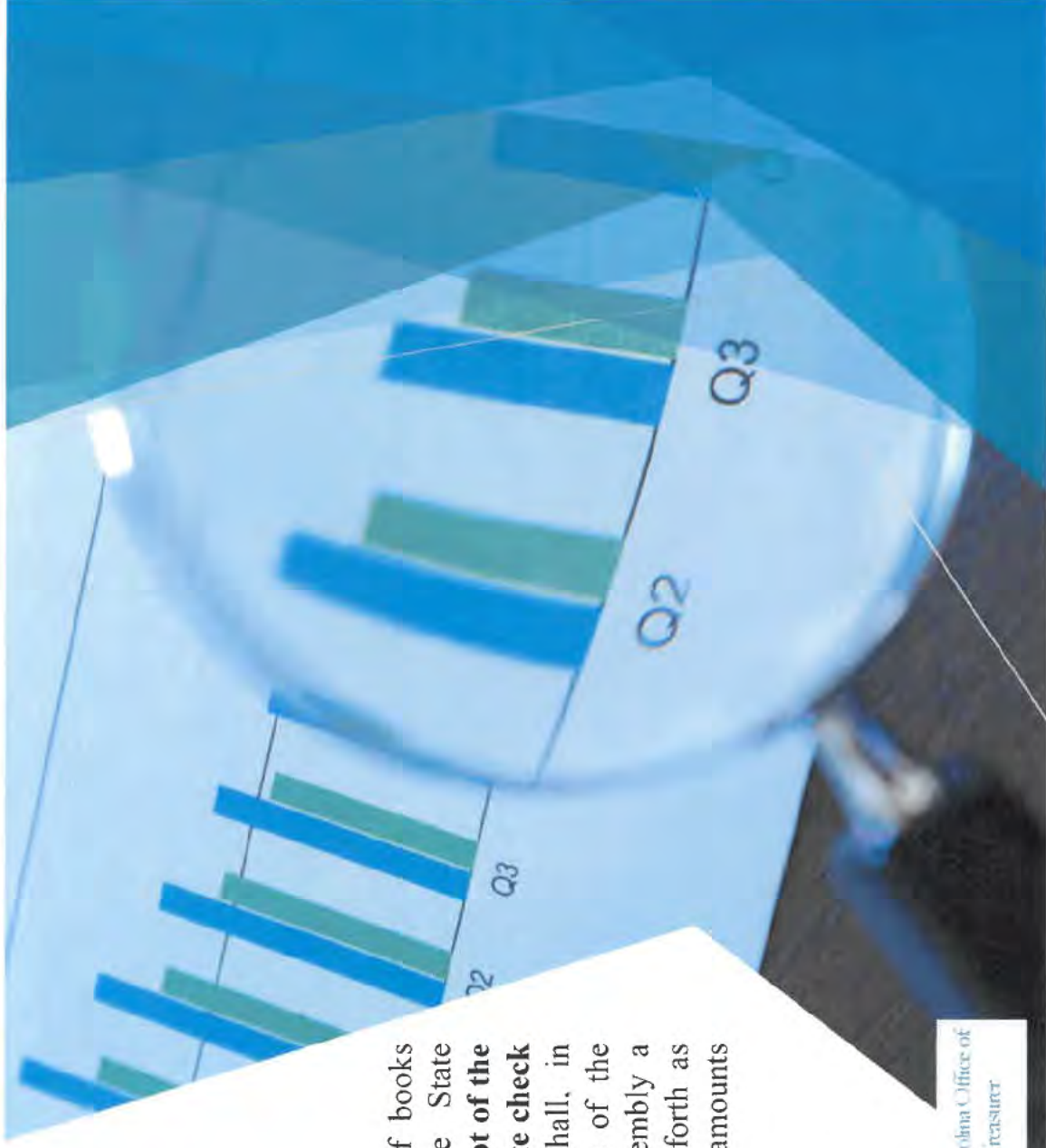
The Comptroller General shall keep a set of books exhibiting the separate transactions of the State Treasury. Such set of books shall be a **transcript of the books of the Treasury, constituting a complete check upon that office.** And the Comptroller shall, in addition to the exhibits of cash transactions of the Treasury, annually report to the General Assembly a balance sheet of the books aforesaid, setting forth as well by whom debts are due to the State as the amounts of those debts.



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# Treasurer's Reporting Requirements: Reporting within SCEIS

## ► Daily Reports -- S.C. Code § 11-5-170 – “Performed by SCEIS”

The State Treasurer shall, at the close of business on each day, send to the Comptroller General a report of all monies paid out by him, to whom paid and on what account, except that paid upon warrants of the Comptroller General.

AGENCY NAME:	Office of the Comptroller General
AGENCY CODE:	E120
SECTION:	097

### 2022 Accountability Report

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
11-5-170	State	Statute	(State Treasurer to send daily reports to Comptroller General) The State Treasurer shall, at the close of business on each day, send to the Comptroller General a report of all monies paid out by him, to whom paid and on what account, except that paid upon warrants of the Comptroller General.	Not related to agency deliverable	Performed by SCEIS	No Change

# Treasurer's Reporting Requirements: Reporting within SCEIS

- ▶ **Monthly Reports -- S.C. Code § 11-5-180 -- "Performed by SCEIS"**
- ▶ The State Treasurer shall, at the end of every month, report to the Comptroller General an accurate statement of the cash transactions of the Treasury, of every description, stating therein every sum of money received or paid away in behalf of the State, particularizing the person and his office of whom received and to whom paid, as also on what account received and for what purpose paid.
- ▶ He shall, at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State.

AGENCY NAME: Office of the Comptroller General  
 AGENCY CODE: E120 SECTION: 097

## 2022 Accountability Report

Task	Start	End	Notes	Performed by SCEIS	Not Done
Monthly reports to Comptroller General of cash transactions. The State Treasurer shall, at the end of every month, report to the Comptroller General an accurate statement of the cash transactions of the Treasury, of every description, stating therein every sum of money received or paid away in behalf of the State, particularizing the person and his office of whom received and to whom paid, as also on what account received and for what purpose paid. He shall, at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State.					



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South Carolina Office of  
 the State Treasurer

## Treasurer's Reporting Requirements: Reporting within SCEIS

S.C. Code § 11-5-100

The Treasurer shall raise an account in the Treasury books in every instance for the several appropriations made by the General Assembly, so that the appropriations of money and application thereof conformably thereto may appear clearly and distinctly on the Treasury books.



# Treasurer's Reporting Requirements: Reporting to the Public

Statement of the State Treasurer's Bank Deposits  
As of Close of Business 12/31/2023

PUBLISHED AS REQUIRED BY SECTION 11-5-120, CODE OF LAWS OF S.C. 2016

Arthur State Bank	3,063
Bank of America, NA	1,050,033,759
BNY Mellon	7,794
Blue Ridge Bank	4,273
Citizens Bank	859,847
Coastal Carolina National Bank	50,921
Enterprise Bank of SC	4,555
Farmers & Merchants Bank of SC	1,525
First Citizens Bank of SC	3,021,081
First National Bank of South Carolina	775
JP Morgan	5,201,617
Palmetto State Bank	935,444
South State Bank	5,735,924
Synovus Bank	2,445,773
TD Bank	27,526,349
The Bank of Clarendon	17,320
Trust Bank	97,738
United Community Bank	151,855,434
Wells Fargo Bank	584,621,287
<b>TOTAL</b>	<b>1,837,710,664</b>

Deposits in excess of federal insurance limits are collateralized in accordance with Statute 11-13-60



South Carolina Office of  
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**PUBLIC NOTICE**  
IN ACCORDANCE WITH STATE LAW, THE  
STATE TREASURER'S OFFICE HAS  
PREPARED THE FOLLOWING STATEMENT  
OF BANK DEPOSITS AS OF MARCH 31, 2004  
OFFICE SHOWING THE BANK IN WHICH  
FUNDS ARE DEPOSITED AT THE  
CLOSE OF BUSINESS 3/31/2004

PUBLISHED AS REQUIRED BY SECTION  
11-5-120, CODE OF LAWS OF S.C. 1976

Anderson Brothers Bank	2,000,500.00
Arthur State Bank	3,063.00
Bank of America, NA	1,050,033,759.00
Bank of Andover, N. A.	100,000.00
Bank of Camden	3,700,000.00
Bank of Chesapeake	1,000,000.00
Bank of Columbia	9,331,500.00
Bank of Ploggeny	500,000.00
Bank of Travelers Rest	3,000.00
Bank of Wadesboro	1,400,000.00
Bank of Western Bank	6,131.50
Bank of York	245,131.50
Capital Bank	10,000,000.00
Carolina Bank & Trust Co	500.00
Carolina Commercial Bank	506,012.98
Carolina Community Bank	1,000,000.00
Carolina First Bank	783,787.70
Coastal Federal Savings & Loan	5,000,000.00
Conway National Bank	10,000,000.00
Enterprise Bank of SC	4,555.00
Farmers & Merchants Bank of SC	1,525.00
First Citizens Bank	508,002.62
First Federal of Charleston	5,000,000.00
First National Bank of SC	775.00
First National Bank of South Carolina	10,000,000.00
First Reference Bank	8,000,000.00
First State Bank	3,000,000.00
First South Bank	7,500,000.00
Founders FCU	500,000.00
Horns Federal Savings & Loan	500,000.00
National Bank of S.C.	20,000,000.00
National Bank of S.C. County	10,500,000.00
Palmetto State Bank	11,832.45
Peoples Commercial Bank to S C	5,000,000.00
Peoples National Bank	5,000,000.00
Prudential Community Bank	7,000,000.00
S C Bank & Trust	10,548,128.18
S C Bank & Trust	100,000.00
Security Federal Savings	100,000.00
Seneca National Bank	100,000.00
Southcoast Community Bank	3,000,000.00
Southwest Bank	4,000,000.00
The Bank of Clarendon	17,320.00
The Citizens Bank	3,000,000.00
The Exchange Bank of SC	5,000.00
The Farmers Bank of SC	23,921.87
The Palmetto Bank of SC	100,000.00
Wilmington First National Bank	100,000,000.00
W.S. First National Securities	2,222,512,024.20
<b>TOTAL</b>	<b>3,288,359,008.38</b>

**TOTAL**  
THE ABOVE BANK BALANCES INCLUDE  
\$350,000,000.00 IN FULLY COLLATERALIZED  
CERTIFICATES OF DEPOSIT WHICH ARE  
PLACED BY COMPETITIVE BID. THE REMAIN-  
ING BALANCES ARE TO COVER OUTSTAND-  
ING CHECKS

GRADY L. PATTERSON, JR.  
STATE TREASURER

32114

## S.C. Code § 11-5-120

The State Treasurer shall publish, quarterly, by *electronic means and in a manner that allows for public review*, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds to which it belongs. (since 2008)

The State Treasurer shall publish, quarterly, in *one daily paper in the city of Columbia*, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds to which it belongs. (before 2008)

# Treasurer's Reporting Requirements: Reporting to the General Assembly

## ► S.C. Code § 11-5-185

In addition to other reports required by law to be made, by the State Treasurer, he shall also report annually to the General Assembly in the month of January on the following matters:

- (1) The amount of state revenue collected in the previous fiscal year.
- (2) The amount of such revenue deposited in the state general fund.
- (3) The location of general fund revenue in banks and other financial institutions including invested funds, as of the end of the previous fiscal year.
- (4) The interest accrued from deposits and investments for the previous fiscal year and the use of such interest.
- (5) The amount expended for debt service in the previous fiscal year.
- (6) The current status of the general fund reserve including any expenditure or reimbursement thereof.
- (7) Any other information relating to state revenue which the Treasurer deems pertinent and of value to the General Assembly, including such items as special state funds, the highway fund and other funds not specified herein, as may be deemed appropriate by the Treasurer.



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South Carolina Office of  
the State Treasurer

# Reports provided to General Assembly



THE HONORABLE CURTIS M. LOFTIS, JR.  
State Treasurer

## SECTION 115-105. Treasurer's annual report to the General Assembly.

In addition to other reports required by law to be made, by the State Treasurer, he shall also report annually to the General Assembly in the month of January on the following matters:

	Requested Information
(1) The amount of state revenue collected in the previous fiscal year.	This information is available in SCEIS, the <a href="#">South Carolina Board of Economic Advisors' Monthly Economic Monitor Fiscal Year 2022-23</a> and is reported by the Comptroller General in the <a href="#">Year-End Financial Summary</a> and the <a href="#">ACE</a> .
(2) The amount of such revenue deposited in the state general fund.	This information is available in SCEIS, the <a href="#">South Carolina Board of Economic Advisors' Monthly Economic Monitor Fiscal Year 2022-23</a> and is reported by the Comptroller General in the <a href="#">Year-End Financial Summary</a> and the <a href="#">ACE</a> .
(3) The location of general fund revenues in banks and other financial institutions including invested funds, as of the end of the previous fiscal year.	The <a href="#">Bank Balance Annual Report FY23</a> and <a href="#">STO Investment Performance Annual Report FY23</a> are posted on the STO website.
(4) The interest accrued from deposits and investments for the previous fiscal year and the use of such interest.	Accrued interest is reported in <a href="#">ACE</a> and is also available in SCEIS.
(5) The amount expended for debt service in the previous fiscal year.	The STO reports this in the <a href="#">Accountability Report</a> and it is also available within SCEIS.
(6) The current status of the general fund revenues including any expenditures or reimbursements thereof.	This information is available in SCEIS and is reported by the Comptroller General in the <a href="#">Year-End Financial Summary</a> and the <a href="#">ACE</a> .

Over time, most of this reporting has been absorbed due to changes in technology (SCEIS) within other state processes with the Board of Economic Advisors and Comptroller General, to which we submit our portion of data that is then reported out in conjunction.



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South Carolina Office of  
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AGENCY NAME: State Treasurer's Office  
AGENCY CODE: E160

SECTION: 98

## 2022 Accountability Report

### SUBMISSION FORM

have reviewed and approved the data submitted by the agency in the following templates:

- Data Template
  - Reorganization and Compliance
  - FY2022 Strategic Plan Results
  - FY2023 Strategic Plan Development
  - Legal
  - Services
  - Partnerships
  - Report or Review
  - Budget
- Discussion Template
- Organizational Template

have reviewed and approved the financial report summarizing the agency's budget and actual expenditures, as entered by the agency into the South Carolina Enterprise Information System.

The information submitted is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR  
(SIGN AND DATE):

*Curtis M. Loftis, Jr.*

(TYPE/PRINT NAME):

The Honorable Curtis M. Loftis, Jr.

# SUMMARY

## Role of Comptroller General

- ▶ State Accounting Officer
- ▶ Maintain SCEIS
- ▶ Adopt accounting policies and procedures, including creating “funds” within SCEIS
- ▶ Prepare and issue official financial reports (Annual Comprehensive Financial Report)
- ▶ Issue warrants to authorize and control agency expenditures
- ▶ Provide “complete check” on state funds in treasury

## Role of Treasurer

- ▶ State’s Banker
- ▶ Custody state funds
- ▶ Invest and reinvest state funds
- ▶ Release state funds pursuant to warrants/authorization issued by Comptroller General
- ▶ Report to public and to General Assembly regarding custodied state funds



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South Carolina Office of  
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# EXHIBIT 6

## Eckstrom, Richard

---

**From:** Eckstrom, Richard  
**Sent:** Monday, October 10, 2022 8:45 PM  
**To:** Starkey, David  
**Cc:** Gunn, Eddie  
**Subject:** Re: [External] Lander University

Totally understand!

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---

**From:** Starkey, David [REDACTED]  
**Sent:** Monday, October 10, 2022 8:43:42 PM  
**To:** Eckstrom, Richard [REDACTED]  
**Cc:** Gunn, Eddie [REDACTED]  
**Subject:** RE: [External] Lander University

I just reviewed it, so we should be good there. I'm trying to keep on the more complex items. The hope is in a few more years I can get staff to do more of the grunt work I need to do now.

**From:** Eckstrom, Richard [REDACTED]  
**Sent:** Monday, October 10, 2022 8:42 PM  
**To:** Starkey, David [REDACTED]  
**Cc:** Gunn, Eddie [REDACTED]  
**Subject:** Re: [External] Lander University

If it was the Medicaid accrual we got written-up for a few years back please have someone do a high level review of his documentation, especially since he's just getting ACFR experience for the first time this year. Michael might be available b/c tomorrow we'll close-out September's revenue.

