

State of South Carolina



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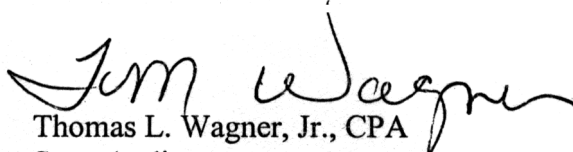
October 26, 2000

The Honorable James H. Hodges, Governor
and
Members of the State Budget and Control Board
State of South Carolina
Columbia, South Carolina

This report on the audit of the financial statements of the South Carolina Retirement Systems for the fiscal year ended June 30, 2000, was issued by Rogers & Laban, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,


Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/cwc

FINANCIAL STATEMENTS

SOUTH CAROLINA RETIREMENT SYSTEMS

Columbia, South Carolina

Year Ended June 30, 2000

South Carolina Retirement Systems

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June 30, 2000

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Independent Auditor's Report

Mr. Thomas L. Wagner, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

We have audited the financial statements of the South Carolina Retirement Systems as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the South Carolina Retirement Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I, the financial statements present only the funds of the South Carolina Retirement Systems and do not include any other agencies, institutions, departments or component units of the State of South Carolina primary government.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the South Carolina Retirement Systems, as of June 30, 2000, and the changes in plan net assets for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note VI to the financial statements, the South Carolina Retirement Systems is a party to a legal action claiming substantial amounts as a result of the computation of retirement benefits for certain retired members. The ultimate outcome of the litigation cannot be presently determined. Accordingly, no provision for any liability has been made in the accompanying financial statements.

The required supplementary information on pages 17 and 18 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combining financial statements on pages 19 – 22 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

September 29, 2000

South Carolina Retirement Systems

Statement of Plan Net Assets

June 30, 2000

With comparative totals for June 30, 1999
(Amounts expressed in thousands)

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>	<u>TOTAL 1999</u>
ASSETS						
Cash and cash equivalents	\$2,216,075	\$408,697	\$3,981	\$15,569	\$2,644,322	\$917,387
Receivables:						
Due from other Systems		309	1	22	332	396
Employee and employer contributions	107,690	13,016	13	351	121,070	108,650
Employer contributions long-term	2,576	432			3,008	3,326
Accrued interest	180,851	19,670	444	981	201,946	207,189
Unsettled investment sales	25,281	2,930	59	125	28,395	
Total receivables	<u>316,398</u>	<u>36,357</u>	<u>517</u>	<u>1,479</u>	<u>354,751</u>	<u>319,561</u>
Investments, at fair value:						
Short-term securities	291,848	8,834		999	301,681	1,811,121
United States Government securities	2,577,261	258,431	8,586	3,812	2,848,090	2,885,965
United States Government agencies and government-insured	2,819,870	305,790	6,012	21,486	3,153,158	3,851,469
Corporate bonds	4,324,758	490,086	11,371	24,106	4,850,321	5,159,076
Financial and other	2,391,447	240,822	4,368	7,780	2,644,417	2,953,039
Equities	<u>2,591,886</u>	<u>297,962</u>	<u>6,084</u>	<u>12,887</u>	<u>2,908,819</u>	<u>938,460</u>
Total investments	14,997,070	1,601,925	36,421	71,070	16,706,486	17,599,130
Securities lending cash collateral invested	1,277,578	130,418	2,201	3,696	1,413,893	1,438,860
Property, net of accumulated depreciation	<u>3,972</u>	<u>406</u>	<u>11</u>	<u>19</u>	<u>4,408</u>	<u>4,527</u>
Total assets	<u>18,811,093</u>	<u>2,177,803</u>	<u>43,131</u>	<u>91,833</u>	<u>21,123,860</u>	<u>20,279,465</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Due to other Systems	332				332	396
Accounts payable - unsettled investment purchases	25,698	2,979	60	127	28,864	40,884
Investment fees payable	1,357	157	3	7	1,524	
Obligations under securities lending	1,277,578	130,418	2,201	3,696	1,413,893	1,438,860
Due to State Health Insurance Plan	15,323	590			15,913	14,413
Accounts payable and accrued expenses	<u>3,525</u>	<u>624</u>	<u>2</u>	<u>5</u>	<u>4,156</u>	<u>2,403</u>
Total liabilities	<u>1,323,813</u>	<u>134,768</u>	<u>2,266</u>	<u>3,835</u>	<u>1,464,682</u>	<u>1,496,956</u>
Net assets held in trust for Pension Benefits (a schedule of funding progress for each plan is presented on page 17)	<u>\$17,487,280</u>	<u>\$2,043,035</u>	<u>\$40,865</u>	<u>\$87,998</u>	<u>\$19,659,178</u>	<u>\$18,782,509</u>

The accompanying notes are an integral part of these financial statements.

South Carolina Retirement Systems

Statement of Changes in Plan Net Assets

Year Ended June 30, 2000

With comparative totals for the year ended June 30, 1999
(Amounts expressed in thousands)