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---

**From:** Starkey, David [REDACTED]  
**Sent:** Monday, October 10, 2022 8:30:07 PM  
**To:** Eckstrom, Richard [REDACTED]  
**Cc:** Gunn, Eddie [REDACTED]  
**Subject:** RE: [External] Lander University

Thank you and I will.

So far, Katherine is getting through cash. She is working hard on trying to reconcile all of the State's cash. **We've got close over the last number of years, but there always has been some issues we have not been able to reconcile.** Luckily, they've always been immaterial since 2014. Mostly timing differences between AFS' and what the STO has on its books. Kelly & Linda are working on the note updates (especially AR, the DCU note, and other areas within the notes). James just finished up the Medicaid accrual. I will touch base with him tomorrow on his next tasks. There's plenty of areas within notes and RSI where we can use his help.

**From:** Eckstrom, Richard [REDACTED]  
**Sent:** Monday, October 10, 2022 8:20 PM

# EXHIBIT 7

**Gibson, Lisa**

---

**From:** Kennedy, George  
**Sent:** Monday, January 29, 2024 6:57 PM  
**To:** Adams, Clarissa  
**Cc:** Gillespie, Grant; Loftis, Curtis  
**Subject:** RE: CG Information Emailed to SFAA liaisons 1/24/24

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Clarissa:

The analysis was done prior to 2022.

I will look at the CGO sharepoint but will likely need my staff's help in finding the file.

---

**From:** Adams, Clarissa <Clarissa.Adams@sto.sc.gov>  
**Sent:** Monday, January 29, 2024 5:06 PM  
**To:** Kennedy, George <gkennedy@osa.sc.gov>  
**Cc:** Gillespie, Grant <GGillespie@sfaa.sc.gov>; Loftis, Curtis <Curtis.Loftis@sto.sc.gov>  
**Subject:** RE: CG Information Emailed to SFAA liaisons 1/24/24

George,

Thank you for the clarification that there is no specific documentation that the \$1.8 billion is owned by the General Fund. You clarified that in order to validate the CGO's decision, you gained assurance through a process of various inquires and analysis. Was the analysis assurance conducted by the OSA prior to issuing the 2022 ACFR?

Your Email mentioned the CG presented the reconciliation to you. Is the reconciliation provided included in the information provided by David Starkey on January 24, 2024?

Thank you again for your Email. I noticed the Email is addressed to both the Treasurer and Grant. If this information was not sent in separate Emails to the other SFAA principals and liaisons, we would ask that Grant forward your Email to all liaisons and principals.

Thanks,  
Clarissa

---

**From:** Kennedy, George <gkennedy@osa.sc.gov>  
**Sent:** Monday, January 29, 2024 9:40 AM  
**To:** Adams, Clarissa <Clarissa.Adams@sto.sc.gov>; Gillespie, Grant <GGillespie@sfaa.sc.gov>  
**Cc:** Loftis, Curtis <Curtis.Loftis@sto.sc.gov>  
**Subject:** RE: CG Information Emailed to SFAA liaisons 1/24/24

Clarissa:

As the effort continues to obtain the CGO workpapers requested, I want to address the additional request from your email to Grant Gillespie and me on January 26, 2024. You asked that I identify the detail within the CGO's workpapers that allowed OSA and CLA to gain comfort with the CGO's decision to classify the fund within the General Fund. While there is no one



workpaper or combination of workpapers provided by the CGO that was the basis, we validated the decision through a process of inquiry and testing.

As background, it is important to understand that the definition of the General Fund, as it is used for governmental financial statement purposes, is to *account for and report all financial resources not accounted for and reported in another fund*.

Our understanding is that the funds you refer to were the result of the State's conversion of a legacy cash management system to SCEIS. During the conversion process, the State established the business area and/or fund for cash, however the State could not establish ownership for amounts totaling approximately \$1.8 billion. Management ultimately determined that these funds should be classified within the General Fund for financial statement presentation purposes.

While the \$1.8 billion can not be assigned to a specific bank account, the State's pool of cash does not reconcile to the SCEIS general ledger without its inclusion. Therefore there is evidence that the \$1.8 billion exists.

Management presented us with the reconciliation, which represented the assignment of cash balances, but could not provide us with specific documentation that the \$1.8 billion is owned by the General Fund. Given this, we determined that the best approach to validating management's decision was by necessity a process of gaining assurance that the \$1.8 billion is not owned by a fund other than the General Fund. After performing testing on conversion entries during the fiscal year 2017 audit, we performed the following inquiries and analyses to determine if the \$1.8 billion, or portions thereof, should be reflected by a fund other than the General Fund.

First, cash received or held by the State and its agencies for a specific purpose is generally reflected in funds other than the General Fund, including the Departmental Services Fund, the Local Government Infrastructure Fund and the Department of Transportation Special Revenue Fund, and accounting for cash assigned to these funds is managed at an agency level. In addition to requirements that cash be used for a specific purpose, there are usually reporting requirements imposed by the State or Federal governments or by other granting entities regarding the status of unspent funds. We are not aware of any material issues raised by agencies regarding specific purpose cash either during or after the conversion.

Second, various components of the State, including higher education institutions and other State activities such as the Ports Authority and Public Service Authority, are audited by other auditors. We rely on their audit work in our audit of the statewide financial statements, and we are not aware of material issues related to cash identified by the audits of these approximately 50 separately audited components.

Based on the procedures we performed we could not obtain any information that refuted management's assertion that the General Fund is the owner of the \$1.8 billion cash balance for financial statement purposes. This is consistent with the definition of the General Fund as the fund used to *account for and report all financial resources not accounted for and reported in another fund*.

George

**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Saturday, January 27, 2024 11:21 PM  
**To:** Gillespie, Grant <[GGillespie@sfaa.sc.gov](mailto:GGillespie@sfaa.sc.gov)>  
**Cc:** Kennedy, George <[gkennedy@osa.sc.gov](mailto:gkennedy@osa.sc.gov)>; Loftis, Curtis <[Curtis.Loftis@sto.sc.gov](mailto:Curtis.Loftis@sto.sc.gov)>  
**Subject:** Re: CG Information Emailed to SFAA liaisons 1/24/24

You are welcome to try. However after our conversation yesterday, all I could think about were the numerous times the STO requested working papers and the most recent data dump. I am not confident your attempt will be successful, but thank you for trying.

Just a quick clarification, the STO is receiving the information. The SAO is validating that the documents we receive are in fact the CGO working papers used in the audit.

One quick note on the Email either you or George are sending to the liaisons. Regardless of who sends the Email to the liaisons, the most important thing is for the liaisons to understand asap that the information provided to the STO is a data dump and not what the CGO submitted to the SAO.

My concern is, that as of Wednesday 1/24/24, the liaison's believe "the problem was solved", which is completely incorrect.  
Thanks,  
Clarissa



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201

803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

On Jan 27, 2024, at 3:47 PM, Gillespie, Grant <[GGillespie@sfaa.sc.gov](mailto:GGillespie@sfaa.sc.gov)> wrote:

Clarissa:

Thanks for the email.

What may be helpful is if I chat with Brian again to explore the possibility of sending the data in a form that is along the lines you suggest. Included in this could be resending the information the CG sent this past fall. This would obviously help you and George's effort to validate the information discussed. I am happy to if you are good with that. Just let me know. Thanks.

<EC63F4D8DF5C4FC88B1C8A1E30E54603[2156334].jpg>

**Grant Gillespie**  
Executive Director  
SC State Fiscal Accountability Authority  
[1201 Main St.; Suite 420](#)  
[Columbia, SC 29201](#)

[Office: \(803\) 734-9414](#)  
[Cell: \(803\) 528-6129](#)  
[Fax: \(803\) 734-2117](#)

---

**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>  
**Sent:** Saturday, January 27, 2024 1:07:33 AM  
**To:** Gillespie, Grant <[GGillespie@sfaa.sc.gov](mailto:GGillespie@sfaa.sc.gov)>; Kennedy, George <[gkennedy@osa.sc.gov](mailto:gkennedy@osa.sc.gov)>  
**Cc:** Loftis, Curtis <[Curtis.Loftis@sto.sc.gov](mailto:Curtis.Loftis@sto.sc.gov)>  
**Subject:** RE: CG Information Emailed to SFAA liaisons 1/24/24

Grant,

Thank you for your call this evening. I realized we did not discuss the text you sent to me earlier today requesting the ability to share the Email below with the other four liaisons and/or principals. Yes, it is fine to share this Email.

I'm glad to hear from you that George received my Email. It would also be most helpful if the four liaisons understood that George shared with you that the CGO files sent to the STO are in fact a data dump. I am glad we asked for validation from George. I believe George mentioned two things to you –

- the data submitted in its present form is not what the CGO submitted to the OSA.
- validation of the information (again in its present form) would take the OSA a tremendous amount of time.

This evening, we also discussed that you believe it would be best for George to share the information above with the SFAA liaisons directly. Given that the meeting is Tuesday morning, this might make sense as long as the liaisons receive this communication right away.

As you know, one of the primary goals is to validate that the 2022-2023 working papers the STO receives are the same working papers that made OSA and CLA comfortable with the CGO's decision to move the fund within the ACFR to the "ACFR General Fund Classification". In addition, it would be most helpful if George was able to point out where that particular information "lives" in the working papers submitted by the CGO.

In the interest of time, you and I discussed the possibility of the CGO resending exactly what they submitted directly to the OSA this past fall. Given the data we received on Wednesday, it would seem this would be the most efficient method. Just an FYI, I had a conversation about this same topic with Mark Plowden late this afternoon.

Thanks,  
Clarissa

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**From:** Adams, Clarissa  
**Sent:** Friday, January 26, 2024 2:16 AM  
**To:** Gillespie, Grant <[GGillespie@sfaa.sc.gov](mailto:GGillespie@sfaa.sc.gov)>; Kennedy, George <[gkennedy@osa.sc.gov](mailto:gkennedy@osa.sc.gov)>  
**Cc:** Loftis, Curtis <[Curtis.Loftis@sto.sc.gov](mailto:Curtis.Loftis@sto.sc.gov)>  
**Subject:** CG Information Emailed to SFAA liaisons 1/24/24

Grant,

I received your text asking about the information David Starkey sent. Thank you for following up. As you know, the requested information was just received yesterday afternoon and the STO is in the process of reviewing. Our initial review however indicates some information is incomplete or inaccurate.

I noted George Kennedy was not copied in the Email thread from David Starkey. As you recall, we asked and George kindly agreed to validate that the information sent by the CGO to the STO is indeed what was submitted to the OSA and CLA. I was confused when looking for actual working papers because David Starkey included a letter from the Treasurer to you dated 12/14/23 with edits or notes?

George, as you are validating the information it would be most helpful to keep in mind that what we are looking for is where in all of this information sent by the CGO is the detail that made OSA and CLA comfortable with the CGO's decision to move the fund within the ACFR to the "ACFR General Fund Classification"? In the interest of time, pointing out that particular information would be most helpful to the STO team and I would be grateful for your assistance since you are so familiar with the working papers submitted.

Thank you both,  
Clarissa

<image003.jpg>

**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

# EXHIBIT 8

## **Agenda Item #2: Revised Cash & Investments Closing Instructions**

- All parties reviewed updated instructions from the CGO provided 8/9/23.
- The CGO made updates to “Changes in Business Processes to Previous Closing Packages” section of the instructions - indicated items in previous closing packages that are now N/A. The STO will review comments and edits.
  - The STO asked about the umbrella approach reference. The CGO advised intent to keep this reference, but some STO activity was removed which includes the STO’s annual distribution of confirmations.
  - The CG provided an overall objective that included language which referenced the request for a new process added to the STO closing package to include a Treasury Management reconciliation by Business Area and Fund.
  - STO reminded CGO there has been no change since January when the STO confirmed they would be providing Cash Recon at the bank level.
  - The parties discussed division of responsibilities around the areas of general ledger and Agencies' claim to cash.
  - The STO reinforced they will continue to provide the annual ZIMRQ300.
  - Further edits were provided to the updated instructions.
  - The CGO stated the need to determine individual agency responsibilities and may seek an outside opinion.
  - The OSA and CLA have opted not to weigh in on the division of responsibilities due to their role as independent auditors. Both acknowledged the detail of cash by Business Area and Fund is not necessary for the ACFR.
  - The STO reinforced this new process is not required for the ACFR and can provide related language.
  - The CGO added a new section related to STO sign off. The STO asked questions and will review and provide comments after the meeting.
  - The STO encouraged the group to consider realistic expectations given the limited time available for the 2023 ACFR.
  - The CGO stated the Excel file would be provided 8/11/23 and should mirror the mid-year Excel file with exception to signoff as discussed above.

## **Agenda Item #3: CGO / SCEIS proof of concept report feedback**

- Admin provided an email prior to the meeting that they were awaiting further instruction from the working group to confirm the path forward.
- The CGO was aware of Admin’s communication and the STO will provide to the OSA.
- The STO shared there are differences between the BRD and the sample report.

## **Agenda Item #4: Year-end Deliverables:**

- The CGO confirmed they intend to provide the workbook 8/11/23.
- The CGO confirmed all Agenda #4 items received, and the STO has fulfilled all existing requests for information.
- The CGO mentioned the 8/09/23 email request for Total LGIP Cash. The STO confirmed the CGO will continue to receive this information via the annual LGIP Audited Financial Statements.

## **Agenda Item #5: Proposed Future Meetings and Follow-up**

- The CGO indicated no further meetings are necessary and to direct further communications via email.
- It was confirmed this is the last scheduled meeting.
- The STO offered a quarterly ZIMRQ300 for CGO to use as needed. The CGO and OSA agreed the report would be beneficial.

Meeting Information			
<b>Project:</b>	Year-End Closing	<b>Location:</b>	Conf Rm 222, STO / Virtual (Teams)
<b>Date:</b>	08/09/2023	<b>Time:</b>	1:00 PM – 2:00 PM EDT

**Purpose of Meeting:** To confirm the efforts of the STO to support completion of the Year-end closing package and conversion entry updates.

Office of State Treasurer Attendees✓									
x	Treasurer Loftis	x	Clarissa Adams	x	Melissa Simmons	x	Leann Miller	x	Marissa Evans
x	Perry Breazeale	x	Robert Macdonald	x	Caroline Royal	x	Chris Pedersen	x	Lisa Gibson
x	Bill Condon		Jack DeOliveira	x	Edward Frazier				
Comptroller General Attendees✓									
x	Comptroller Gaines	x	Katherine Kip	x	David Starkey	x	Kathy Johnson	x	Allison Williams
x	Sue Fisher	x	Layla Ballard Sholly						
Dept of Admin Attendees✓									
	Marcia Adams		Paul Koch		Lindsey Kremlick		Nick Brunson		Tom Hill
	Stef Littlejohn								
Office of State Auditor Attendees✓									
x	George Kennedy	x	Sue Moss	x	Victoria Funk				
Clifton Larsen Allen Attendees✓									
	Remi Omnisore								

**AGENDA**

- Agenda
  1. Welcome
  2. Revised Cash & Investments Closing Instructions
    - Word document
    - Excel spreadsheet
  3. CGO / SCEIS proof of concept report feedback
  4. Year-end Deliverables
    - LGIP Participation Balances requested
    - SAO Statewide Debt Audit Process Memo & IC Understanding documents
    - Upcoming 6/30/2023 Closing packages and due dates
    - Cash & Investment CGO workbook due to STO on August 11, 2023
  4. Final AUP process report 12/31/2022 – follow up
  5. Proposed Future Meetings and Follow-up

# EXHIBIT 9



## Gibson, Lisa

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**From:** Adams, Clarissa  
**Sent:** Wednesday, January 3, 2024 10:55 AM  
**To:** Gaines, Brian (CG)  
**Cc:** Adams, Marcia; Loftis, Curtis  
**Subject:** RE: Proposed January 3, 2024 meeting

My apologies for resending this Email, but with all the holiday activity I wanted to check in and see if Katherine is available this afternoon? The STO members are happy to arrange calendars to accommodate Katherine's schedule.

Thanks,  
Clarissa

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**From:** Adams, Clarissa  
**Sent:** Thursday, December 28, 2023 11:59 PM  
**To:** Gaines, Brian (CG) <bgaines@cg.sc.gov>  
**Cc:** Adams, Marcia <Marcia.Adams@admin.sc.gov>; Loftis, Curtis <Curtis.Loftis@sto.sc.gov>  
**Subject:** Proposed January 3, 2024 meeting

Brian,  
Thank you to both you and Marcia for our call on December 20, 2023. As we discussed on our call, the STO is asking for your assistance as it relates to SCEIS Fund 30350993. In particular, we are requesting a meeting as soon as possible with Katherine Kip.

The STO has been reviewing activity in the SCEIS Fund 30350993 from 2016 to 2017. Since Katherine worked at the STO from 6/2/2015 - 2/03/2020 and we would appreciate the opportunity to talk to Katherine and get her perspective during that time.

Our call with Marcia also included the following items.

- Assuming Katherine is available, the proposed meeting dates discussed are January 3<sup>rd</sup> and January 5<sup>th</sup>.
  - January 3, 2024 will serve as an organizational meeting (assignments, take aways, as well as the rhythm for each week)
  - January 5, 2024 will be the first working group meeting
- Team members would include Katherine Kip, Perry Breazeale, Caroline Royal, Tim Moore, Stef Littlejohn, and Candi Bowen. Candi will serve as the project manager on this project. CG Gaines mentioned he may attend the meetings.
- Assuming a decision or recommendation is made, we agreed confirmation will be conducted by an outside party to ensure cash balances are not negatively impacted given the fact that this is a prior period adjustment.
- Assuming a decision or recommendation is made, the ongoing SEC investigation will also be taken into account given the fact this is a prior period adjustment.
- It is possible Marcia will reach out to Doug Cooper, however that decision will not be made until the team is able to meet.

As we discussed, no one agency can review and resolve this issue and we appreciate your help on this matter. I hope you and Marcia had a wonderful Christmas and I wish you both a Happy New Year.

Thank you,  
Clarissa



**Clarissa T. Adams | Chief of Staff**  
South Carolina Treasurer's Office  
1200 Senate Street Suite 214  
Wade Hampton Building, Columbia, SC 29201  
803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

# EXHIBIT 10

## Taylor, Martin

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**From:** Morrison, John  
**Sent:** Friday, October 26, 2018 4:16 PM  
**To:** Taylor, Martin; Kip, Katherine  
**Cc:** Starkey, David; Showe, Laura; Morrison, John  
**Subject:** Remaining Conversion Balances.xlsx  
**Attachments:** Remaining Conversion Balances.xlsx

Martin,

Here is a list of the balances that we have identified that need to be washed through the conversion account based on our conversation. I have shown the adjustment as it needs to be entered from the CAFR perspective.

I will follow up with a phone call in a minute.

Thank you,

John Morrison, CPA  
Office of the Comptroller General  
1200 Senate Street  
305 Wade Hampton Bldg.  
Columbia, SC 29201  
(803) 734-5043

**Remaining Conversion Balances**

Below are the remaining conversion balances. The adjustment column shows the actual adjustment that needs to be made for each of the Business Areas and Fund combination. Let me know if you have any questions.

Business area	Fund	GL Account	FIN STATEMNT AGY ADJ	GAAP Fund Code	GAAP Individual Fund	Adjustment	Prior ADJ
X000	10010000	11000000007	FIN STATEMNT AGY ADJ	1001	1	(50,873.99)	COR002
A000	10010000	11000000007	FIN STATEMNT AGY ADJ	1001	1	228,344,009.00	COR002
J000	10010000	11000000007	FIN STATEMNT AGY ADJ	1001	1	10,435.40	COR002
J000	10010004	11000000007	FIN STATEMNT AGY ADJ	1001	1	(400.00)	COR002
J000	10010021	11000000007	FIN STATEMNT AGY ADJ	1001	1	(9,926.25)	COR002
A000	10010021	11000000007	FIN STATEMNT AGY ADJ	1001	1	(221,147.40)	COR002
J000	10010022	11000000007	FIN STATEMNT AGY ADJ	1001	1	(108.15)	COR002
H000	28230000	11000000007	FIN STATEMNT AGY ADJ	1001	1	2,219,850.84	COR003
A000	28230000	11000000007	FIN STATEMNT AGY ADJ	1001	1	7,966.88	COR003
H000	28370000	11000000007	FIN STATEMNT AGY ADJ	1001	1	484,423.28	COR003
A000	28370000	11000000007	FIN STATEMNT AGY ADJ	1001	1	85,345.28	COR003
A000	30350000	11000000007	FIN STATEMNT AGY ADJ	6001	1	158,726,301.00	COR002
H000	90226026	11000000007				(30,983,000.00)	FIN001
A000	90018011	11000000007				(11,938,103.55)	
Balance to convert						<b>324,624,771.28</b>	



Post	Fiscal	Posting Date	Doc#	GL Account	gl	Document Header Text	Item Text	Reference	Doc Number	Debit/Credit Amount	User	Bus Area	999 Offset?
8	2017	2/13/2017	Z7	1013300000	BOA_GENERAL DEP	Historical Cash Acc clean up	Historical Cash Acc clean up	CASH CLE	1002748430	-\$ 2,134,982.70	DCOOPER	A010	Yes-40
8	2017	2/13/2017	Z7	1013300000	BOA_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002748431	-\$ 233,112.47	DCOOPER	A050	Yes
8	2017	2/14/2017	Z7	1013300000	BOA_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002749432	-\$ 272,834.40	DCOOPER	A200	Yes
8	2017	2/14/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002748438	-\$ 372,900.30	DCOOPER	A150	Yes
8	2017	2/14/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002748443	-\$ 971,589.85	DCOOPER	A170	Yes
8	2017	2/14/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002748445	-\$ 10,091,599.74	DCOOPER	A850	Yes
8	2017	2/14/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002748447	-\$ 52,735,802.54	DCOOPER	B040	Yes
8	2017	2/14/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Historical Cash Acc clean up	CASH CLE	1002748455	-\$ 199,905.48	DCOOPER	D050	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998375	-\$ 1,143,734.24	DCOOPER	C050	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998377	-\$ 1,255,345.58	DCOOPER	C050	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998379	-\$ 98,087,747.95	DCOOPER	D100	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998381	-\$ 2,619,488.39	DCOOPER	D100	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998383	-\$ 41,233,630.52	DCOOPER	D100	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998385	-\$ 185,864,788.82	DCOOPER	D170	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998387	-\$ 228,846,782.78	DCOOPER	D170	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998389	-\$ 371,835.31	DCOOPER	D200	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998391	-\$ 122,184.50	DCOOPER	D200	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998393	-\$ 92,852.66	DCOOPER	X120	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998395	-\$ 10.08	DCOOPER	X220	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998397	-\$ 5,898,426,969.90	DCOOPER	X440	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998399	-\$ 2,382,469,025.01	DCOOPER	X440	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998401	-\$ 41,991,164.08	DCOOPER	Y080	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998403	-\$ 28,700,000.00	DCOOPER	Y080	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998405	-\$ 524,389,405.55	DCOOPER	Y140	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998407	-\$ 135,455,852.00	DCOOPER	Y140	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998409	-\$ 39,308,000.00	DCOOPER	Y180	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998412	-\$ 788,802.18	DCOOPER	Y200	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998414	-\$ 780,802.16	DCOOPER	Y200	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998418	-\$ 34,149,338.86	DCOOPER	P360	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1002998421	-\$ 18,370,740.75	DCOOPER	P360	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003001680	-\$ 18,187,354.58	DCOOPER	U300	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003001682	-\$ 5,865,933.89	DCOOPER	U300	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003001685	-\$ 7,218.23	DCOOPER	S600	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003001687	-\$ 5,549.16	DCOOPER	S600	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003001701	-\$ 486,182,880.38	DCOOPER	U200	Yes
10	2017	4/3/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003001703	-\$ 173,527,418.54	DCOOPER	U200	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002180	-\$ 230,518,522.80	DCOOPER	U150	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002182	-\$ 57,180,387.47	DCOOPER	U150	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002184	-\$ 150,528,310.13	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002186	-\$ 84,738,191.10	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002188	-\$ 98,583,345.37	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002170	-\$ 3,898,981,465.88	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002172	-\$ 89,887,117.55	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002174	-\$ 110,107,297.22	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002178	-\$ 1,071,155,787.72	DCOOPER	U120	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002178	-\$ 24,701,228.93	DCOOPER	R040	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002180	-\$ 3,001,708.37	DCOOPER	R040	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002182	-\$ 135,358,846.64	DCOOPER	R060	Yes
10	2017	4/4/2017	Z7	1013300700	WF_E16_GENERAL DEP	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002184	-\$ 170,086,785.18	DCOOPER	R060	Yes

10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002188	\$ 14,892,577.70	DCOOPER	R080	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002189	\$ 4,852,564.37	DCOOPER	R080	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002190	-\$ 162,281,039.41	DCOOPER	R120	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002192	\$ 88,366,508.18	DCOOPER	R120	Yes
10	2017	4/4/2017	Z7	1013300000	BOA_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002194	-\$ 6,280,498.94	DCOOPER	R140	Yes
10	2017	4/4/2017	Z7	1013300000	BOA_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002196	\$ 1,588,455.25	DCOOPER	R140	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002198	-\$ 229,503,240.12	DCOOPER	R160	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002201	\$ 199,328,730.56	DCOOPER	R160	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002203	\$ 1,269,000,079.08	DCOOPER	R200	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002205	-\$ 66,083,445.40	DCOOPER	R200	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002208	\$ 1,316,840.34	DCOOPER	R200	Yes
10	2017	4/4/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002210	\$ 1,648,550.64	DCOOPER	R230	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	CASH ACCOUNT CONVERSION ADJUSTME	CASH CLE	1003002472	-\$ 18,288.21	DCOOPER	R200	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002736	-\$ 2,310,331.69	DCOOPER	R280	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002738	\$ 878,476.93	DCOOPER	R280	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002740	-\$ 74,754,987.07	DCOOPER	R360	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002742	\$ 6,321,906.58	DCOOPER	R360	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002744	-\$ 1,528,635.68	DCOOPER	R520	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002746	\$ 535,928.19	DCOOPER	R520	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002749	-\$ 26,044,531.58	DCOOPER	P400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002751	\$ 4,426,298.27	DCOOPER	P400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002753	-\$ 10,861,313.78	DCOOPER	P450	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002755	-\$ 37,352,487.06	DCOOPER	P450	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002757	-\$ 687,743,957.71	DCOOPER	R400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002759	\$ 88,619.27	DCOOPER	R400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002781	-\$ 65,573,945.17	DCOOPER	R400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002783	\$ 220,919,719.93	DCOOPER	R400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002785	\$ 244,035,210.84	DCOOPER	R400	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002787	\$ 884,887.54	DCOOPER	P200	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002789	-\$ 3,053,281.32	DCOOPER	P200	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003002771	\$ 88,932.00	DCOOPER	P200	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003343	\$ 360,554.61	DCOOPER	P210	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003345	\$ 643,621.84	DCOOPER	P210	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003346	-\$ 1,004,178.45	DCOOPER	P210	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003351	\$ 4,444,194.14	DCOOPER	P260	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003353	-\$ 270,635,893.48	DCOOPER	P260	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003355	\$ 6,179,114.44	DCOOPER	P280	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003357	-\$ 6,177,353.78	DCOOPER	P280	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003359	\$ 57,039,666.67	DCOOPER	P280	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003361	\$ 8,584,922.69	DCOOPER	P280	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003363	\$ 702,859,618.37	DCOOPER	P320	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003365	\$ 438,950,430.41	DCOOPER	P320	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003372	-\$ 80,247,014.62	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003370	-\$ 28,132,818.08	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003374	\$ 13,106,179.93	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003378	-\$ 81,909,928.15	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003380	\$ 3,016,920.33	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003382	\$ 929,885.27	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003384	\$ 17,885,207.66	DCOOPER	P240	Yes
10	2017	4/6/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003386	\$ 44,714,134.13	DCOOPER	P240	Yes



10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003388	\$ 11,905,273.20	DCOOPER	P240	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003390	\$ 37,583,554.81	DCOOPER	P240	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003392	\$ 4,597,785.77	DCOOPER	P240	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003485	-\$ 22,882,132.74	DCOOPER	P120	Yes-40
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003487	\$ 15,591,797.01	DCOOPER	P120	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003489	\$ 1,077.02	DCOOPER	P120	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003485	-\$ 50,317,711.78	DCOOPER	P160	Yes-40
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003488	\$ 38,010,873.78	DCOOPER	P160	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003533	\$ 11,870,374.08	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003538	\$ 40,446,498.08	DCOOPER	R600	Yes-40
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003540	-\$ 15,026,380.17	DCOOPER	R600	Yes-40
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003542	-\$ 2,414,140,579.46	DCOOPER	R600	Yes-40
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003544	\$ 5,670,899.80	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003548	\$ 78,181,342.40	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003550	\$ 2,286,523.58	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003552	\$ 1,878,307.37	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003554	\$ 725,692,751.55	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003556	\$ 1,584,997.08	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003558	\$ 1,341,417.52	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003560	\$ 5,331,316.38	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003562	\$ 2,345,196,148.31	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003564	\$ 73,700,533.42	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003566	\$ 378,195,842.94	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003571	\$ 4,287,048.08	DCOOPER	R600	Yes-50
10	2017	4/8/2017	ZT	1013300000	BOA GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003664	-\$ 83,728,770.87	DCOOPER	N200	Yes-40
10	2017	4/8/2017	ZT	1013300000	BOA GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003666	\$ 23,458,074.77	DCOOPER	N200	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003668	\$ 19,189,597,023.48	DCOOPER	R440	Yes-50
10	2017	4/8/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003670	\$ 3,298,080,433.48	DCOOPER	R440	Yes-50
10	2017	4/8/2017	ZT	1013300000	BOA GENERAL DEP	50	H	Historical Cash Clean Up	#	CASH CLE	1003003813	\$ 2,250.00	DCOOPER	N200	Yes-40
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003833	-\$ 47,498,438.70	DCOOPER	E040	Yes-40
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003835	\$ 55,826,852.54	DCOOPER	E040	Yes-50
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003837	\$ 24,413,957.13	DCOOPER	E080	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003839	\$ 2,064,891.87	DCOOPER	E080	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003841	-\$ 1,247,801,844.24	DCOOPER	E120	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003843	\$ 3,445,745,075.01	DCOOPER	E120	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003845	-\$ 31,454,386.53	DCOOPER	E170	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003847	\$ 1,683,981.41	DCOOPER	E170	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003848	\$ 7,205,274,142.19	DCOOPER	E160	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003851	-\$ 149,935,782.49	DCOOPER	E160	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003853	-\$ 1,975,810,027.41	DCOOPER	E160	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003855	-\$ 30,648,514.38	DCOOPER	E190	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003858	-\$ 1,344,448.30	DCOOPER	E190	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003861	\$ 124,422,854.80	DCOOPER	E200	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003863	\$ 31,909,734.84	DCOOPER	E200	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003865	-\$ 35,480,653.79	DCOOPER	E210	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003867	\$ 19,301,441.90	DCOOPER	E210	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003871	\$ 82,271.08	DCOOPER	D500	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003873	\$ 226,930.82	DCOOPER	D500	Yes
10	2017	4/7/2017	ZT	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003875	-\$ 87,932,823.28	DCOOPER	E240	Yes