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>	<u>TOTAL 1999</u>
Additions						
Contributions						
Employee	\$379,467	\$48,621	\$638	\$1,122	\$429,848	\$400,290
Employer	455,914	76,267	2,636	5,659	540,476	497,712
Transfers of contributions from other Sys-						
tems	24	1,817		72	1,913	1,843
Total contributions	<u>835,405</u>	<u>126,705</u>	<u>3,274</u>	<u>6,853</u>	<u>972,237</u>	<u>899,845</u>
Investment Income						
Net appreciation (depreciation) in						
fair value of investments	(72,431)	(14,071)	(501)	(1,014)	(88,017)	(575,375)
Interest and dividend income	863,607	107,314	2,328	4,807	978,056	1,023,841
Investment expense	<u>(3,137)</u>	<u>(387)</u>	<u>(6)</u>	<u>(12)</u>	<u>(3,542)</u>	<u>(954)</u>
Net income from investing activities	<u>788,039</u>	<u>92,856</u>	<u>1,821</u>	<u>3,781</u>	<u>886,497</u>	<u>447,512</u>
From securities lending activities:						
Securities lending income	78,026	9,125	153	169	87,473	78,951
Securities lending expense	<u>(73,783)</u>	<u>(8,556)</u>	<u>(147)</u>	<u>(159)</u>	<u>(82,645)</u>	<u>(75,771)</u>
Net income from securities lending activities	<u>4,243</u>	<u>569</u>	<u>6</u>	<u>10</u>	<u>4,828</u>	<u>3,180</u>
Total net investment income	<u>792,282</u>	<u>93,425</u>	<u>1,827</u>	<u>3,791</u>	<u>891,325</u>	<u>450,692</u>
Supplemental retirement benefits funded						
by the State	<u>3,873</u>	<u>113</u>			<u>3,986</u>	<u>4,480</u>
Total additions	<u>1,631,560</u>	<u>220,243</u>	<u>5,101</u>	<u>10,644</u>	<u>1,867,548</u>	<u>1,355,017</u>
Deductions						
Refunds of contributions to members	72,452	10,643	16	71	83,182	95,576
Transfers of contributions to other Systems	1,879		34		1,913	1,843
Regular retirement benefits	779,297	84,386	3,998	6,979	874,660	804,286
Supplemental retirement benefits	3,873	113			3,986	4,480
Group life insurance claims	10,026	1,404	36	15	11,481	8,532
Accidental death benefits		736			736	699
Depreciation	107	11	1		119	119
Administrative charges	<u>13,189</u>	<u>1,514</u>	<u>32</u>	<u>67</u>	<u>14,802</u>	<u>13,154</u>
Total deductions	<u>880,823</u>	<u>98,807</u>	<u>4,117</u>	<u>7,132</u>	<u>990,879</u>	<u>928,689</u>
Net increase	750,737	121,436	984	3,512	876,669	426,328
Net assets held in trust for Pension Benefits						
Beginning of year	<u>16,736,543</u>	<u>1,921,599</u>	<u>39,881</u>	<u>84,486</u>	<u>18,782,509</u>	<u>18,356,181</u>
End of year	<u>\$17,487,280</u>	<u>\$2,043,035</u>	<u>\$40,865</u>	<u>\$87,998</u>	<u>\$19,659,178</u>	<u>\$18,782,509</u>

The accompanying notes are an integral part of these financial statements.

South Carolina Retirement Systems

Notes to Financial Statements

I. Basis of Presentation and Summary of Significant Accounting Policies

Description of the Entity

The financial statements of the South Carolina Retirement Systems (Systems) presented herein contain the following funds:

Pension Trust Funds

- South Carolina Retirement System (SCRS)
- South Carolina Police Officers Retirement System (PORS)
- Retirement System for Members of the General Assembly of the State of South Carolina (GARS)
- Retirement System for Judges and Solicitors of the State of South Carolina (JSRS)

Each pension trust fund operates on an autonomous basis; funds may not be utilized for any purpose other than for the benefit of each plan's participants.

The Retirement Systems are part of the State of South Carolina's primary government and are included in the *Comprehensive Annual Financial Report of the State of South Carolina*. In making this determination, factors of financial accountability, governance and fiduciary responsibility of the State were considered.

Plan Descriptions

The South Carolina Retirement System, a cost-sharing multiple-employer defined-benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the 1976 South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the State and political subdivisions thereof.

The South Carolina Police Officers Retirement System, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen.

The Retirement System for Members of the General Assembly of the State of South Carolina, a single-employer defined benefit pension plan, was created effective January 1, 1966, pursuant to the provisions of Section 9-9-20 of the Code of Laws to provide retirement allowances and other benefits for members of the General Assembly.

The Retirement System for Judges and Solicitors of the State of South Carolina, a single-employer defined benefit pension plan, was created effective July 1, 1979, pursuant to the provisions of Section 9-8-20 of the Code of Laws for the purpose of providing retirement allowances and other benefits for judges and solicitors.

A summary of information related to participating employers and members as of June 30, 2000 follows (dollars in thousands):

	<u>State*</u>	<u>School</u>	<u>Other</u>	<u>Total</u>
SCRS				
Number of Employers	111	98	520	729
Annual Covered Payroll	\$2,156,739	\$2,566,917	\$1,165,538	\$5,889,194
Average Number of Contributing Members	68,846	88,679	47,429	204,954
PORS				
Number of Employers	42		255	297
Annual Covered Payroll	\$308,595		\$397,072	\$705,667
Average Number of Contributing Members	11,439		13,388	24,827
GARS				
Number of Employers	2			2
Annual Covered Payroll	\$3,881			\$3,881
Average Number of Contributing Members	170			170
JSRS				
Number of Employers	2			2
Annual Covered Payroll	\$13,465			\$13,465
Average Number of Contributing Members	128			128

*Note: Each State Agency is considered a separate employer for reporting purposes.

Based upon the most recent, complete actuarial valuation (July 1, 1999), membership in the Systems was as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
Retirees and beneficiaries receiving benefits	61,063	5,925	234	112
Terminated members entitled to but not yet receiving benefits	130,559	6,724	79	8
Total active employees	<u>193,213</u>	<u>23,127</u>	<u>219</u>	<u>126</u>
Total	<u>384,835</u>	<u>35,776</u>	<u>532</u>	<u>246</u>

A brief summary of benefit provisions, eligibility criteria and vesting is presented.

Membership

SCRS

Generally, all employees are required to participate in and contribute to the System as a condition of employment. This plan covers general employees and teachers.

PORS

Generally, all full-time employees whose principal duties are the preservation of public order, protection of life and property, detection of crime, or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment.

GARS

All persons are required to participate in and contribute to the System upon taking office as a member of the General Assembly.

JSRS

All solicitors, judges of a Circuit or Family Court and justices of the Court of Appeals and Supreme Court are required to participate in and contribute to the System upon taking office.