10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003877	\$ 2,195,343.88	DCOOPER	E240	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003878		DCOOPER	No Attachment	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003881		DCOOPER	No Attachment	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003889	-\$ 14,488,895.88	DCOOPER	E280	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003892	\$ 11,006,517.93	DCOOPER	E280	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003898	-\$ 22,352.35	DCOOPER	E500	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003003900	-\$ 233,174.30	DCOOPER	E500	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004008	\$ 1,995,171.88	DCOOPER	E550	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004010	\$ 101.03	DCOOPER	E550	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004015	-\$ 256,421,910.00	DCOOPER	F010	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004018	-\$ 4,639,965,280.09	DCOOPER	F030	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004017	-\$ 578,135,950.57	DCOOPER	F030	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004018	\$ 114,076,114.17	DCOOPER	F030	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004021	\$ 3,944,282,448.75	DCOOPER	F030	Yes
10	2017	4/7/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003004023	-\$ 5,209,715.18	DCOOPER	P200	Yes
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008366	-\$ 783,984,522.78	DCOOPER	H030	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008368	\$ 608,893,938.49	DCOOPER	H030	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008372	-\$ 30,954,366.93	DCOOPER	H060	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008374	\$ 25,737,184.83	DCOOPER	H060	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008377	\$ 33,782.00	DCOOPER	H090	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008378	-\$ 91,938,280.90	DCOOPER	H090	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008381	-\$ 542,282,946.04	DCOOPER	H090	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008383	\$ 176,480,900.00	DCOOPER	H090	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008390	\$ 2,248,813.30	DCOOPER	H120	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008392	-\$ 1,043,762,883.03	DCOOPER	H120	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008394	-\$ 4,119,689,602.81	DCOOPER	H120	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008396	\$ 1,239,488,978.38	DCOOPER	H120	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008399	\$ 183,468.48	DCOOPER	H150	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008401	-\$ 240,595,606.75	DCOOPER	H150	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008403	-\$ 1,452,814,254.92	DCOOPER	H150	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008405	\$ 438,659,108.47	DCOOPER	H150	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008408	\$ 88,714.99	DCOOPER	H170	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008411	-\$ 389,286,253.15	DCOOPER	H170	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008413	-\$ 1,143,117,501.82	DCOOPER	H170	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008418	\$ 383,539,208.11	DCOOPER	H170	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008420	-\$ 27,035,473.18	DCOOPER	H180	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008422	-\$ 193,118,352.75	DCOOPER	H180	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008424	\$ 76,397,981.22	DCOOPER	H180	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008427	\$ 50,647.30	DCOOPER	H210	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008429	-\$ 32,512,538.78	DCOOPER	H210	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008431	-\$ 274,582,849.69	DCOOPER	H210	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008433	\$ 86,897,731.80	DCOOPER	H210	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008436	\$ 231,288.73	DCOOPER	H240	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008438	-\$ 62,200,948.96	DCOOPER	H240	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008440	-\$ 587,445,565.67	DCOOPER	H240	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008442	\$ 241,890,676.98	DCOOPER	H240	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008444	\$ 9,111,938.78	DCOOPER	H270	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008448	-\$ 1,838,827,045.04	DCOOPER	H270	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008448	-\$ 5,985,320,013.32	DCOOPER	H270	Yes-40
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008451	\$ 1,855,521,004.17	DCOOPER	H270	Yes-50
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008453	-\$ 12,125,924.02	DCOOPER	H290	Yes
10	2017	4/20/2017	Z1	1011300700	WF_E16_GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008455	-\$ 115,127,847.81	DCOOPER	H290	Yes-40

10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008437	\$ 56,159,276.09	DCOOPER	H290	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008459	\$ 346,722.07	DCOOPER	H340	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008481	-\$ 18,527,047.82	DCOOPER	H340	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008483	-\$ 200,076,539.84	DCOOPER	H340	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008485	\$ 97,064,974.75	DCOOPER	H340	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008487	-\$ 7,200,963.69	DCOOPER	H360	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008489	-\$ 75,947,537.40	DCOOPER	H360	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008471	\$ 32,808,428.38	DCOOPER	H360	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008473	-\$ 2,854,875.25	DCOOPER	H370	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008475	-\$ 41,300,382.45	DCOOPER	H730	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008477	\$ 17,122,317.37	DCOOPER	H370	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008478	-\$ 913,220.31	DCOOPER	H380	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008481	-\$ 19,872,965.29	DCOOPER	H380	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008483	\$ 10,859,103.47	DCOOPER	H380	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008485	-\$ 1,797,914.09	DCOOPER	H390	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008488	-\$ 32,988,085.72	DCOOPER	H390	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008490	\$ 17,848,519.17	DCOOPER	H390	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008493	-\$ 3,369,182.52	DCOOPER	H400	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008495	-\$ 10,819,552.86	DCOOPER	H400	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008497	\$ 6,312,500.47	DCOOPER	H400	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008499	\$ 572,375.42	DCOOPER	H470	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008501	-\$ 83,158,596.28	DCOOPER	H470	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008503	-\$ 353,105,063.48	DCOOPER	H470	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008505	\$ 126,350,122.47	DCOOPER	H470	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008507	\$ 2,017,715.76	DCOOPER	H510	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008508	-\$ 615,860,692.00	DCOOPER	H510	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008511	-\$ 3,286,213,328.68	DCOOPER	H510	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008513	\$ 1,115,504,304.90	DCOOPER	H510	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008515	\$ 48,292.78	DCOOPER	H530	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008517	-\$ 48,292.78	DCOOPER	H530	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008519	-\$ 184,203,546.48	DCOOPER	H590	Yes-40
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008521	\$ 144,082,803.31	DCOOPER	H590	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008523	-\$ 2,185,212.91	DCOOPER	H620	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008525	\$ 487,503.41	DCOOPER	H620	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008527	-\$ 3,721,391,590.53	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008529	\$ 334,900,395.27	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008531	-\$ 3,101,838.87	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008533	-\$ 755,816,454.08	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008535	\$ 174,517,518.87	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008537	\$ 488,886,404.98	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008539	\$ 821,870,883.17	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008541	\$ 2,236,234,848.98	DCOOPER	H630	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008543	-\$ 28,815,521.35	DCOOPER	H670	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008545	\$ 20,653,398.31	DCOOPER	H670	Yes
10	2017	4/20/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	CASH ACCOUNT CONVERSION ADJUSTMENT	CASH CLE	1003008801	\$ 409.82	DCOOPER	H630	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008803	-\$ 4,111,230.40	DCOOPER	H710	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008805	-\$ 78,282,875.10	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008807	-\$ 19,829,157.82	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008809	\$ 362,502.65	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008811	-\$ 45,316,822.29	DCOOPER	H750	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008813	\$ 14,928,254.57	DCOOPER	H750	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008815	-\$ 1,999,921.20	DCOOPER	H790	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003008817	\$ 2,108,843.00	DCOOPER	H790	Yes

10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009819	-\$ 5,435,628.81	DCOOPER	H870	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009821	\$ 9,719,597.84	DCOOPER	H870	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009823	\$ 4,342,597.37	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009826	-\$ 2,854,410.40	DCOOPER	H910	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009828	\$ 3,754,752.33	DCOOPER	H910	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009830	\$ 41,994,009.69	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009832	\$ 64,420,351.53	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009834	\$ 1,274,731.83	DCOOPER	H730	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009836	-\$ 19,656,307.99	DCOOPER	H950	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009838	\$ 5,792,966.44	DCOOPER	H950	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009840	-\$ 17,022.72	DCOOPER	H960	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009842	-\$ 182,782.41	DCOOPER	F270	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009844	-\$ 188,349.22	DCOOPER	F270	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009847	-\$ 3,076,596,428.32	DCOOPER	F290	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009848	\$ 1,013,001,273.01	DCOOPER	F290	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009852	-\$ 4,380,752.00	DCOOPER	F300	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009856	\$ 713,175.64	DCOOPER	F350	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009858	\$ 118,206.82	DCOOPER	F350	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009862	\$ 84,315,087.34	DCOOPER	F500	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003009864	-\$ 18,562,638.78	DCOOPER	F500	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	CASH ACCOUNT CONVERSION ADJUSTME	CASH CLE	1003032556	\$ 390.12	DCOOPER	E230	Yes-50
10	2017	4/21/2017	Z7	1023300000	TRUIST GEN DEP	50	H	Historical Cash Clean Up	CASH ACCOUNT CONVERSION ADJUSTME	CASH CLE	1003032812	\$ 85.00	DCOOPER	D500	Yes-40
10	2017	4/21/2017	Z7	1023300000	TRUIST GEN DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003037214	-\$ 4,023,637.48	DCOOPER	L120	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003038087	\$ 2,024,118.11	DCOOPER	L120	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003038088	-\$ 2,480,614.69	DCOOPER	L240	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003039044	\$ 9,327,706.84	DCOOPER	L240	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003039088	-\$ 980,085,663.74	DCOOPER	L320	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003039644	\$ 289,441,306.57	DCOOPER	L320	Yes-50
10	2017	4/21/2017	Z7	1011300700	BOA GENERAL DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003040168	\$ 97,165.88	DCOOPER	L360	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003040188	\$ 486,935.98	DCOOPER	L360	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079131	-\$ 30,940,198.81	DCOOPER	L460	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079133	\$ 20,178,346.81	DCOOPER	J200	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079135	\$ 28,224,075.25	DCOOPER	J200	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079137	\$ 3,374,907.29	DCOOPER	J200	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079139	-\$ 119,720,802.06	DCOOPER	N040	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079141	-\$ 46,579,470.23	DCOOPER	N040	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079143	\$ 100,305,913.68	DCOOPER	N040	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079145	\$ 20,844,399.29	DCOOPER	N040	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079147	-\$ 101,136,438.81	DCOOPER	N080	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079149	\$ 23,634,928.50	DCOOPER	N080	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079151	-\$ 11,105,804.34	DCOOPER	N120	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079153	-\$ 47,560,793.11	DCOOPER	N120	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079155	\$ 17,507,518.36	DCOOPER	N120	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079157	-\$ 2,252,593.37	DCOOPER	J020	Yes
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079159	-\$ 3,862,210,174.03	DCOOPER	J020	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079161	-\$ 902,340,250.47	DCOOPER	J020	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079163	-\$ 3,463,133,980.60	DCOOPER	J020	Yes-40
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079165	\$ 3,241,683.56	DCOOPER	J020	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079167	\$ 695,551,720.50	DCOOPER	J020	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079169	\$ 1,276,825,788.88	DCOOPER	J020	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E16_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079171	-\$ 224,201,435.47	DCOOPER	J160	Yes-40



10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079279	-\$ 24,172,126.20	DCOOPER	J040	Yes-40
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079281	\$ 4,396,830.65	DCOOPER	J040	Yes-50
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079283	\$ 38,796,431.50	DCOOPER	J040	Yes
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079285	\$ 288,502,441.29	DCOOPER	J040	Yes-50
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079287	\$ 45,663,042.37	DCOOPER	J040	Yes-50
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079289	\$ 7,596,891.36	DCOOPER	J040	Yes-50
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079397	-\$ 130,417,841.86	DCOOPER	K050	Yes-40
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079399	\$ 20,513,112.35	DCOOPER	K050	Yes-50
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079401	\$ 45,132,884.20	DCOOPER	K050	Yes-50
10	2017	4/24/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003079403	\$ 37,198,547.33	DCOOPER	K050	Yes
10	2017	4/7/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099457	\$ 3,737,966.44	DCOOPER	REVERSED	REVERSED
10	2017	4/25/2017	Z7	1011300700	WF_E18_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099622	-\$ 72,849,419.04	DCOOPER	E230	Yes
10	2017	4/25/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099631	\$ 55,504,333.02	DCOOPER	E240	Yes-50
10	2017	4/25/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099633	\$ 2,096,616.56	DCOOPER	E240	Yes
10	2017	4/7/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099675	\$ 47,121,266.76	DCOOPER	No Attachment	Yes-50
10	2017	4/25/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099678	\$ 7,456,931.36	DCOOPER	No Attachment	Yes-50
10	2017	4/21/2017	Z7	1011300700	WF_E18_GENERAL_DEP	40	S	Historical Cash Clean Up	CASH ACCOUNT CONVERSION ADJUSTMEN	CASH CLE	1003099683	\$ 30,186.19	DCOOPER	No Attachment	Yes-50
10	2017	4/20/2017	Z7	1011300700	WF_E18_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099686	\$ 563,433.39	DCOOPER	No Attachment	Yes-50
10	2017	4/7/2017	Z7	1011300700	WF_E18_GENERAL_DEP	50	H	Historical Cash Clean Up	Cash Account Conversion adjustment	CASH CLE	1003099695	\$ 13,737,966.44	DCOOPER	REVERSED	REVERSED
12	2017	6/30/2017	Z7	1011300700	WF_E18_GENERAL_DEP	50	H	Cash conversion Clean Up	Cash GL clean Up	CASH CON	1003509657	-\$ 130,727,911.04	DCOOPER	A000	Yes-40
13	2017	6/30/2017	SU	1011300000	WF_E18_CT_CASH	40	S	GF 10401061 CASH CLEANUP	1040 AND 1061 GF CASH CLEAN UP OFFSE	GF CASH C	1003509689	\$ 10,713,380,925.12	DCOOPER	Yes-50	Yes-50
15	2017	6/30/2017	Z7	1000000000	CASH DUE TO/FROM	50	H	HISTORICAL CASH CLEANUP	#	CASH CLE	1004067162	-\$ 3,822,001,087.92	DCOOPER	No Attachment	Yes-40

CGO (Katherine Kip) posting to 30350993 in November 2023:

**Display Document: Data Entry View**

Display Currency    Reversal Document    General Ledger View

Data Entry View

Document Number: 1014653960    Company Code: SC01    Fiscal Year: 2023  
 Document Date: 11/08/2023    Posting Date: 06/30/2023    Period: 15  
 Reference: COR035    Cross-Comp.No.:    Ledger Group:     
 Currency: USD

CoCd	Item Key	SG Account	Commitment Item	Description	Amount	Curr.	BusA	Fund	Cost Center	Functional Area	Grant
SC01	1 50	3000010000	3000010000	RET EARN & FD BAL UN	1,852,455,573.29	USD	A000	90016011	A00000CAFR	A000_CAFR	NOT REL
SC01	2 40	3000010000	3000010000	RET EARN & FD BAL UN	1,852,455,573.29	USD	A000	30350993	A00000CAFR	A000_CAFR	NOT REL..
SC01	3 50	3000010000	3000010000	RET EARN & FD BAL UN	30,546,077.96	USD	A000	90016011	A00000CAFR	A000_CAFR	NOT REL..
SC01	4 50	3000010000	3000010000	RET EARN & FD BAL UN	446,922.04	USD	A000	90056026	A00000CAFR	A000_CAFR	NOT REL..
SC01	5 40	3000010000	3000010000	RET EARN & FD BAL UN	30,993,000.00	USD	H000	90226026	H00000CAFR	H000_CAFR	NOT REL..

# EXHIBIT 11





**THE HONORABLE CURTIS M. LOFTIS, JR.**  
State Treasurer

March 13, 2024

The Honorable Brian J. Gaines  
Comptroller General and Chair of the SCEIS Executive Oversight Committee  
1200 Senate St., Suite 305  
Columbia, SC 29201

**VIA HAND DELIVERY AND ELECTRONIC MAIL**

Dear General Gaines:

Please accept this letter as a formal request to the SCEIS Executive Oversight Committee. At your request and at the request of the Senate Finance Committee, my staff has been researching the ownership of funds in SCEIS Fund 30350993. As it stands, SCEIS Fund 30350993 was used by the Comptroller General's Office (CGO), State Treasurer's Office (STO), and SCEIS for the STARS to SCEIS conversion.

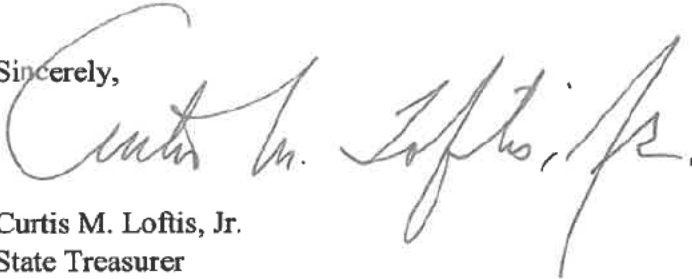
The STO cannot conduct this research alone. We do not have the resources to independently conduct this research in the time frame requested. As such I am requesting that the SCEIS Oversight Committee form a working group which would include representatives from the original three agencies (CGO, STO, SCEIS) that worked on the conversion, all of whom made entries to SCEIS Fund 30350993 and all of whom continue to have visibility and access to the fund. I would also recommend including representatives from state agencies such as Revenue and Fiscal Affairs, Office of Technology and Information Services within the Department of Administration, and the Executive Budget Office as well as AFS entities, who may be able to shed light on this issue.

Finally, I recommend that the Oversight Committee include SAP consultants who have SCEIS and conversion expertise in order to review documentation from the conversion of the STARS legacy system to SCEIS. I believe we all have the same interest—to ensure that the public funds are properly accounted for, custodied, and invested. It will take the effort of multiple parties to review the decisions made by the CGO, the STO, and the SCEIS team during the multi-year STARS to SCEIS conversion.

The Honorable Brian J. Gaines  
March 13, 2024

My staff looks forward to working with the working group on finding a solution.

Sincerely,



Curtis M. Loftis, Jr.  
State Treasurer

cc: The Honorable Henry McMaster, Governor  
The Honorable Thomas Alexander, President of the South Carolina Senate  
The Honorable Harvey Peeler, Senate Finance Chairman  
The Honorable Larry K. Grooms, Chairman of the Constitutional Budget Subcommittee  
The Honorable Murrell Smith, Speaker of the South Carolina House of Representatives  
The Honorable Bruce Bannister, House Ways & Means Chairman  
The Honorable Thomas McElveen  
The Honorable Mike Fanning  
The Honorable Stephen Goldfinch  
The Honorable Tom Young  
The Honorable Margie Bright Matthews  
Marcia S. Adams, Executive Director of the SC Department of Administration  
George Kennedy, SC State Auditor

# EXHIBIT 25

**From:** [Adams, Marcia](#)  
**To:** [Adams, Clarissa](#)  
**Cc:** [Simmons, Melissa](#); [Kremlick, Lindsey](#); [Kelly, Shelly](#)  
**Subject:** RE: STO Senate Subcommittee Hearing | Cash Closing Package - Balance Sheet by Period 6 FY2024  
**Date:** Thursday, April 4, 2024 1:37:29 PM

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Clarissa,

Thank you for the information. We are consulting with our outside cyber security firm and will have the risks outlined and sent to you by this afternoon. It is my strong recommendation that you do not post anything until Admin has a chance to outline the risks associated with the document you sent me last night. At first glance, this looks like information that should **not** be publicly posted. If our initial assessment is correct, even the best protections we can put in place may not be enough to mitigate the risks. We will respond in detail to your question later today.

Thanks,  
Marcia

---

**From:** Adams, Clarissa <Clarissa.Adams@sto.sc.gov>  
**Sent:** Thursday, April 4, 2024 12:41 PM  
**To:** Adams, Marcia <Marcia.Adams@admin.sc.gov>  
**Cc:** Simmons, Melissa <Melissa.Simmons@sto.sc.gov>; Kremlick, Lindsey <Lindsey.Kremlick@admin.sc.gov>; Kelly, Shelly <Shelly.Kelly@sto.sc.gov>  
**Subject:** Re: STO Senate Subcommittee Hearing | Cash Closing Package - Balance Sheet by Period 6 FY2024

Sure. In the interest of time, Shelly is sending the information to you.

Thanks so much,

Clarissa

**Clarissa T. Adams | Chief of Staff**

South Carolina Treasurer's Office

1200 Senate Street Suite 214

Wade Hampton Building, Columbia, SC 29201

803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

On Apr 4, 2024, at 11:42 AM, Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)> wrote:

Clarissa,

Per our discussion this morning, we are working on this now. It would be helpful if we could see the document you have been publishing to comply with the statutes. Will you send that document to us?

Thanks,  
Marcia

---

**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>

**Sent:** Wednesday, April 3, 2024 11:35 PM

**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>

**Cc:** Simmons, Melissa <[Melissa.Simmons@sto.sc.gov](mailto:Melissa.Simmons@sto.sc.gov)>; Kremlick, Lindsey <[Lindsey.Kremlick@admin.sc.gov](mailto:Lindsey.Kremlick@admin.sc.gov)>

**Subject:** STO Senate Subcommittee Hearing | Cash Closing Package - Balance Sheet by Period 6 FY2024

Marcia,

The Treasurer had a hearing yesterday and there was discussion about several code sections of the law. In particular, code section 11-5-120, 11-5-170, and 11-5-180 were discussed. The STO is confident it has complied with statutory reporting requirements consistent with how these statutes have been historically interpreted.

We now understand the General Assembly is re-interpreting these statutes. These new interpretations impose new and different disclosure obligations. In an effort to meet what is believed to be the new 11-5-120 requirements, attached is a detail fund report we propose posting on our website. However, before posting the attached report, the STO has serious concerns regarding potential risks created by publishing such detail information on the STO website.

We would ask for your assistance in assessing any risks associated with publicly providing this information. If there is no risk in providing the detail fund report, we want to make sure the STO has alerted DOA so it can take action to help protect SCEIS and the State from the added security risks that may be created by the publication of such detailed information.

I apologize for sending an Email and not calling you first to discuss. The day was long and we are making every effort to follow through with commitments or discussions from the hearing yesterday. The STO wants to comply as soon as reasonably possible. However, we want to make sure we don't move in haste and post something onto the web thereby causing a security risk that could have been avoided if we had simply reached out to you. We are more than happy to discuss this with you at your convenience. We would also like to discuss potential reports from SCEIS to automate the new requirements with these code sections. I copied Lindsey given her oversight with IT, SCEIS, and IT security. My apologies if I should have cc'd Paul instead.

Thank you,  
Clarissa

# EXHIBIT 26

**From:** [Frazier, Edward](#)  
**To:** [Larry K. Grooms](#); [Thomas McElveen](#); [Mike Fanning](#); [Stephen Goldfinch](#); [Margie Bright Matthews](#); [Tom Young](#)  
**Cc:** [Loftis, Curtis](#); [Adams, Clarissa](#); [Amy Wieseahn](#); [Quentin Hawkins](#); [Jessica Wigington](#); [David Owens](#); [Kelly, Shelly](#)  
**Subject:** STO letter to Const. Sub. 4/24/24  
**Date:** Thursday, April 4, 2024 12:42:00 PM  
**Attachments:** [STO letter to Const. Sub. 4-4-24.pdf](#)

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Good afternoon,

Attached is a letter from State Treasurer Curtis Loftis.

If I can be of assistance, please do not hesitate to contact me.

Kindest regards,

Edward

**Edward Frazier, CPM | Legislative Liaison & Special Assistant to the State Treasurer**

South Carolina Treasurer's Office  
Capitol Complex  
1200 Senate Street, Suite 214  
Wade Hampton Bldg., Columbia, SC 29201  
803-734-2016 | [edward.frazier@sto.sc.gov](mailto:edward.frazier@sto.sc.gov)

# EXHIBIT 27



**From:** [Adams, Marcia](#)  
**To:** [Adams, Clarissa](#)  
**Cc:** [Simmons, Melissa](#); [Kremlick, Lindsey](#); [Kelly, Shelly](#)  
**Subject:** RE: STO Senate Subcommittee Hearing | Cash Closing Package - Balance Sheet by Period 6 FY2024  
**Date:** Thursday, April 4, 2024 1:37:29 PM

---

Clarissa,

Thank you for the information. We are consulting with our outside cyber security firm and will have the risks outlined and sent to you by this afternoon. It is my strong recommendation that you do not post anything until Admin has a chance to outline the risks associated with the document you sent me last night. At first glance, this looks like information that should **not** be publicly posted. If our initial assessment is correct, even the best protections we can put in place may not be enough to mitigate the risks. We will respond in detail to your question later today.

Thanks,  
Marcia

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**From:** Adams, Clarissa <Clarissa.Adams@sto.sc.gov>  
**Sent:** Thursday, April 4, 2024 12:41 PM  
**To:** Adams, Marcia <Marcia.Adams@admin.sc.gov>  
**Cc:** Simmons, Melissa <Melissa.Simmons@sto.sc.gov>; Kremlick, Lindsey <Lindsey.Kremlick@admin.sc.gov>; Kelly, Shelly <Shelly.Kelly@sto.sc.gov>  
**Subject:** Re: STO Senate Subcommittee Hearing | Cash Closing Package - Balance Sheet by Period 6 FY2024

Sure. In the interest of time, Shelly is sending the information to you.

Thanks so much,

Clarissa

**Clarissa T. Adams | Chief of Staff**

South Carolina Treasurer's Office

1200 Senate Street Suite 214

Wade Hampton Building, Columbia, SC 29201

803-734-2522 | [cadams@sto.sc.gov](mailto:cadams@sto.sc.gov)

On Apr 4, 2024, at 11:42 AM, Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)> wrote:

Clarissa,

Per our discussion this morning, we are working on this now. It would be helpful if we could see the document you have been publishing to comply with the statutes. Will you send that document to us?

Thanks,  
Marcia

---

**From:** Adams, Clarissa <[Clarissa.Adams@sto.sc.gov](mailto:Clarissa.Adams@sto.sc.gov)>

**Sent:** Wednesday, April 3, 2024 11:35 PM

**To:** Adams, Marcia <[Marcia.Adams@admin.sc.gov](mailto:Marcia.Adams@admin.sc.gov)>

**Cc:** Simmons, Melissa <[Melissa.Simmons@sto.sc.gov](mailto:Melissa.Simmons@sto.sc.gov)>; Kremlick, Lindsey <[Lindsey.Kremlick@admin.sc.gov](mailto:Lindsey.Kremlick@admin.sc.gov)>

**Subject:** STO Senate Subcommittee Hearing | Cash Closing Package - Balance Sheet by Period 6 FY2024

Marcia,

The Treasurer had a hearing yesterday and there was discussion about several code sections of the law. In particular, code section 11-5-120, 11-5-170, and 11-5-180 were discussed. The STO is confident it has complied with statutory reporting requirements consistent with how these statutes have been historically interpreted.

We now understand the General Assembly is re-interpreting these statutes. These new interpretations impose new and different disclosure obligations. In an effort to meet what is believed to be the new 11-5-120 requirements, attached is a detail fund report we propose posting on our website. However, before posting the attached report, the STO has serious concerns regarding potential risks created by publishing such detail information on the STO website.

We would ask for your assistance in assessing any risks associated with publicly providing this information. If there is no risk in providing the detail fund report, we want to make sure the STO has alerted DOA so it can take action to help protect SCEIS and the State from the added security risks that may be created by the publication of such detailed information.

I apologize for sending an Email and not calling you first to discuss. The day was long and we are making every effort to follow through with commitments or discussions from the hearing yesterday. The STO wants to comply as soon as reasonably possible. However, we want to make sure we don't move in haste and post something onto the web thereby causing a security risk that could have been avoided if we had simply reached out to you. We are more than happy to discuss this with you at your convenience. We would also like to discuss potential reports from SCEIS to automate the new requirements with these code sections. I copied Lindsey given her oversight with IT, SCEIS, and IT security. My apologies if I should have cc'd Paul instead.

Thank you,  
Clarissa

# EXHIBIT 28

**From:** [Gibson, Lisa](#)  
**To:** [Larry K. Grooms](#)  
**Subject:** Letter from Treasurer Loftis  
**Date:** Thursday, April 4, 2024 2:31:00 PM  
**Attachments:** [4 4 24 to Grooms.pdf](#)

---

Please see attached.

Kind Regards,

**Lisa B. Gibson | Executive Assistant**

South Carolina Treasurer's Office

1200 Senate Street, Suite 118

Wade Hampton Office Building

Columbia, SC 29201

803-734-2692 | [Lisa.Gibson@sto.sc.gov](mailto:Lisa.Gibson@sto.sc.gov)



**THE HONORABLE CURTIS M. LOFTIS, JR.**  
State Treasurer

April 4, 2024

The Honorable Larry K. Grooms  
Chairman of the Constitutional Subcommittee  
of the Senate Finance Committee  
313 Gressette Building  
Columbia, South Carolina 29201

**OFFICIAL ELECTRONIC MAIL SENT VIA EMAIL.**

Mr. Chairman and Subcommittee Members:

This letter is in reference to the hearing of the Constitutional Subcommittee hearing held April 2, 2024. As you will recall, the Subcommittee members' questions of me during the hearing covered a myriad of complex and granular topics, some of which I spoke to based on approximation or memory. I have reviewed my testimony with my staff to ensure that it was accurate. It is difficult to assess every statement because, at times, the context or premise of the discussion appears to have been undermined by mutual misunderstandings. Nevertheless, after review, I submit the following clarifications:

- The State Treasurer's Office never "lost track" of the \$1.8 billion in fund 30350993; it was part of a pool of money which the State Treasurer's Office had always accounted for, invested, and held for the State's use. Likewise, the Comptroller General's office did not "find" this money; it simply discovered an amount of money for which it could not explain the origin or purpose. When I said that I did not know about the \$1.8 billion until July 2023, I was referring to the fact that I did not know that the former Comptroller General had used fund 30350993 to offset his overstatement.
- My office is and always has been in compliance with the reporting requirements of S.C. Code Ann. §§ 11-5-120, 170 and 180, as they have traditionally been interpreted. In fact, no one has ever objected to the adequacy of these disclosures or asked for additional information until after the Comptroller General made the ACFR restatement in 2023. In the hearing, I understood the Subcommittee to be informing me that the Comptroller

General and the General Assembly had re-interpreted these statutes, imposing new and different disclosure obligations. When I stated in the hearing that the State Treasurer's Office is not in compliance with these reporting requirements, I meant that my office had not yet had the opportunity to change its reporting procedures in accordance with the re-interpretation articulated to me at the hearing. We are now working toward devising a secure means of complying with these new disclosure obligations.

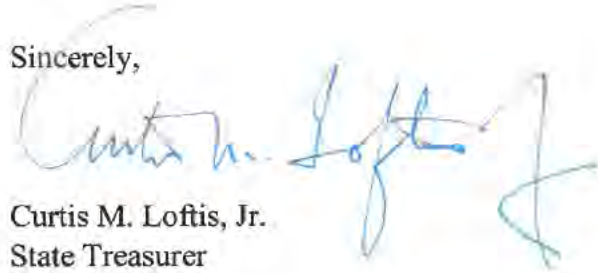
- Regarding rating agency communications, STO Debt Division staff and leadership had interactions with the three rating agencies (S&P, Moody's, and Fitch) in the course of conducting the ordinary business of issuing the state's debt. Since November 2023, staff have had meetings or conversations with all three rating agencies. On January 19, 2014, Fitch published its rating of South Carolina affirming South Carolina's AAA Stable Rating. On March 22, 2024, S&P published its rating report affirming South Carolina's AA+ Stable Rating. Most recently calls were conducted to discuss upcoming debt issuances.
- Goldman Sachs is not currently used as a banking partner by the State Treasurer's Office; however, the State may purchase bonds from Goldman Sachs as a broker dealer through its investment manager.
- A spreadsheet provided to me during the hearing by the Subcommittee incorrectly showed a \$30 billion fund balance for fund 30350993. This printout vastly overstated the balance because it failed to include account 1000000000, a "splitter" account which accounts for offsetting debits, in the subtotal. As shown in the report I provided in response, once account 1000000000 is correctly factored in, the subtotal equals \$1.8 billion.
- Regarding a Subcommittee member's assertion that the State could owe the federal government interest, the State Treasurer's Office has implemented the reconciliation procedures established by the Cash Management Improvement Act, 31 U.S.C. §§ 6501 and 6503, and in accordance with the Cash Management Improvement Act Agreement between the State of South Carolina and the United States Department of the Treasury. As such, it is extremely unlikely that the \$1.8 billion in question is composed of federal funds, or that the State owes the federal government interest on any funds therein.
- There were questions about State Treasurer's Office staffing levels and personnel requests. The STO has 68 filled FTEs and 83 authorized FTEs. STO requested 6 additional FTEs in our FY 2024-25 budget request. During the FY 2021-22 the STO requested 2.93 FTEs. With regards to the question regarding when the STO first had four attorneys in house, the testimony was an approximation. The STO has had four attorneys since 2018.

The Honorable Larry K. Grooms  
April 4, 2024

- The STO turnover rate is not 30% as was stated by one of the senators in the hearing. The STO's 10-year average turnover was 19%.

I intend to provide additional information to the Subcommittee in short order, but I wanted to provide these clarifications as soon as possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Curtis M. Loftis, Jr.", is written over a light blue circular stamp. The signature is fluid and cursive.

Curtis M. Loftis, Jr.  
State Treasurer

cc: The Honorable Thomas McElveen  
The Honorable Mike Fanning  
The Honorable Stephen Goldfinch  
The Honorable Tom Young  
The Honorable Margie Bright Matthews

# EXHIBIT 29



**From:** [Adams, Marcia](#)  
**To:** [Loftis, Curtis](#)  
**Cc:** [Adams, Clarissa](#)  
**Subject:** Letter  
**Date:** Thursday, April 4, 2024 5:19:27 PM  
**Attachments:** [04042024 Letter to Treasurer Loftis.pdf](#)

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Treasurer Loftis,

Please see the attached letter in response to Clarissa's earlier request of Admin to identify risks associated with publishing the detail fund report on the STO website. Please let me know if you have questions.

Thanks,  
Marcia

Marcia S. Adams  
Executive Director, South Carolina Department of Administration

# EXHIBIT 30

**From:** [Amanda Adler](#)  
**To:** [Frazier, Edward](#)  
**Subject:** [External] AlixPartners Report Review Meeting  
**Date:** Wednesday, February 12, 2025 4:05:47 PM  
**Attachments:** [image001.png](#)

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Hi Edward!

Chairman Grooms plans to hold a subcommittee meeting to review the AP Report with your agency, the Department of Administration, and the Comptroller General's Office on Tuesday, February 18th, upon adjournment of the Senate Finance Committee meeting. Would you please let your leadership team know to save that date and time? If you'll alert me to who all will be in attendance, that will be great, and I'll follow up with a room number as soon as I have it.