Pension Benefits

SCRS

A monthly pension is payable at age 65 or with 30 years credited service regardless of age. Reduced pension benefits are payable as early as age 55. A member is vested for a deferred annuity with five years service. A group life insurance benefit is also provided to members with at least one year of service.

PORS

A monthly pension is payable at age 55 with a minimum of five years service or with 25 years credited service regardless of age. A member is vested for a deferred annuity with five years service. A group life insurance benefit is also provided to members with at least one year of service. An additional accidental death benefit is provided to officers killed in the line of duty.

SCRS and PORS retirees may receive ad hoc cost-of-living adjustments of up to 4 percent annually based on increases in the Consumer Price Index. These increases are provided annually based on compliance with the Systems funding policies and upon approval by the State Budget and Control Board.

GARS

A member is eligible for a monthly pension at age 60 or with 30 years credited service. A member is vested for a

deferred annuity with eight years service. A group life insurance benefit is also provided to members with at least one year of service.

JSRS

A pension benefit is payable at age 70 with 15 years service, age 65 with 20 years service or with 25 years service regardless of age. A member is vested for a deferred annuity with 12 years service. A group life insurance benefit is also provided to members with at least one year of service.

Automatic cost-of-living adjustments for GARS and JSRS are provided based upon increases in current salary of the respective active positions.

Membership, benefits and employee and employer contribution requirements are prescribed in Title 9 of the S.C. Code of Laws of 1976 (as amended).

As an alternative to membership in SCRS, certain teachers and administrators of the institutions of higher learning employed on or after July 1, 1987 may elect to participate in the Optional Retirement Program (ORP). Certain teachers and administrators of the public supported technical colleges employed on or after July 1, 1998 also have the option to participate in this program. The SCRS assumes no liability for the ORP participants. Contributions to the ORP are at the same rates as SCRS. A direct remittance is required from the institutions and technical colleges to the vendors for the member's contribution (6 percent) and the employer portion of the normal cost (5 percent). Also, a direct remittance is required for the employer's portion of the unfunded liability (2.55 percent) to SCRS in order for this portion to be retained by SCRS and applied to the unfunded accrued liability of the System.

Based on covered payroll of \$177.8 million, \$4.5 million was retained by SCRS and reported as employer contributions for the year ended June 30, 2000. Employee and employer contributions of \$10.7 million and \$8.9 million respectively were remitted directly to the designated vendors from the institutions and the technical colleges.

Summary of Significant Accounting Principles

Fund Structure

The Systems' accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate pension trust funds (fiduciary fund type) are used to account for the activities of the four public employee retirement systems administered by the Systems.

Basis of Accounting

All funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Systems classify as cash and cash equivalents cash on deposit in financial institutions and cash on deposit in the State's internal cash management pool. The Systems also classify certain short-term highly liquid securities with an original maturity of three months or less as cash equivalents.

Contributions

Employee and employer contributions are reported in the period in which the contributions are due. Substantially all contributions receivable are collected within 30 days of year-end. Under certain conditions new employers entering the System are allowed up to 10 years to remit matching employer contributions resulting from their employee's purchase of prior service credits. Interest is assessed annually on the unpaid balance of these accounts. Transfers between systems are statutorily authorized transfers of contributions and service credit from one retirement system to another retirement system.

Investments

Investments are reported at fair value. Short term securities categorized as cash or cash equivalents are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, dividend income earned, less investments expense, plus income from securities lending activities, less deductions for security lending expenses. Securities and securities transactions are reflected in the financial statements on a trade-date basis.

Fixed Assets

Interest earnings allocated to individual member accounts in the Employee Fund are transferred from the Employer Fund. At retirement, accumulated employee contributions and interest are transferred from the Employee Fund to the

Fixed assets are capitalized at cost and depreciated on a straight-line basis over an estimated useful life of forty years for the building.

II. Contributions and Reserves

Contributions to each of the Plans are prescribed in Title 9 of the South Carolina Code of Laws.

Plan members are required to contribute at the following statutorily established rates:

SCRS	6% of salary
PORS	6.5% of salary
GARS	10% of earnable compensation
JSRS	7% of salary

Employer contributions are established by the State Budget and Control Board at the actuarially determined rates recommended by the Systems' actuary.

In accordance with provisions of the 1999-2000 State Appropriations Act, an additional employer contribution surcharge of 1.95 percent of covered payroll for the period of July 1999 – December 1999, and 2.16 percent for the period of January 2000 – June 2000, was added to the contribution rate applicable to State and Public School entities covered by the State Health Insurance Plan. This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates. Functioning as a collecting agent, SCRS and PORS collected (in thousands) \$99,886 and \$6,384 respectively in retiree insurance surcharges (\$3,660 of which was applicable to the Optional Retirement Program) and remitted these funds to the Office of Insurance Services (administering agency for the State Health Insurance Plan).

Net Assets of each plan are required to be reserved in the following accounts:

The Employee Fund is credited with all contributions made by active members of the Systems. Interest is added to each member's individual account at an annual rate of 6 percent. Upon termination of employment prior to retirement, employee contributions and accumulated interest may be refunded from this fund to the employee. Upon retirement, members' accumulated contributions and interest are transferred to the Employer Fund for subsequent payment of benefits.

The Employer Fund is the fund to which all employer retirement contributions and investment earnings of the Employee and Employer Funds are credited.

Employer Fund. All annuities and administrative expenses of the Systems are paid from the Employer Fund.

The Group Life Insurance Fund (SCRS and PORS only) is the fund to which participating employers contribute for the purpose of providing a life insurance benefit to active and retired members of the Systems. Employer contributions and earnings are credited to this fund. Group life insurance benefit payments are charged to this fund.

The Accidental Death Fund (PORS only) is the fund to which participating employers contribute for the purpose

of providing annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. This fund and its benefits are independent of any other retirement benefit available to the beneficiary. Employer contributions and investment earnings are credited to this fund. Monthly annuities are disbursed from this fund.

Balances (amounts in thousands) in the respective reserves at June 30, 2000 were as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
Employee Fund	\$4,563,513	\$427,449	\$9,220	\$12,979
Employer Fund	12,823,206	1,582,411	31,645	75,019
Group Life Insurance Fund	100,561	16,149		
Accidental Death Fund		17,026		
	<u>\$17,487,280</u>	<u>\$2,043,035</u>	<u>\$40,865</u>	<u>\$87,998</u>

III. Investments and Deposits

As prescribed by statute, the State Treasurer is the custodian and investment manager of all fixed income investments and deposits of the Systems. The Systems may invest in a variety of instruments including obligations of the United States and its agencies and securities fully guaranteed by the United States, certain corporate obligations, certain shares of Federal savings and loan associations and State chartered savings and loan associations, and collateralized repurchase agreements, and equity securities.

The Systems maintains a portfolio of short-term securities in order to actively manage all funds waiting to be placed in a more permanent investment. These short-term securities may include U.S. Treasury obligations, commercial paper and repurchase agreements.

Short-term Securities Fair Value as of June 30, 2000 (Amounts in thousands)

	<u>SCRS</u>	<u>PORS</u>	<u>JSRS</u>
Federal Agency paper	\$242,588		\$999
Commercial paper	<u>49,260</u>	<u>\$8,834</u>	
Total	<u>\$291,848</u>	<u>\$8,834</u>	<u>\$999</u>

Effective May 26, 1998, legislation was passed implementing the 1996 public vote amending the State Constitution to allow the Retirement Systems to invest in equity securities. This legislation established a five-member investment panel responsible for defining and developing the investment goals, objectives and the types of investments to be purchased. The Act also specified that a maximum of 10 percent of assets for each system may be invested in equities annually until a maximum of 40 percent of assets are invested in equities. The annual Investment Plan adopted by the panel for 1998-1999 provided for 5 percent of the assets to be invested in an S&P 500

index fund. The annual Investment Plan adopted by the panel for 1999-2000 provided for an additional investment of 10 percent of the market value of the Systems' assets (as of June 30, 1999) in the equity market during the 1999-2000 fiscal year. As of June 30, 2000, approximately 15 percent of the Retirement Systems' assets were invested in equities as follows:

Equity Investments as of June 30, 2000 (Amounts in thousands)

	<u>S&P 500 Index Fund</u>	<u>Equities</u>	<u>Total Equities</u>
SCRS	\$1,207,435	\$1,384,451	\$2,591,886
PORS	137,591	160,371	297,962
GARS	2,864	3,220	6,084
JSRS	<u>6,038</u>	<u>6,849</u>	<u>12,887</u>
TOTAL	<u>\$1,353,928</u>	<u>\$1,554,891</u>	<u>\$2,908,819</u>

Effective December 16, 1998, an agreement was executed between the Systems and a consultant related to the investment consulting services necessary to fulfill the duties for investing in equity securities. The agreement commenced upon the effective date of December 16, 1998 and expired June 30, 2000 (end of fiscal year) with an automatic renewal for another fiscal year unless terminated based on the terms of the contract. There has been no termination of the agreement; therefore, the automatic renewal will be effective for the next fiscal year.

Effective June 14, 1999 an agreement was executed between the Systems and an equity investments manager. The agreement is effective for a period of one year from the June 14, 1999 effective date with a renewal provision on a year-by-year basis for a maximum of four additional years. During the terms of the agreement, the manager will comply with all applicable provisions of laws, codes, ordinances, rules and regulations, tariffs, and industry standards.

During fiscal year 1999-2000 individual agreements were executed between the Systems and thirteen equity investment managers in order to introduce active management and achieve style diversification.

Through a custodial agent, SCRS, PORS, GARS and JSRS participate in a securities lending program whereby securities are loaned for the purpose of generating additional income to the Systems. The Systems lend securities from their investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102 percent of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral, and requires additional collateral if the collateral value falls below 100 percent. There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2000, included U.S. corporate bonds, equities,

and U.S. Government securities. The contractual agreement with the Systems' custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while the securities are on loan. Cash and U.S. Government securities were received as collateral for these loans. The Systems cannot pledge or sell collateral securities without a borrower default. The Systems invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan. The weighted average maturity of collateral investments generally matched the maturity of the loans during the year. At year end the average number of days that loans were outstanding was one day and the average weighted maturity of investments ranged from three days to 18 days. There have been no losses resulting from a default and the Systems did not have negative credit exposure at June 30, 2000.

The following table presents the fair value (in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2000:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
Securities lent for cash collateral:					
U.S. Government securities	\$1,143,993	\$119,663	\$2,003	\$3,292	\$1,268,951
Corporate bonds	34,617				34,617
Equities	51,556	5,983	122	255	57,916
Total for cash collateral	1,230,166	125,646	2,125	3,547	1,361,484
Securities lent for noncash collateral:					
U.S. Government securities	19,248	4,969		994	25,211
Total securities lent	<u>\$1,249,414</u>	<u>\$130,615</u>	<u>\$2,125</u>	<u>\$4,541</u>	<u>\$1,386,695</u>
Cash collateral invested as follows:					
Repurchase agreements	\$463,250	\$100,289	\$2,180	\$3,652	\$569,371
U.S. Government securities	805,421				805,421
Corporate bonds		29,095			29,095
Commercial paper	8,907	1,034	21	44	10,006
Total for cash collateral invested	1,277,578	130,418	2,201	3,696	1,413,893
Securities received as collateral:					
U.S. Government securities	19,593	5,125		1,025	25,743
Total collateral invested	<u>\$1,297,171</u>	<u>\$135,543</u>	<u>\$2,201</u>	<u>\$4,721</u>	<u>\$1,439,636</u>

Governmental accounting standards require that the investments reported as of the balance sheet date be categorized according to the level of credit risk associated with the Systems' custodial arrangements at that time. The level of credit risk is defined as follows: Category 1 - insured or registered, or securities held by the Systems or in the Systems' name; Category 2 - uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Systems' name; and Category 3 -

uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Systems' name. A security, for purposes of classification, is a transferable financial instrument that evidences ownership or creditorship. Investments included in the "Equities - S&P 500 Index Fund," a mutual fund, are not considered securities for purposes of credit risk classification.