Thanks so much,

Amanda



**Amanda Adler** | Counsel and Budget Analyst  
South Carolina General Assembly | Senate Finance Committee  
[AmandaAdler@scsenate.gov](mailto:AmandaAdler@scsenate.gov) | [www.scstatehouse.gov](http://www.scstatehouse.gov)  
L. Marion Gressette Building, Suite 111 | [803-212-6684](tel:803-212-6684)  
1101 Pendleton Street, Columbia, SC 29201

# EXHIBIT 31

## Commitment Items

Name of Agency Contact: Paul Ham  
 Contact Phone Number: 803-734-9871  
 Contact E-mail Address: [Paul.Ham@sto.sc.gov](mailto:Paul.Ham@sto.sc.gov)  
 Link to fees:

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	Commitment Item	Commitment Item Title	Enabling Statute or Proviso	Purpose of Fund/Commitment Item	Program or Activity Supported by Revenue	Carry Forward Authority (Statute or Proviso)	Detail of How Revenue is Generated. Fees, Fines, Assessments, Charges, etc. amount(s). Identify who pays the fee, fine charge, etc.	FY 2015-16 Actual Revenue	FY 2016-17 Estimated Revenue	FY 2017-18 Projected Revenue	
1	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4220010000	COURT FINE	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	To record State Treasurer's portion of court revenue assessments and filing fees.	II. Programs and Services Treasury Management	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$66,662	\$70,000	\$60,000
2	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4225010000	CONVICTION SURCHARGE	SC Code of Law 14-1-212 (B1)	To record State Treasurer's portion of court revenue surcharges.	II. Programs and Services Treasury Management	SC Code of Law 14-1-212 (B1)	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$40,000	\$40,000	\$40,000
3	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4310010000	FEES & RECEIPT-OTHER	Proviso 98.4	To record funds received for operating and management costs associated with the Local Government Investment Pool.	II. Programs and Services Investments	Proviso 98.4	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$220,000	\$700,000	\$700,000
4	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4400010000	TRUST FUND ADMIN FEE	SC Code of Law 13-7-30	To record fee charged for service and administration of Trust Funds in custody of the Treasurer.	II. Programs and Services Treasury Management	SC Code of Law 13-7-30	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$205	\$0	\$0
5	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4520010024	REF PR YR EXP SUP			II. Programs and Services		Reimbursement of expenditures for postage and overpayment of invoice.	\$340	\$0	\$0
6	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4530030000	MISC REVENUE	Proviso 98.6	To record funds received for operating and management costs associated with the indebtedness of the state.	II. Programs and Services Debt Management	Proviso 98.6	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,339,000	\$1,282,782	\$1,300,000
7	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4660010000	INVEST ERN	Proviso 98.5	To record funds received for operating and management costs associated with the investment management of various state funds.	II. Programs and Services Investments	Proviso 98.5	Interest earned on State of South Carolina Investments.	\$2,800,000	\$2,800,000	\$2,800,000
8	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	SC Code of Law 27-18-240B; Proviso 98.11	To record funds received for operating and managing the Unclaimed Property Program (Code 27-18-240B).	II. Programs and Services Unclaimed Property Program	SC Code of Law 27-18-240B; Proviso 98.11	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,240,000	\$1,700,000	\$1,700,000

9	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	Proviso 98.4	To record funds received for operating and managing the Tuition Prepayment Plan and College Investment Program (Proviso 98.4).	II. Programs and Services SC Tuition Prepayment Program and SC College Investment Program	Proviso 98.4	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$520,000	\$600,000	\$600,000
10	E160	STATE TREASURERS OFFICE	30350993	Gen Dep Adj	4530030000	MISC REVENUE		Statewide				\$0		
11	E160	STATE TREASURERS OFFICE	34K70000	SEC LEND INC RES	4660020000	INVEST ERN-LOAN SEC		Statewide				\$128,664		
12	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4530030000	MISC REVENUE		Statewide				\$7,990		
13	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4530030008	COURT COSTS		Statewide				(\$7,990)		
14	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4630060000	STUDENT LOAN REPYMNT		Statewide				\$12,069		
15	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4660010000	INVEST ERN		Statewide				\$3,612		
16	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4890040000	MISC TRNSF-OTHR FD		Statewide				(\$1,339,512)		
17	E160	STATE TREASURERS OFFICE	43250000	TOBACCO SETTLEMENTS	4660010000	INVEST ERN		Statewide				\$2,640		
18	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4410010000	EDU LOT NEW PROCD		Statewide				\$388,300,000		
19	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4410020000	UNCLAIMED PRIZE FUND		Statewide				\$16,679,169		
20	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4660010000	INVEST ERN		Statewide				\$1,558,593		
21	E160	STATE TREASURERS OFFICE	43L60000	SC FA REF BD12A COI	4600010000	BND/NT PROCD CAP IMP		Statewide				(\$19,439)		
22	E160	STATE TREASURERS OFFICE	45760000	CAPITAL RESERVE--PR	4890050000	CAP RESERVE FD TRNSF		Statewide				\$131,047,797		
23	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4030010000	TOB PROD PLY CRDS TX		Statewide				\$123,623,116		
24	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4660010000	INVEST ERN		Statewide				\$435,457		
25	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4890040000	MISC TRNSF-OTHR FD		Statewide				(\$110,979,026)		
26	E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	4660010000	INVEST ERN		Statewide				\$102,826		

27	E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	4660010000	INVEST ERN		Statewide				\$37		
28	E160	STATE TREASURERS OFFICE	49730000	EDUC IMPROVEMENT	4890090000	ALLOC EDUC IMPV ACT		Statewide				\$5,089,881		

## Agency Funds

### Cash Balances and Expenditures

**Name of Agency Contact:** Paul Ham

**Contact Phone Number:** 803-734-9871

**Contact E-mail Address:** [Paul.Ham@sto.sc.gov](mailto:Paul.Ham@sto.sc.gov)

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	FY 2015-16 Year End Cash Balance	FY 2015-16 Total Expenditures from Fund	Cash Balance as a % of Expenditures	Describe in detail why the agency needs to carry forward a balance greater than one-sixth (16.5% = 60 days) of the funds identified as total expenditures for the prior fiscal year
1 E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	\$40,508	\$6,232,822	0.65%	Carry forward balance is less than one-sixth (16.5%) of disbursements
2 E160	STATE TREASURERS OFFICE	30350996	TX ACCT FUNDING	\$2,253,134	\$0	NA	Statewide
3 E160	STATE TREASURERS OFFICE	30350999	OP REV - HR PR	\$82,029	\$0	NA	Statewide
4 E160	STATE TREASURERS OFFICE	34K70000	SEC LEND INC RES	\$387,236	\$0	NA	Statewide
5 E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	\$15,681	\$0	NA	Statewide
6 E160	STATE TREASURERS OFFICE	43250000	TOBACCO SETTLEMENTS	\$208,958	\$0	NA	Statewide
7 E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	\$83,933,593	\$0	NA	Statewide
8 E160	STATE TREASURERS OFFICE	43L48000	EC DV REF BD12A COI	\$7,614	\$0	NA	Statewide
9 E160	STATE TREASURERS OFFICE	45760000	CAPITAL RESERVE--PR	\$131,047,797	\$0	NA	Statewide



10	E160	STATE TREASURERS OFFICE	46630000	CONTINGENCY RESERVE	\$49,750,797	\$0	NA	Statewide
11	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	\$13,079,546	\$0	NA	Statewide
12	E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	\$1,100,000	\$0	NA	Statewide
13	E160	STATE TREASURERS OFFICE	47130000	GENERAL RESERVE-PRN	\$327,619,492	\$0	NA	Statewide
14	E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	\$2,209,730	\$0	NA	Statewide
15	E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	\$2,964	\$0	NA	Statewide
16	E160	STATE TREASURERS OFFICE	49730000	EDUC IMPROVEMENT	\$0	\$5,089,881	0.00%	Statewide

## Commitment Items

**Name of Agency Contact:** Patrick Jarvis  
**Contact Phone Number:** 803-734-0690  
**Contact E-mail Address:** [patrick.jarvis@sto.sc.gov](mailto:patrick.jarvis@sto.sc.gov)  
**Link to fees:**

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	Commitment Item	Commitment Item Title	Enabling Statute or Proviso	Purpose of Fund/Commitment Item	Program or Activity Supported by Revenue	Carry Forward Authority (Statute or Proviso)	Detail of How Revenue is Generated. Fees, Fines, Assessments, Charges, etc. amount(s). Identify who pays the fee, fine charge, etc.	FY 2016-17 Actual Revenue	FY 2017-18 Estimated Revenue	FY 2018-19 Projected Revenue	
1	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4220010000	COURT FINE	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	To record State Treasurer's portion of court revenue assessments and filing fees.	II. Programs and Services Treasury Management	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$64,382	\$60,000	\$60,000
2	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4225010000	CONVICTION SURCHARGE	SC Code of Law 14-1-212 (B1)	To record State Treasurer's portion of court revenue surcharges.	II. Programs and Services Treasury Management	SC Code of Law 14-1-212 (B1)	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$40,000	\$40,000	\$40,000
3	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4310010000	FEES & RECEIPT-OTHER	Proviso 98.4	To record funds received for operating and management costs associated with the Local Government Investment Pool.	II. Programs and Services Investments	Proviso 98.4	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$700,000	\$850,000	\$850,000
4	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4400010000	TRUST FUND ADMIN FEE	SC Code of Law 13-7-30	To record fee charged for service and administration of Trust Funds in custody of the Treasurer.	II. Programs and Services Treasury Management	SC Code of Law 13-7-30	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$43	\$0	\$0
5	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4480070000	SL OF SURP MAT&SUPL	SC Code of Law 11-35-3830	To record the agency's portion of the sale of surplus property	II. Programs and Services	SC Code of Law 11-35-3830	Revenue is received from the sale of surplus property by the Division of General Services.	\$235	\$0	\$0
6	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4520010024	REF PR YR EXP SUP			II. Programs and Services		Reimbursement of expenditures for postage and overpayment of invoice.	\$138	\$0	\$0
7	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4530030000	MISC REVENUE	Proviso 98.6	To record funds received for operating and management costs associated with the indebtedness of the state.	II. Programs and Services Debt Management	Proviso 98.6	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,265,000	\$1,250,000	\$1,250,000
8	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4660010000	INVEST ERN	Proviso 98.5	To record funds received for operating and management costs associated with the investment management of various state funds.	II. Programs and Services Investments	Proviso 98.5	Interest earned on State of South Carolina Investments.	\$2,800,000	\$3,000,000	\$3,000,000
9	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	SC Code of Law 27-18-240B; Proviso 98.11	To record funds received for operating and managing the Unclaimed Property Program (Code 27-18-240B).	II. Programs and Services Unclaimed Property Program	SC Code of Law 27-18-240B; Proviso 98.11	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,700,000	\$1,600,000	\$1,600,000

10	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	Proviso 98.4	To record funds received for operating and managing the Tuition Prepayment Plan and College Investment Program (Proviso 98.4).	II. Programs and Services SC Tuition Prepayment Program and SC College Investment Program	Proviso 98.4	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$600,000	\$600,000	\$600,000
11	E160	STATE TREASURERS OFFICE	30350997	CT ACCT FUNDING	4530030000	MISC REVENUE		Statewide			N/A Passthrough funds	\$0		
12	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4630060000	STUDENT LOAN REPYMNT		Statewide			N/A - Passthrough funds	\$19,994		
13	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4660010000	INVEST ERN		Statewide			N/A - Passthrough funds	\$312		
14	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4410010000	EDU LOT NEW PROCD		Statewide			N/A - Passthrough funds	\$381,700,000		
15	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4410020000	UNCLAIMED PRIZE FUND		Statewide			N/A - Passthrough funds	\$18,554,937		
16	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4660010000	INVEST ERN		Statewide			N/A - Passthrough funds	\$1,702,770		
17	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4030010000	TOB PROD PLY CRDS TX		Statewide			N/A - Passthrough funds	\$121,351,297		
18	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4660010000	INVEST ERN		Statewide			N/A - Passthrough funds	\$434,968		
19	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4890040000	MISC TRNSF-OTHR FD		Statewide			N/A - Passthrough funds	(\$134,865,811)		
20	E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	4660010000	INVEST ERN		Statewide			N/A - Passthrough funds	\$12,956		
21	E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	4660010000	INVEST ERN		Statewide			N/A - Passthrough funds	\$111,551		
22	E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	4660010000	INVEST ERN		Statewide			N/A - Passthrough funds	\$40		
23	E160	STATE TREASURERS OFFICE	49730000	EDUC IMPROVEMENT	4890090000	ALLOC EDUC IMPV ACT		Statewide			N/A - Passthrough funds	\$5,089,881		

## Agency Funds

### Cash Balances and Expenditures

**Name of Agency Contact:** Patrick Jarvis

**Contact Phone Number:** 803-734-0690

**Contact E-mail Address:** [patrick.jarvis@sto.sc.gov](mailto:patrick.jarvis@sto.sc.gov)

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	FY 2016-17 Year End Cash Balance	FY 2016-17 Total Expenditures from Fund	Cash Balance as a % of Expenditures	Describe in detail why the agency needs to carry forward a balance greater than one-sixth (16.5% = 60 days) of the funds identified as total expenditures for the prior fiscal year
1 E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	\$5,084	\$7,335,515	0.09%	Carry forward balance is less than one-sixth (16.5%) of disbursements
2 E160	STATE TREASURERS OFFICE	30350993	Gen Dep Adj	\$30,689,215,630	\$0	NA	Statewide
3 E160	STATE TREASURERS OFFICE	30350996	TX ACCT FUNDING	\$968,944	\$0	NA	Statewide
4 E160	STATE TREASURERS OFFICE	30350997	CT ACCT FUNDING	-\$2,333,052	\$0	NA	Statewide
5 E160	STATE TREASURERS OFFICE	30350999	OP REV - HR PR	\$61,635	\$0	NA	Statewide
6 E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	\$35,987	\$0	NA	Statewide
7 E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	\$48,668,125	\$0	NA	Statewide
8 E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	\$1,112,956	\$0	NA	Statewide
9 E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	\$2,321,281	\$0	NA	Statewide
10 E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	\$3,004	\$0	NA	Statewide
11							

12							
13							
14							
15							

## Commitment Items

**Name of Agency Contact:** Patrick Jarvis  
**Contact Phone Number:** 803-734-0690  
**Contact E-mail Address:** [patrick.jarvis@sto.sc.gov](mailto:patrick.jarvis@sto.sc.gov)  
**Link to fees:**

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	Commitment Item	Commitment Item Title	Enabling Statute or Proviso	Purpose of Fund/Commitment Item	Program or Activity Supported by Revenue	Carry Forward Authority (Statute or Proviso)	Detail of How Revenue is Generated. Fees, Fines, Assessments, Charges, etc. amount(s). Identify who pays the fee, fine charge, etc.	FY 2017-18 Actual Revenue	FY 2018-19 Estimated Revenue	FY 2019-20 Projected Revenue	
1	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4220010000	COURT FINE	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	To record State Treasurer's portion of court revenue assessments and filing fees.	II. Programs and Services Treasury Management	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$59,722	\$60,000	\$60,000
2	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4225010000	CONVICTION SURCHARGE	SC Code of Law 14-1-212 (B1)	To record State Treasurer's portion of court revenue surcharges.	II. Programs and Services Treasury Management	SC Code of Law 14-1-212 (B1)	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$40,000	\$40,000	\$40,000
3	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4310010000	FEES & RECEIPT-OTHER	Proviso 98.4	To record funds received for operating and management costs associated with the Local Government Investment Pool.	II. Programs and Services Investments	Proviso 98.4	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$850,000	\$850,000	\$850,000
4	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4400010000	TRUST FUND ADMIN FEE	SC Code of Law 13-7-30	To record fee charged for service and administration of Trust Funds in custody of the Treasurer.	II. Programs and Services Treasury Management	SC Code of Law 13-7-30	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$7	\$0	\$0
5	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4480070000	SL OF SURP MAT&SUPL	SC Code of Law 11-35-3830	To record the agency's portion of the sale of surplus property	II. Programs and Services Treasury Management	SC Code of Law 11-35-3830	Revenue is received from the sale of surplus property by the Division of General Services.	\$999	\$0	\$0
6	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4520010023	REPR YR EXP CONT SRV			II. Programs and Services		Reimbursement of expenditures for prior year expenses.	\$50,000	\$0	\$0
7	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4530030000	MISC REVENUE	Proviso 98.6	To record funds received for operating and management costs associated with the indebtedness of the state.	II. Programs and Services Debt Management	Proviso 98.6	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,250,000	\$1,250,000	\$1,250,000
8	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4660010000	INVEST ERN	Proviso 98.5	To record funds received for operating and management costs associated with the investment management of various state funds.	II. Programs and Services Investments	Proviso 98.5	Interest earned on State of South Carolina Investments.	\$2,700,000	\$2,800,000	\$2,800,000
9	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	SC Code of Law 27-18-240B; Proviso 98.11	To record funds received for operating and managing the Unclaimed Property Program (Code 27-18-240B).	II. Programs and Services Unclaimed Property Program	SC Code of Law 27-18-240B; Proviso 98.11	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,900,000	\$1,950,000	\$1,950,000