The following tables present the credit risk and fair value of investments (in thousands) by system and type at June 30, 2000:

SOUTH CAROLINA RETIREMENT SYSTEM

<u>INVESTMENTS</u>	<u>INVESTMENT RISK CATEGORY</u>			<u>June 30, 2000</u>	<u>June 30, 1999</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Fair Value</u>
Investments - categorized:		None	None		
Short term securities	\$291,848			\$291,848	\$1,655,211
U.S. Government securities:					
Unloaned securities	1,414,020			1,414,020	1,439,254
On securities loan-noncash collateral	19,248			19,248	
U.S. Government agencies	2,819,870			2,819,870	3,436,859
Corporate bonds:					
Unloaned securities	4,290,141			4,290,141	4,528,641
On securities loan-noncash collateral					13,326
Financial & other	2,391,447			2,391,447	2,666,037
Equities	1,332,895			1,332,895	
Total - categorized	<u>\$12,559,469</u>			<u>12,559,469</u>	<u>13,739,328</u>
Investments - not categorized:					
Equities – S&P 500 Index Fund				1,207,435	838,258
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government securities				1,143,993	1,174,119
Corporate bonds				34,617	62,923
Equities				51,556	
Total - not categorized				<u>2,437,601</u>	<u>2,075,300</u>
Total Investments				14,997,070	15,814,628
Securities lending cash collateral invested			\$1,277,578	1,277,578	1,276,672
Total			<u>\$1,277,578</u>	<u>\$16,274,648</u>	<u>\$17,091,300</u>

POLICE OFFICERS RETIREMENT SYSTEM

<u>INVESTMENTS</u>	<u>INVESTMENT RISK CATEGORY</u>			<u>June 30, 2000</u>	<u>June 30, 1999</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Fair Value</u>
Investments - categorized:		None	None		
Short term securities	\$8,834			\$8,834	\$155,910
U.S. Government securities:					
Unloaned securities	133,799			133,799	113,365
On securities loan-noncash collateral	4,969			4,969	
U.S. Government agencies	305,790			305,790	383,531
Corporate bonds	490,086			490,086	521,121
Financial & other	240,822			240,822	272,851
Equities	154,388			154,388	
Total - categorized	<u>\$1,338,688</u>			<u>1,338,688</u>	<u>1,446,778</u>
Investments - not categorized:					
Equities – S&P 500 Index Fund				137,591	94,163
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government securities				119,663	146,713
Equities				5,983	
Total - not categorized				<u>263,237</u>	<u>240,876</u>
Total Investments				1,601,925	1,687,654
Securities lending cash collateral invested			\$130,418	130,418	151,844
Total			<u>\$130,418</u>	<u>\$1,732,343</u>	<u>\$1,839,498</u>

GENERAL ASSEMBLY RETIREMENT SYSTEM

<u>INVESTMENTS</u>	<u>INVESTMENT RISK CATEGORY</u>			<u>June 30, 2000</u>	<u>June 30, 1999</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Fair Value</u>
Investments - categorized:		None	None		
U.S. Government securities:					
Unloaned securities	\$6,583			\$6,583	\$1,433
U.S. Government agencies	6,012			6,012	8,228
Corporate bonds	11,371			11,371	9,963
Financial & other	4,368			4,368	4,583
Equities	3,098			3,098	
Total - categorized	<u>\$31,432</u>			<u>31,432</u>	<u>24,207</u>
Investments - not categorized:					
Equities – S&P 500 Index Fund				2,864	1,945
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government securities				2,003	7,108
Equities				<u>122</u>	
Total - not categorized				<u>4,989</u>	<u>9,053</u>
Total Investments				36,421	33,260
Securities lending cash collateral invested			\$2,201	2,201	7,195
Total			<u>\$2,201</u>	<u>\$38,622</u>	<u>\$40,455</u>

JUDGES & SOLICITORS RETIREMENT SYSTEM

<u>INVESTMENTS</u>	<u>INVESTMENT RISK CATEGORY</u>			<u>June 30, 2000</u>	<u>June 30, 1999</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Fair Value</u>
Investments - categorized:		None	None		
Short term securities	\$999			\$999	
U.S. Government securities:					
Unloaned securities	520			520	\$990
U.S. Government agencies:					
Unloaned securities	20,492			20,492	22,851
On securities loan-noncash collateral	994			994	
Corporate bonds	24,106			24,106	23,102
Financial & other	7,780			7,780	9,568
Equities	6,594			6,594	
Total - categorized	<u>\$61,485</u>			<u>61,485</u>	<u>56,511</u>
Investments - not categorized:					
Equities – S&P 500 Index Fund				6,038	4,094
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government securities				3,292	2,983
Equities				255	
Total - not categorized				<u>9,585</u>	<u>7,077</u>
Total Investments				71,070	63,588
Securities lending cash collateral invested			\$3,696	3,696	3,149
Total			<u>\$3,696</u>	<u>\$74,766</u>	<u>\$66,737</u>

SUMMARY FOR SOUTH CAROLINA RETIREMENT SYSTEMS

<u>INVESTMENTS</u>	<u>INVESTMENT RISK CATEGORY</u>			<u>June 30, 2000</u>	<u>June 30, 1999</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Fair Value</u>
Investments - categorized:		None	None		
Short term securities	\$301,681			\$301,681	\$1,811,121
U.S. Government securities:					
Unloaned securities	1,554,922			1,554,922	1,555,042
On securities loan-noncash collateral	24,217			24,217	
U.S. Government agencies:					
Unloaned securities	3,152,164			3,152,164	3,851,469
On securities loan-noncash collateral	994			994	
Corporate bonds:					
Unloaned securities	4,815,704			4,815,704	5,082,827
On securities loan-noncash collateral					13,326
Financial & other	2,644,417			2,644,417	2,953,039
Equities	1,496,975			1,496,975	
Total - categorized	<u>\$13,991,074</u>			<u>13,991,074</u>	<u>15,266,824</u>
Investments - not categorized:					
Equities – S&P 500 Index Fund				1,353,928	938,460
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government securities				1,268,951	1,330,923
Corporate bonds				34,617	62,923
Equities				57,916	
Total - not categorized				<u>2,715,412</u>	<u>2,332,306</u>
Total Investments				16,706,486	17,599,130
Securities lending cash collateral invested			\$1,413,893	1,413,893	1,438,860
Total			<u>\$1,413,893</u>	<u>\$18,120,379</u>	<u>\$19,037,990</u>

On June 30, 2000, the Systems held collateralized mortgage obligations (CMOs) in our portfolios. The CMOs in these portfolios consist of the planned amortizations class-1 (PAC 1) tranche of these issues. The PAC-1 tranche CMO structure securities were entered into for several reasons: (1) to protect the Retirement Systems' portfolios from principal prepayment risk during an environment of declining interest rates, (2) to provide incremental yield above that available on corporate securities with similar terms, (3) to provide diversification in the portfolios, (4) to maintain the high quality of government-sponsored credits in the portfolios, and (5) to utilize the estimated future term cash flows provided by these securities to match the term of the liabilities of the Retirement Systems. These securities are all rated AAA by the major rating agencies and the PAC-1 structure is a highly marketable security. The Systems held the following CMOs

included in the financial and other investments category (in thousands):

	<u>June 30, 2000</u>	<u>June 30, 1999</u>
	<u>Fair Value</u>	<u>Fair Value</u>
SCRS	\$612,040	\$724,780
PORS	29,059	48,675
GARS	1,299	1,331
JSRS	<u>1,027</u>	<u>2,178</u>
Totals	<u>\$643,425</u>	<u>\$776,964</u>

On June 30, 2000, the Systems also held asset-backed securities in our portfolios. These securities had an average life of one to three years with a legal final maturity of five to six years. These securities represent an undivided ownership interest in a trust consisting of credit card, auto

loan and utility receivables. These securities are rated

AAA by the major rating agencies.

The Systems held the following asset-backed securities included in the financial and other investments category (in thousands):

In addition to CMOs and asset backed securities, the financial and other investments category primarily consisted of corporate financial paper as follows (in thousands):

	June 30, 2000	June 30, 1999		June 30, 2000	June 30, 1999
	<u>Fair Value</u>	<u>Fair Value</u>		<u>Fair Value</u>	<u>Fair Value</u>
SCRS	\$69,216	\$131,586	SCRS	\$1,710,191	\$1,809,671
PORS	<u> </u>	<u>552</u>	PORS	211,763	223,624
Totals	<u>\$69,216</u>	<u>\$132,138</u>	GARS	3,069	3,252
			JSRS	<u>6,753</u>	<u>7,390</u>
			Totals	<u>\$1,931,776</u>	<u>\$2,043,937</u>

All deposits are required to be insured or collateralized with securities held by the State or its agent in the State Treasurer's name as custodian. Certain short-term, highly liquid securities, which were insured or registered by the Systems or in the Systems' name (credit risk category 1), with an original maturity of three months or less are considered cash equivalents in accordance with Governmental Accounting Standards Board Statement 9. Cash and cash equivalents (in thousands) at June 30, 2000, were composed of the following:

CASH EQUIVALENTS								
	CASH	REPURCHASE AGREEMENTS	DISCOUNT NOTES	FEDERAL AGENCIES	COMMERCIAL PAPER	CASH EQUIVALENTS TOTAL	GRAND TOTAL	TOTAL 1999
SCRS	\$448	\$801,974	\$890,488		\$ 523,165	\$2,215,627	\$2,216,075	\$691,033
PORS	77	245,554	110,333		52,733	408,620	408,697	200,563
GARS	5	3,976				3,976	3,981	6,180
JSRS	<u>2</u>	<u>14,567</u>		<u>\$1,000</u>		<u>15,567</u>	<u>15,569</u>	<u>19,611</u>
Total	<u>\$532</u>	<u>\$1,066,071</u>	<u>\$1,000,821</u>	<u>\$1,000</u>	<u>\$575,898</u>	<u>\$2,643,790</u>	<u>\$2,644,322</u>	<u>\$917,387</u>

IV. Land and Building

Land and building at June 30, 2000, consists of the following amounts (in thousands):

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>	<u>TOTAL 1999</u>
Land	\$ 524	\$ 54	\$ 1	\$ 3	\$ 582	\$ 582
Building	<u>4,279</u>	<u>437</u>	<u>13</u>	<u>20</u>	<u>4,749</u>	<u>4,749</u>
Total property	4,803	491	14	23	5,331	5,331
Less: accumulated depreciation	<u>831</u>	<u>85</u>	<u>3</u>	<u>4</u>	<u>923</u>	<u>804</u>
Net property	<u>\$ 3,972</u>	<u>\$ 406</u>	<u>\$ 11</u>	<u>\$ 19</u>	<u>\$ 4,408</u>	<u>\$ 4,527</u>

V. Related Party Transactions

The State Budget and Control Board's Office of Internal Operations maintains an internal service fund (Agency Operations Internal Service Fund) to account for the administrative costs of operating the Systems. This fund assesses administrative charges to each of the pension trust funds based on its respective proportion of total assets. These administrative charges for operating the pension funds are determined on essentially a cost recovery basis using the State's budgetary basis of accounting to determine costs.

The pension plans provide pension and other fringe benefits to employees of all State agencies. Revenues attributed to these agencies are recorded in the financial statements as employee and employer contributions and constitute approximately 39 percent of combined contribution revenues. In addition, the Systems receives custodial, investment and related services from the State Treasurer.