						Proviso 98.4	To record funds received for operating and managing the Tuition Prepayment Plan and College Investment Program (Proviso 98.4).	II. Programs and Services SC Tuition Prepayment Program and SC College Investment Program	Proviso 98.4	Revenue received from Trust and Agency accounts held in custody by the State Treasurer.			
10	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000						\$600,000	\$700,000	\$700,000
9	E160	STATE TREASURERS OFFICE	30350997	CT ACCT FUNDING	4230030000		Statewide				\$7,599	\$0	
10	E160	STATE TREASURERS OFFICE	30350999	OP REV - HR PR	4530030000		Statewide				\$12,344	\$0	
11	E160	STATE TREASURERS OFFICE	34K70000	SEC LEND INC RES	4660020000		Statewide				\$348,451	\$0	
12	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4603010000		Statewide			N/A Passthrough funds	\$1,175	\$0	
13	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4630060000		Statewide			N/A Passthrough funds	\$16,489	\$0	
14	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4660010000		Statewide			N/A Passthrough funds	\$680	\$0	
15	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4410010000		Statewide			N/A Passthrough funds	\$413,000,000	\$0	
16	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4410020000		Statewide			N/A Passthrough funds	\$21,799,739	\$0	
17	E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	4660010000		Statewide			N/A Passthrough funds	\$1,728,830	\$0	
18	E160	STATE TREASURERS OFFICE	44N89000	AFS-H001 AGENCY OPER	4600010000		Statewide			N/A Passthrough funds	\$66,696,000	\$0	
19	E160	STATE TREASURERS OFFICE	44N89000	AFS-H001 AGENCY OPER	4660010000		Statewide			N/A Passthrough funds	\$647,492	\$0	
20	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4030010000		Statewide			N/A Passthrough funds	\$116,077,201	\$0	
21	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4660010000		Statewide			N/A Passthrough funds	\$393,641	\$0	
22	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4890040000		Statewide			N/A Passthrough funds	(\$116,470,842)	\$0	
23	E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	4660010000		Statewide			N/A Passthrough funds	\$17,552	\$0	
24	E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	4660010000		Statewide			N/A Passthrough funds	\$137,541	\$0	
25	E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	4660010000		Statewide			N/A Passthrough funds	\$47	\$0	

## Agency Funds

### Cash Balances and Expenditures

**Name of Agency Contact:** Patrick Jarvis

**Contact Phone Number:** 803-734-0690

**Contact E-mail Address:** patrick.jarvis@sto.sc.gov

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	FY 2017-18 Year End Cash Balance	FY 2017-18 Total Expenditures from Fund	Cash Balance as a % of Expenditures	Describe in detail why the agency needs to carry forward a balance greater than one-sixth (16.5% = 60 days) of the funds identified as total expenditures for the prior fiscal year
1 E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	\$102,770	\$7,360,169	1.40%	Carry forward balance is less than one-sixth (16.5%) of disbursements
2 E160	STATE TREASURERS OFFICE	30350993	Gen Dep Adj	\$1,525,745,506	\$0		Statewide
3 E160	STATE TREASURERS OFFICE	30350996	TX ACCT FUNDING	-\$827,009	\$0		Statewide
4 E160	STATE TREASURERS OFFICE	30350997	CT ACCT FUNDING	-\$4,220,421	\$0		Statewide
5 E160	STATE TREASURERS OFFICE	30350999	OP REV - HR PR	\$47,063	\$0		Statewide
6 E160	STATE TREASURERS OFFICE	34K70000	SEC LEND INC RES	\$348,451	\$0		Statewide
7 E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	\$54,332	\$0		Statewide
8 E160	STATE TREASURERS OFFICE	43B10000	EDUCATION LOTTERY	\$60,681,602	\$0		Statewide
9 E160	STATE TREASURERS OFFICE	44N89000	AFS-H001 AGENCY OPER	\$67,293,492	\$50,000	134586.98%	Statewide
10 E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	\$1,130,508	\$0		Statewide



11	E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	\$2,458,822	\$0		Statewide
12	E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	\$3,051	\$0		Statewide
13	E160	STATE TREASURERS OFFICE	49730000	EDUC IMPROVEMENT	\$395,000	\$4,694,881	8.41%	Statewide
14								
15								

## Agency Funds

Cash Balances and Expenditures

Name of Agency Contact: Carla Lindler

Contact Phone Number: 803-734-9811

Contact E-mail Address: [carla.lindler@sto.sc.gov](mailto:carla.lindler@sto.sc.gov)

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	FY 2018-19 Year End Cash Balance	FY 2018-19 Total Expenditures from Fund	Cash Balance as a % of Expenditures	Describe in detail why the agency needs to carry forward a balance greater than one-sixth (16.5% = 60 days) of the funds identified as total expenditures for the prior fiscal year
1 E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	\$374,804	\$7,475,060	5.01%	Carry forward balance is less than one-sixth (16.5%) of disbursements
2 E160	STATE TREASURERS OFFICE	30350993	Gen Dep Adj	\$1,852,653,221	\$0	0.00%	Statewide
3 E160	STATE TREASURERS OFFICE	30350996	TX ACCT FUNDING	-\$2,148,565	\$0	0.00%	Statewide
4 E160	STATE TREASURERS OFFICE	30350997	CT ACCT FUNDING	-\$4,636,103	\$0	0.00%	Statewide
5 E160	STATE TREASURERS OFFICE	30350999	OP REV - HR PR	\$44,920	\$0	0.00%	Statewide
6 E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	\$64,395	\$0	0.00%	Statewide
7 E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	\$2,646,494	\$0	0.00%	Statewide
8 E160	STATE TREASURERS OFFICE	49730000	EDUC IMPROVEMENT	\$127,041	\$5,357,840	2.37%	Statewide
9 E160	STATE TREASURERS OFFICE	34K70000	SEC LEND INC RES	\$300,000	\$0	0.00%	Statewide
10 E160	STATE TREASURERS OFFICE	44N89000	AFS-H001 AGENCY OPER	\$68,638,244	\$0	0.00%	Statewide
11 E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	\$42,637,142	\$0	0.00%	Statewide
12 E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	\$1,555,670	\$500,000	311.13%	Statewide
13 E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	\$3,113	\$0	0.00%	Statewide

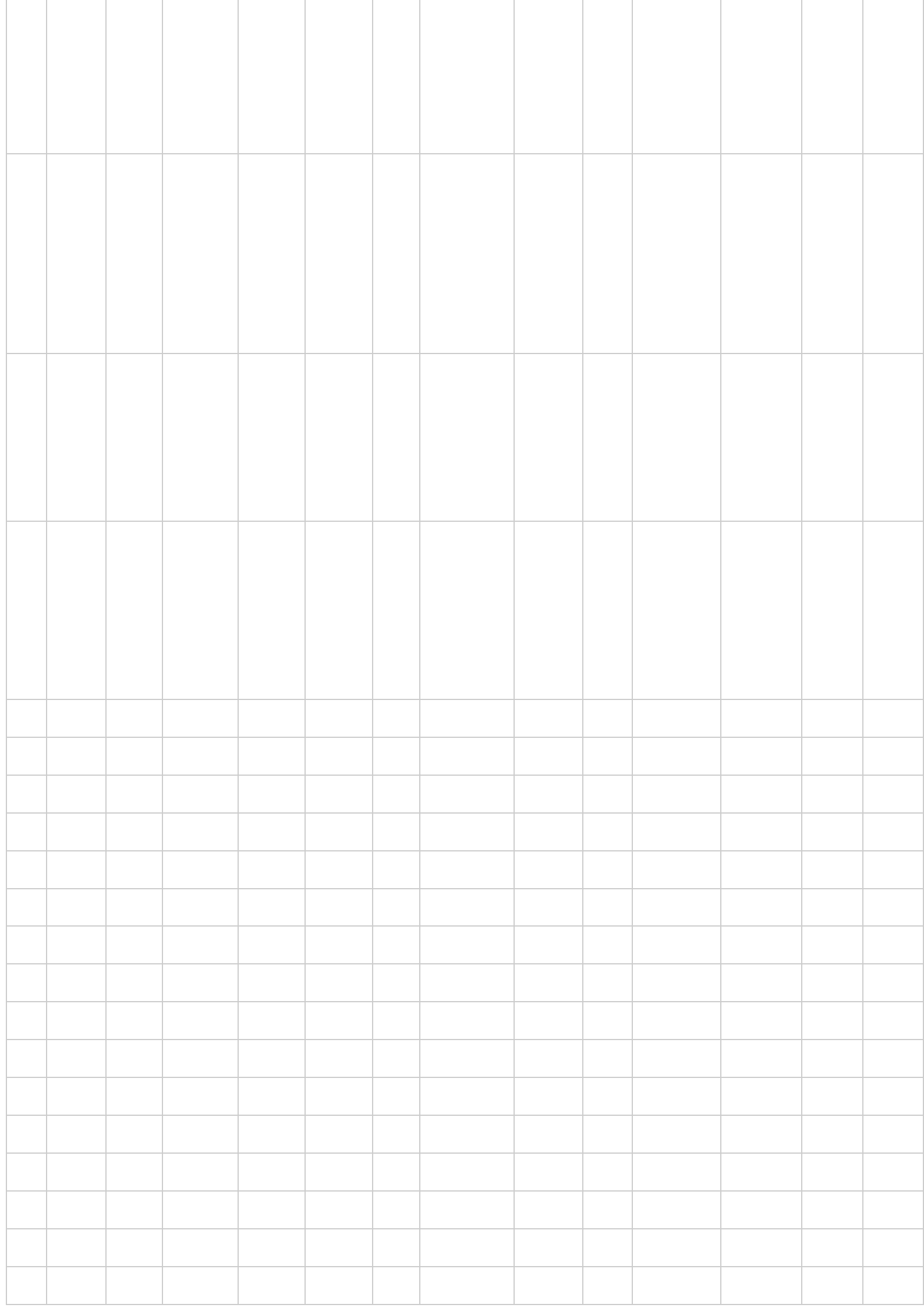
## Commitment Items

Name of Agency Contact: Carla Lindler  
 Contact Phone Number: 803-734-9811  
 Contact E-mail Address: [carla.lindler@sto.sc.gov](mailto:carla.lindler@sto.sc.gov)  
 Link to fees:

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	Commitment Item	Commitment Item Title	Enabling Statute or Proviso	Purpose of Fund/Commitment Item	Program or Activity Supported by Revenue	Carry Forward Authority (Statute or Proviso)	Detail of How Revenue is Generated. Fees, Fines, Assessments, Charges, etc. amount(s). Identify who pays the fee, fine charge, etc.	FY 2018-19 Actual Revenue	FY 2019-20 Estimated Revenue	FY 2020-21 Projected Revenue	
1	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4220010000	COURT FINE	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	To record State Treasurer's portion of court revenue assessments and filing fees.	II. Programs and Services Treasury Management	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	Reimbursement of expenditures from court fines from general sessions, family court, magistrates court and municipal court. Pursuant to Section 14-1-206, 14-1-207 and 14-1-208 the Office of the State Treasurer receives .16% of assessed court fines to defray administrative expenses associated with collecting and distributing the revenue of these assessments.	\$56,651	\$60,000	\$60,000
2	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4225010000	CONVICTION SURCHARGE	SC Code of Law 14-1-212 (B1)	To record State Treasurer's portion of court revenue conviction surcharges.	II. Programs and Services Treasury Management	SC Code of Law 14-1-212 (B1)	Reimbursement of expenditures from the surcharge (\$25) on fines, forfeitures, escheatments or other monetary penalties imposed in general sessions court or in magistrates or municipal court for misdemeanor traffic offenses or for nontraffic violations. Pursuant to Section 14-1-212 the Office of the State Treasurer may retain the actual cost associated with the collection of this surcharge not to exceed forty thousand dollars.	\$40,000	\$40,000	\$40,000
3	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4310010000	FEES & RECEIPT-OTHER	Proviso 98.4	To record funds received for operating and management costs associated with the Local Government Investment Pool.	II. Programs and Services Local Government Investment Pool	Proviso 98.4	Reimbursement of expenditures for the operating and management costs associated with the Local Government Investment Pool. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,100,000	\$1,155,000	\$1,180,291
4	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4400010000	TRUST FUND ADMIN FEE	SC Code of Law 13-7-30	To record fee charged for service and administration of Trust Funds in custody of the Treasurer.	II. Programs and Services Treasury Management	SC Code of Law 13-7-30	Decommissioning Trust Fund annual fee pursuant to Section 13-7-30. Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$8	\$0	\$0
5	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4480070000	SL OF SURP MAT&SUPL	SC Code of Law 11-35-3820	To record the agency's portion of the sale of surplus property	II. Programs and Services	SC Code of Law 11-35-3820	Revenue is received by the STO from the sale of agency surplus property by the Division of General Services.	\$92	\$0	\$0
6	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4520010000	REFUND PYR EXP		To record a refund of a prior year expenditure	II. Programs and Services		Reimbursement of expenditures for prior year expenses.	\$344	\$0	\$0
7	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4530030000	MISC REVENUE	Proviso 98.6	To record funds received for operating and management costs associated with the indebtedness of the State.	II. Programs and Services Debt Management	Proviso 98.6	Reimbursement of expenditures for the operating and management costs associated with the indebtedness of the State. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,375,000	\$1,305,000	\$1,333,519
8	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	4660010000	INVEST ERN	Proviso 98.5	To record funds received for operating and management costs associated with the investment management of various state funds.	II. Programs and Services Investments	Proviso 98.5	Reimbursement of expenditures for the operating and management costs associated with the investment management and support operations of various state funds and programs. Interest earned on State of South Carolina Investments.	\$2,500,000	\$2,500,000	\$2,554,240
9	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	SC Code of Law 27-18-240 (B); Proviso 98.11	To record funds received for operating and managing the Unclaimed Property Program (Code 27-18-240B).	II. Programs and Services Unclaimed Property Program	SC Code of Law 27-18-240 (B); Proviso 98.11	Reimbursement of expenditures for the operating and management costs associated with the Unclaimed Property Program. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,950,000	\$1,995,000	\$2,038,371

Agency Code	Agency Name (or Acronym)	Fund Number	Fund Title	Commitment Item	Commitment Item Title	Enabling Statute or Proviso	Purpose of Fund/Commitment Item	Program or Activity Supported by Revenue	Carry Forward Authority (Statute or Proviso)	Detail of How Revenue is Generated. Fees, Fines, Assessments, Charges, etc. amount(s). Identify who pays the fee, fine charge, etc.	FY 2018-19 Actual Revenue	FY 2019-20 Estimated Revenue	FY 2020-21 Projected Revenue	
10	E160	STATE TREASURERS OFFICE	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	Proviso 98.4	To record funds received for operating and management costs associated with the College Savings Plan Programs.	II. Programs and Services College Savings Plans Programs	Proviso 98.4	Reimbursement of expenditures for the operating and management costs associated with the Tuition Prepayment Plan and College Savings Plan. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$725,000	\$846,000	\$864,640
11	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4630060000	STUDENT LOAN REPYMNT				Statewide	N/A Passthrough funds	\$8,928	\$0	\$0
12	E160	STATE TREASURERS OFFICE	40199000	AFS-GOV TCH SCH PRG	4660010000	INVEST ERN				Statewide	N/A Passthrough funds	\$1,135	\$0	\$0
13	E160	STATE TREASURERS OFFICE	47230000	SC ED ASSIST ENDOW	4660010000	INVEST ERN				Statewide	N/A Passthrough funds	\$187,672	\$0	\$0
14	E160	STATE TREASURERS OFFICE	49730000	EDUC IMPROVEMENT	4020010000	SALES & USE TAX				Statewide	N/A Passthrough funds	\$5,089,881	\$0	\$0
15	E160	STATE TREASURERS OFFICE	34K70000	SEC LEND INC RES	4660020000	INVEST ERN-LOAN SEC				Statewide	N/A Passthrough funds	(\$48,451)	\$0	\$0
16	E160	STATE TREASURERS OFFICE	44N89000	AFS-H001 AGENCY OPER	4660010000	INVEST ERN				Statewide	N/A Passthrough funds	\$1,344,751	\$0	\$0
17	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4030010000	TOB PROD PLY CRDS TX				Statewide	N/A Passthrough funds	\$119,616,637	\$0	\$0
18	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4660010000	INVEST ERN				Statewide	N/A Passthrough funds	\$765,883	\$0	\$0
19	E160	STATE TREASURERS OFFICE	46K50000	TOB SUR-MED RES FD	4890040000	MISC TRNSF-OTHR FD				Statewide	N/A Passthrough funds	(\$77,745,378)	\$0	\$0
20	E160	STATE TREASURERS OFFICE	46M90000	SC CHTR SCHL REV LOA	4660010000	INVEST ERN				Statewide	N/A Passthrough funds	\$25,162	\$0	\$0
21	E160	STATE TREASURERS OFFICE	47G50000	EFA RESERVE FUND	4660010000	INVEST ERN				Statewide	N/A Passthrough funds	\$61	\$0	\$0