At June 30, 2000, liabilities of approximately \$15.9 million were due to other State departments and agencies and contributions receivable of approximately \$23.9 million were due from other State departments and agencies.

VI. Litigation

The South Carolina Retirement Systems is involved in a lawsuit filed by four retired members. The plaintiffs challenge the Systems' treatment of unused annual leave in the calculation of retirement payments. The Circuit Court ruled in favor of the State at trial and the plaintiffs appealed the decision to the South Carolina Supreme Court. On May 22, 2000, the Supreme Court found in favor of the plaintiffs. The State filed a motion for rehearing on June 21, 2000. On July 24, 2000, the Supreme Court unanimously granted the State's request for a rehearing. The State's liability in the event of an unfavorable outcome would be approximately \$2.0 billion for retirees and active members of SCRS and PORS. The State continues to defend its position and believes it is meritorious.

South Carolina Retirement Systems

Required Supplementary Information

Schedule of Funding Progress

(Amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) —Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
SCRS						
7/01/99	\$16,120,513	\$16,298,438	\$ 177,925	98.9%	\$5,473,759	3.3%
7/01/98	14,946,070	15,952,345	1,006,275	93.7%	5,191,048	19.4%
7/01/97	13,621,362	14,977,179	1,355,817	90.9%	4,927,124	27.5%
7/01/96	12,499,235	14,062,092	1,562,857	88.9%	4,540,100	34.4%
7/01/95	11,453,462	12,980,497	1,527,035	88.2%	4,318,827	35.4%
PORS						
7/01/99	1,844,517	1,898,237	53,720	97.2%	638,086	8.4%
7/01/98	1,684,641	1,733,578	48,937	97.2%	606,426	8.1%
7/01/97	1,512,390	1,570,816	58,426	96.3%	562,553	10.4%
7/01/96	1,367,549	1,427,785	60,236	95.8%	505,516	11.9%
7/01/95	1,236,610	1,299,119	62,509	95.2%	475,176	13.2%
GARS						
7/01/99	38,685	63,501	24,816	60.9%	4,979	498.4%
7/01/98	36,260	60,330	24,070	60.1%	4,810	500.4%
7/01/97	33,627	60,052	26,425	56.0%	4,721	559.7%
7/01/96	31,702	59,914	28,212	52.9%	4,771	591.3%
7/01/95	30,528	58,577	28,049	52.1%	4,704	596.3%
JSRS						
7/01/99	81,780	134,272	52,492	60.9%	12,748	411.8%
7/01/98	75,699	124,756	49,057	60.7%	11,564	424.2%
7/01/97	68,980	112,185	43,205	61.5%	11,221	385.0%
7/01/96	62,850	101,020	38,170	62.2%	10,109	377.6%
7/01/95	57,917	94,420	36,503	61.3%	9,417	387.6%

Information not available for valuation date of July 1, 1994.

Schedule of Employer Contributions

(Amounts expressed in thousands)

EMPLOYER CONTRIBUTIONS								
Year Ended June 30,	SCRS		PORS		GARS		JSRS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percent Contributed	Annual Required Contribution	Percent Contributed	Annual Required Contribution	Percent Contributed
2000	\$455,914	100%	\$76,267	100%	\$2,636	100%	\$5,659	100%
1999	419,918	100%	69,541	100%	2,768	100%	5,485	100%
1998	398,845	100%	65,538	100%	2,796	100%	4,991	100%
1997	374,452	100%	61,651	100%	2,492	100%	4,771	100%
1996	359,268	100%	55,956	100%	1,679	100%	4,244	100%

Information not available for year ended June 30, 1995.

South Carolina Retirement Systems Required Supplementary Information (continued)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	SCRS	PORS	GARS	JSRS
Valuation date	07/01/99	07/01/99	07/01/99	07/01/99
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization period	Level percent open	Level percent open	Level percent open	Level percent open
Remaining amortization period	2 years	5 years	25 years	27 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Actuarial assumptions:				
Investment rate of return	7.25%	7.25%	7.25%	7.25%
Projected salary increases	4.00% - 9.00%	5.25% - 9.00%	2.00%	5.25%
Includes inflation at Cost-of-living adjustments	3.75%	3.75%	4.25%	4.25%
	None	None	2.00%	4.25%

South Carolina Retirement Systems
Statement of Changes in Plan Net Assets
SCRS Pension Trust Fund
Year Ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE FUND	TOTAL	TOTAL 1999
Additions					
Employee contributions					
State department employees	\$139,650			\$139,650	\$132,336
Public school employees	166,129			166,129	152,129
Other political subdivision employees	73,688			73,688	68,654
Employer contributions					
State department employees		\$169,625	\$3,519	173,144	163,319
Public school employees		196,867	3,897	200,764	181,506
Other political subdivision employees		80,447	1,559	82,006	75,093
Transfers of contributions from other Systems	24			24	
Total contributions	379,491	446,939	8,975	835,405	773,037
Investment Income					
Net appreciation (depreciation) in fair value of investments		(72,013)	(418)	(72,431)	(515,797)
Interest and dividend income		858,621	4,986	863,607	907,751
Investment expense		(3,119)	(18)	(3,137)	(816)
Net income from investing activities		783,489	4,550	788,039	391,138
From securities lending activities:					
Securities lending income		77,575	451	78,026	70,232
Securities lending expense		(73,357)	(426)	(73,783)	(67,514)
Net income from securities lending activities		4,218	25	4,243	2,718
Total net investment income		787,707	4,575	792,282	393,856
Supplemental retirement benefits funded by the State		3,873		3,873	4,356
Total additions	379,491	1,238,519	13,550	1,631,560	1,171,249
Deductions					
Refunds of contributions to members	72,452			72,452	84,536
Transfers of contributions to other Systems	1,157	722		1,879	1,806
Regular retirement benefits		779,297		779,297	715,878
Supplemental retirement benefits		3,873		3,873	4,356
Group life insurance claims			10,026	10,026	7,873
Depreciation		107		107	107
Administrative charges		13,189		13,189	11,746
Total deductions	73,609	797,188	10,026	880,823	826,302
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(248,611)	248,611			
Interest credited to members' accounts	227,381	(227,381)			
Net interfund transfers	(21,230)	21,230			
Net increase	284,652	462,561	3,524	750,737	344,947
Net assets held in trust for Pension Benefits					
Beginning of year	4,278,861	12,360,645	97,037	16,736,543	16,391,596
End of year	\$4,563,513	\$12,823,206	\$100,561	\$17,487,280	\$16,736,543

South Carolina Retirement Systems
Statement of Changes in Plan Net Assets
PORS Pension Trust Fund
Year Ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE FUND	ACCIDENTAL DEATH FUND	TOTAL	TOTAL 1999
Additions						
Employee contributions						
State department employees	\$21,523				\$21,523	\$20,125
Other political subdivision employees	27,098				27,098	25,021
Employer contributions						
State department employees		\$32,112	\$620	\$619	33,351	30,910
Other political subdivision employees		41,424	769	723	42,916	38,631
Transfers of contributions from other Systems	1,095	722			1,817	1,721
Total contributions	49,716	74,258	1,389	1,342	126,705	116,408
Investment Income						
Net appreciation (depreciation) in fair value of investments		(13,843)	(113)	(115)	(14,071)	(55,957)
Interest and dividend income		105,579	861	874	107,314	108,947
Investment expense		(381)	(3)	(3)	(387)	(134)
Net income from investing activities		91,355	745	756	92,856	52,856
From securities lending activities:						
Securities lending income		8,979	73	73	9,125	8,278
Securities lending expense		(8,420)	(68)	(68)	(8,556)	(7,830)
Net income from securities lending activities		559	5	5	569	448
Total net investment income		91,914	750	761	93,425	53,304
Supplemental retirement benefits funded by the State		113			113	124
Total additions	49,716	166,285	2,139	2,103	220,243	169,836
Deductions						
Refunds of contributions to members	10,643				10,643	10,940
Transfers of contributions to other Systems						
Regular retirement benefits		84,386			84,386	77,654
Supplemental retirement benefits		113			113	124
Group life insurance claims			1,404		1,404	644
Accidental death benefits				736	736	699
Depreciation		11			11	11
Administrative charges		1,514			1,514	1,321
Total deductions	10,643	86,024	1,404	736	98,807	91,393
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(20,211)	20,211				
Interest credited to members' accounts	19,131	(19,131)				
Net interfund transfers	(1,080)	1,080				
Net increase	37,993	81,341	735	1,367	121,436	78,443
Net assets held in trust for Pension Benefits						
Beginning of year	389,456	1,501,070	15,414	15,659	1,921,599	1,843,156
End of year	\$427,449	\$1,582,411	\$16,149	\$17,026	\$2,043,035	\$1,921,599

South Carolina Retirement Systems
Statement of Changes in Plan Net Assets
GARS Pension Trust Fund
Year Ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL	TOTAL 1999
Additions				
Contributions				
Employee contributions - State departments	\$638		\$638	\$772
Employer contributions - State departments		\$2,636	2,636	2,768
Transfers of contributions from other Systems				11
Total contributions	638	2,636	3,274	3,551
Investment Income				
Net appreciation (depreciation) in fair value of investments		(501)	(501)	(1,220)
Interest and dividend income		2,328	2,328	2,398
Investment expense		(6)	(6)	(1)
Net income from investing activities		1,821	1,821	1,177
From securities lending activities:				
Securities lending income		153	153	125
Securities lending expense		(147)	(147)	(122)
Net income from securities lending activities		6	6	3
Total net investment income		1,827	1,827	1,180
Total additions	638	4,463	5,101	4,731
Deductions				
Refunds of contributions to members	16		16	49
Transfers of contributions to other Systems	34		34	37
Regular retirement benefits		3,998	3,998	3,941
Group life insurance claims		36	36	9
Depreciation Expense		1	1	
Administrative charges		32	32	28
Total deductions	50	4,067	4,117	4,064
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(304)	304		
Interest credited to members' accounts	477	(477)		
Net interfund transfers	173	(173)		
Net increase	761	223	984	667
Net assets held in trust for Pension Benefits				
Beginning of year	8,459	31,422	39,881	39,214
End of year	\$9,220	\$31,645	\$40,865	\$39,881

South Carolina Retirement Systems
Statement of Changes in Plan Net Assets
JSRS Pension Trust Fund
Year Ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL	TOTAL 1999
Additions				
Contributions				
Employee contributions - State departments	\$1,122		\$1,122	\$1,253
Employer contributions - State departments		\$5,659	5,659	5,485
Transfers of contributions from other Systems	72		72	111
Total contributions	1,194	5,659	6,853	6,849
Investment Income				
Net appreciation (depreciation) in fair value of investments		(1,014)	(1,014)	(2,401)
Interest and dividend income		4,807	4,807	4,745
Investment expense		(12)	(12)	(3)
Net income from investing activities		3,781	3,781	2,341
From securities lending activities:				
Securities lending income		169	169	316
Securities lending expense		(159)	(159)	(305)
Net income from securities lending activities		10	10	11
Total net investment income		3,791	3,791	2,352
Total additions	1,194	9,450	10,644	9,201
Deductions				
Refunds of contributions to members	71		71	51
Regular retirement benefits		6,979	6,979	6,813
Group life insurance claims		15	15	6
Depreciation				1
Administrative charges		67	67	59
Total deductions	71	7,061	7,132	6,930
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(1,094)	1,094		
Interest credited to members' accounts	664	(664)		
Net interfund transfers	(430)	430		
Net increase	693	2,819	3,512	2,271
Net assets held in trust for Pension Benefits				
Beginning of year	12,286	72,200	84,486	82,215
End of year	\$12,979	\$75,019	\$87,998	\$84,486