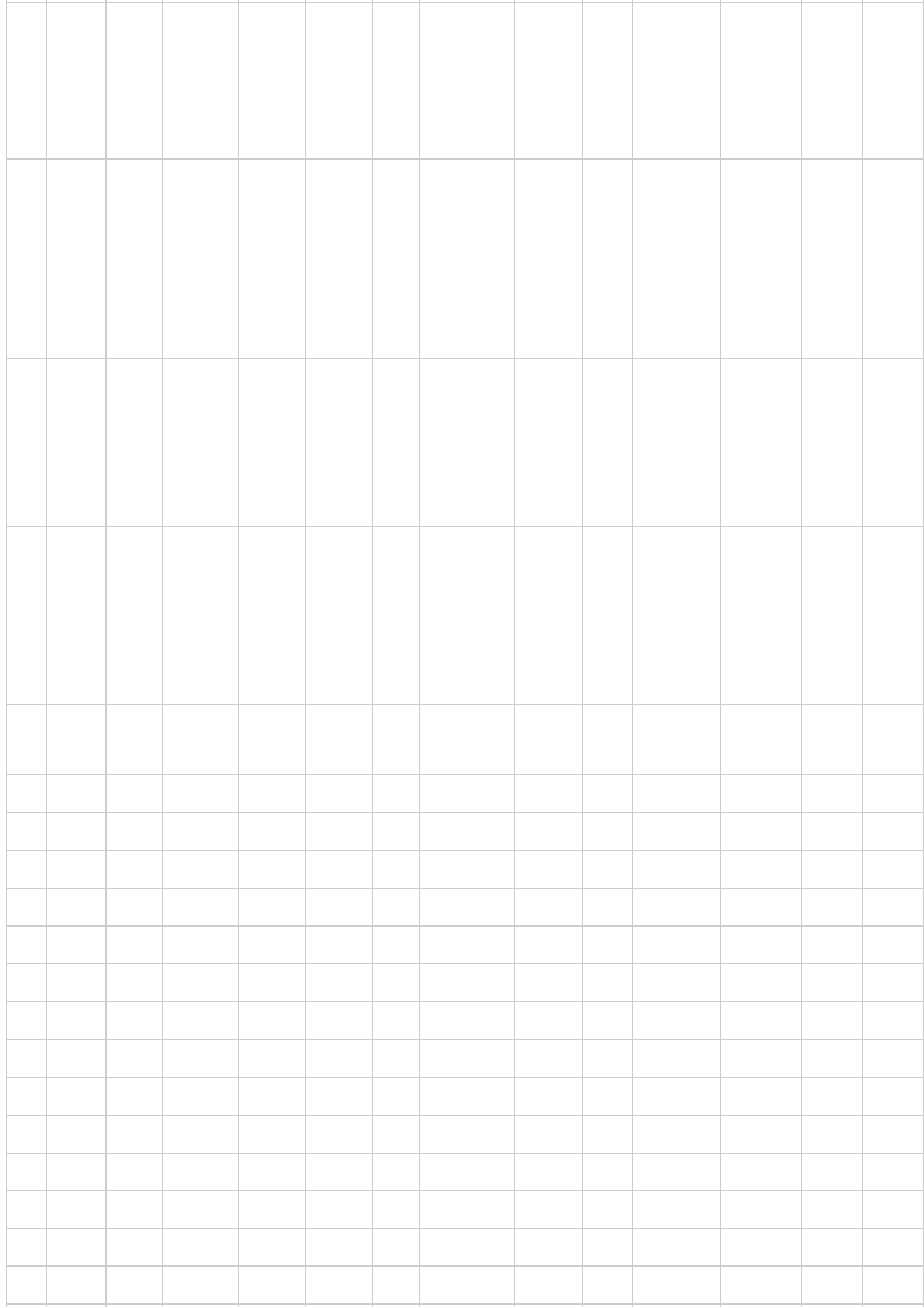


















Name of Agency Contact:	Jordan Dominick
Contact Phone Number:	(803) 734-3545
Contact Email Address:	jordan.dominick@sto.sc.gov
Link To Fees:	

Commitment Items

Agency Code	Agency Name	Fund Number	Fund Title	Commitment Item	Commitment Item Title	Enabling Statute or Proviso	Purpose of Fund/Commitment Item	Program or Activity Supported by Revenue	Carry Forward Authority (Statute or Proviso)	Detail of How Revenue is Generated. Fees, Fines, Assessments, Charges, etc. amount(s). Identify who pays the fee, fine charge, etc.	Actual Revenue	Estimated Revenue	Projected Revenue
E160	State Treasurer's Office	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	Proviso 98.4	To record funds received for operating and management costs associated with the College Savings Plan Programs.	II, Programs and Services College Savings Plans Programs	Proviso 98.4	Reimbursement of expenditures for the operating and management costs associated with the Tuition Prepayment Plan and College Savings Plan. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$0	\$902,809	\$902,809
E160	State Treasurer's Office	30350000	OPERATING REVENUE	6100010000	OPER TRNSF IN (CR)	SC Code of Law 27-18-240 (B); Proviso 98,11	To record funds received for operating and managing the Unclaimed Property Program (Code 27-18-240B).	II, Programs and Services Unclaimed Property Program	SC Code of Law 27-18-240 (B); Proviso 98,11	Reimbursement of expenditures for the operating and management costs associated with the Unclaimed Property Program. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$0	\$2,160,000	\$2,160,000
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4660010000	INVEST ERN	Proviso 98.5	To record funds received for operating and management costs associated with the investment management of various state funds.	II, Programs and Services Investments	Proviso 98.5	Reimbursement of expenditures for the operating and management costs associated with the investment management and support operations of various state funds and programs. Interest earned on State of South Carolina Investments.	\$2,600,000	\$2,625,000	\$2,625,000
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4530030000	MISC REVENUE	Proviso 98.6	To record funds received for operating and management costs associated with the indebtedness of the State.	II, Programs and Services Debt Management	Proviso 98.6	Reimbursement of expenditures for the operating and management costs associated with the indebtedness of the State. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,380,000	\$1,673,592	\$1,673,592
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4520010000	REFUND PYR EXP		To record a refund of a prior year expenditure	II, Programs and Services		Reimbursement of expenditures for prior year expenses.	\$15	\$0	\$0
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4480070000	SL OF SURP MAT&SURL	SC Code of Law 11-35-3820	To record the agency's portion of the sale of surplus property	II, Programs and Services	SC Code of Law 11-35-3820	Revenue is received by the STO from the sale of agency surplus property by the Division of General Services.	\$245	\$0	\$0
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4400010000	TRUST FUND ADMIN FEE	SC Code of Law 13-7-30	To record fee charged for service and administration of Trust Funds in custody of the Treasurer.	II, Programs and Services Treasury Management	SC Code of Law 13-7-30	Decommissioning Trust Fund annual fee pursuant to Section 13-7-30. Revenue received from Trust and Agency accounts held in custody by the State Treasurer.	\$3	\$0	\$0
										Reimbursement of expenditures for the operating			

E160	State Treasurer's Office	30350000	OPERATING REVENUE	4310010000	FEES & RECEIPT-OTHER	Proviso 98,4	To record funds received for operating and management costs associated with the Local Government Investment Pool.	II. Programs and Services Local Government Investment Pool	Proviso 98,4	and management costs associated with the Local Government Investment Pool. Funds received from Trust and Agency accounts held in custody by the State Treasurer.	\$1,450,000	\$1,475,000	\$1,475,000
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4225010000	CONVICTION SURCHARGE	SC Code of Law 14-1-212 (B1)	To record State Treasurer's portion of court revenue conviction surcharges.	II. Programs and Services Treasury Management	SC Code of Law 14-1-212 (B1)	Reimbursement of expenditures from the surcharge (\$25) on fines, forfeitures, escheatments or other monetary penalties imposed in general sessions court or in magistrates or municipal court for misdemeanor traffic offenses or for nontraffic violations. P...	\$40,000	\$40,000	\$40,000
E160	State Treasurer's Office	30350000	OPERATING REVENUE	4220010000	COURT FINE	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	To record State Treasurer's portion of court revenue assessments and filing fees.	II. Programs and Services Treasury Management	SC Code of Law 14-1-206 (C8); 14-1-207 (C8); 14-1-208 (C12); 14-1-210 E	Reimbursement of expenditures from court fines from general sessions, family court, magistrates court and municipal court. Pursuant to Section 14-1-206, 14-1-207 and 14-1-208 the Office of the State Treasurer receives .16% of assessed court fines to defr...	\$56,319	\$50,000	\$50,000
E160	State Treasurer's Office	30350099	COVID-19 GF REIMBURS	4520010000	REFUND PYR EXP		To record prior year COVID-19 expenditure reimbursement from CARES Act.	II. Programs and Services		Reimbursement of expenditures for prior year CARES Act eligible COVID-19 expenses.	\$0	\$0	\$0
E160	State Treasurer's Office	34K70000	SEC LEND INC RES	4660020000	INVEST ERN-LOAN SEC		Statewide			N/A Passthrough funds	(\$300,000)	\$0	\$0
E160	State Treasurer's Office	40199000	AFS-GOV TCH SCH PRG	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$1,129	\$0	\$0
E160	State Treasurer's Office	40199000	AFS-GOV TCH SCH PRG	4630060000	STUDENT LOAN REPYMNT		Statewide			N/A Passthrough funds	\$2,521	\$0	\$0
E160	State Treasurer's Office	40199000	AFS-GOV TCH SCH PRG	4600060000	MASTER LEASE PROCEED		Statewide			N/A Passthrough funds	\$0	\$0	\$0
E160	State Treasurer's Office	43250000	TOBACCO SETTLEMENTS	4660010000	INVEST ERN						\$3,549	\$0	\$0
E160	State Treasurer's Office	43B10000	EDUCATION LOTTERY	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$4,683,300	\$0	\$0
E160	State Treasurer's Office	43B10000	EDUCATION LOTTERY	4410020000	UNCLAIMED PRIZE FUND		Statewide			N/A Passthrough funds	\$30,501,385	\$0	\$0
E160	State Treasurer's Office	43B10000	EDUCATION LOTTERY	4410010000	EDU LOT NEW PROCD		Statewide			N/A Passthrough funds	\$533,500,000	\$0	\$0
E160	State Treasurer's Office	44N89000	AFS-H001 AGENCY OPER	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$1,108,662	\$0	\$0
E160	State Treasurer's Office	45760000	CAPITAL RESERVE--PR	4890050000	CAP RESERVE FD TRNSF						\$183,584,490	\$0	\$0
E160	State Treasurer's Office	46K50000	TOB SUR-MED RES FD	4890040000	MISC TRNSF-OTHR FD		Statewide			N/A Passthrough funds	(\$102,243,510)	\$0	\$0
E160	State Treasurer's Office	46K50000	TOB SUR-MED RES FD	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$1,898,309	\$0	\$0
E160	State Treasurer's Office	46K50000	TOB SUR-MED RES FD	4030010000	TOB PROD PLY CRDS TX		Statewide			N/A Passthrough funds	\$101,008,148	\$0	\$0
E160	State Treasurer's Office	46M90000	SC CHTR SCHL REV LOA	4990020000	LOAN PRINPL REPYMNT		Statewide			N/A Passthrough funds	\$55,560	\$0	\$0
E160	State Treasurer's Office	46M90000	SC CHTR SCHL REV LOA	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$27,086	\$0	\$0
E160	State Treasurer's Office	46M90000	SC CHTR SCHL REV LOA	4650090000	LOAN INT RECEIVED		Statewide			N/A Passthrough funds	\$19,097	\$0	\$0
E160	State Treasurer's Office	47130000	GENERAL RESERVE-PRN	4890360000	GEN RESERVE FUND TRN						\$18,723,614	\$0	\$0
E160	State Treasurer's Office	47230000	SC ED ASSIST ENDOW	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$123,242	\$0	\$0

E160	State Treasurer's Office	47G50000	EFA RESERVE FUND	4660010000	INVEST ERN		Statewide			N/A Passthrough funds	\$50	\$0	\$0
E160	State Treasurer's Office	49730000	EDUC IMPROVEMENT	4020010000	SALES & USE TAX		Statewide			N/A Passthrough funds	\$5,089,881	\$0	\$0



Name of Agency Contact:	Jordan Dominick
Contact Phone Number:	(803) 734-3545
Contact Email Address:	jordan.dominick@sto.sc.gov
Link To Fees:	

Agency Funds

Cash Balance and Expenditures

Agency Code	Agency Name	Fund Number	Fund Title	Year End Cash Balance	Total Expenditures From Fund	Cash Balance as a % of Expenditures	Describe in detail why the agency needs to carry forward a balance greater than one-sixth (16.5% = 60 days) of the funds identified as total expenditures for the prior fiscal year
E160	State Treasurer's Office	30350000	OPERATING REVENUE	\$1,136,393	\$8,101,188	14.03%	Carry forward balance is less than one-sixth (16.5%) of disbursements
E160	State Treasurer's Office	30350099	COVID-19 GF REIMBURS	\$0	\$2,566	0.00%	Reimbursement of expenditures for prior year CARES Act eligible COVID-19 expenses.
E160	State Treasurer's Office	30350993	Gen Dep Adj	\$1,852,455,573	\$0	0.00%	Statewide
E160	State Treasurer's Office	30350996	TX ACCT FUNDING	(\$7,752,368)	\$0	0.00%	Statewide
E160	State Treasurer's Office	30350997	CT ACCT FUNDING	\$0	\$0	0.00%	Statewide
E160	State Treasurer's Office	30350999	OP REV - HR PR	\$44,600	\$0	0.00%	Statewide
E160	State Treasurer's Office	31C30000	COVID-19 RESP RESERV	\$72,644,688	\$0	0.00%	Statewide
E160	State Treasurer's Office	34K70000	SEC LEND INC RES	\$0	\$0	0.00%	Statewide
E160	State Treasurer's Office	40199000	AFS-GOV TCH SCH PRG	\$76,280	\$0	0.00%	Statewide
E160	State Treasurer's Office	43250000	TOBACCO SETTLEMENTS	\$232,528	\$0	0.00%	Statewide
E160	State Treasurer's Office	43B10000	EDUCATION LOTTERY	\$96,870,287	\$0	0.00%	Statewide
E160	State Treasurer's Office	44N89000	AFS-H001 AGENCY OPER	\$72,607,488	\$47,147	154002.35%	Statewide
E160	State Treasurer's Office	45760000	CAPITAL RESERVE--PR	\$183,584,490	\$0	0.00%	Statewide
E160	State Treasurer's Office	46630000	CONTINGENCY RESERVE	\$1,023,777,259	\$0	0.00%	Statewide
E160	State Treasurer's Office	46K50000	TOB SUR-MED RES FD	\$10,886,020	\$0	0.00%	Statewide
E160	State Treasurer's Office	46M90000	SC CHTR SCHL REV LOA	\$1,848,358	\$0	0.00%	Statewide
E160	State Treasurer's Office	47130000	GENERAL RESERVE-PRN	\$458,961,225	\$0	0.00%	Statewide
E160	State Treasurer's Office	47230000	SC ED ASSIST ENDOW	\$3,151,432	\$0	0.00%	Statewide
E160	State Treasurer's Office	47G50000	EFA RESERVE FUND	\$3,297	\$0	0.00%	Statewide
E160	State Treasurer's Office	49730000	EDUC IMPROVEMENT	\$259,524	\$5,040,040	5.15%	Statewide

