

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

COLUMBIA, SOUTH CAROLINA

FINANCIAL STATEMENTS

JUNE 30, 2005

State of South Carolina



Office of the State Auditor

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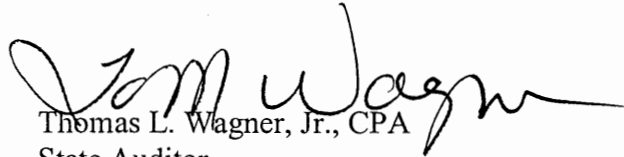
September 29, 2005

The Honorable Grady L. Patterson, Jr.
State Treasurer
State of South Carolina
Columbia, South Carolina

This report on the audit of the financial statements of the South Carolina Local Government Investment Pool for the fiscal year ended June 30, 2005 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

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

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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 accompanying financial statements of the South Carolina State Treasurer's Office South Carolina Local Government Investment Pool ("the Pool"), an investment trust fund of the State of South Carolina, as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of Pool's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 1, the financial statements referred to above include only the financial activities of the Pool, an investment trust fund of the State of South Carolina, and do not purport to and do not, present fairly the financial position and results of operations of the State Treasurer's Office, the State of South Carolina or other agencies or component units of the State of South Carolina in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Pool as of June 30, 2005, and its changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 5 to the financial statements, management discovered certain errors related to the reporting of certain assets and liabilities as of June 30, 2004. We audited those adjustments that were applied to restate the 2004 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. Also, as described in Note 5, management of the Pool elected to change the definition of cash and cash equivalents.

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2005, on our consideration of Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 5 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of net assets in pool participants' accounts is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule had been subjected to the auditing procedures applied in our 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.

Rogers & Laban, PA

September 22, 2005

Management's Discussion and Analysis

The South Carolina Local Government Investment Pool (the Pool) is an investment option for local governments provided by the State Treasurer's Office as required by statute. The Pool invests in fixed income securities as provided in statute and is managed in a manner to maximize the return while providing the needed liquidity of the participants. A fixed rate option is also available. The attached financial statements present the financial "snapshot" of the Local Government Investment Pool. The Statement of Net Assets presents information on the Pool's assets and liabilities at June 30, 2005 with the difference between the two reported as net assets. The statement of changes in net assets restricted for pool participants during the period from July 1, 2004 to June 30, 2005 presents information showing how the Pool's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Financial Analysis

Table 1: Summary Statement of Fiduciary Net Assets

	June 30, 2005	June 30, 2004 (Restated)	Difference
Cash and Investments	\$ 2,432,111,953	\$ 2,986,414,106	\$ (554,302,153.0)
Interest receivable	\$ 4,374,483	\$ 8,858,655	\$ (4,484,172.00)
Total assets	\$ 2,436,486,436	\$ 2,995,272,761	\$ (558,786,325.00)
Collateral for loaned securities	\$ 566,374,027	\$ 966,701,902	\$ (400,327,875.00)
Accrued expenses	\$ 1,552,900	\$ 894,019	
Total liabilities	\$ 567,926,927	\$ 967,595,921	\$ (399,668,994.00)
Total net assets	\$ 1,868,559,509	\$ 2,027,676,840	\$ (159,117,331.00)

The Statement of Assets shows that the assets of the Pool are the cash and investments made by the State Treasurer as custodian of the Pool plus accrued income receivable on those investments at June 30, 2005. The liabilities of the fund consist primarily of collateral held for loaned securities that is due back to borrower under securities lending transactions. The net assets of the Pool are held for the pool participant's and are divided into amount distributed to participant's accounts and undistributed amounts.

The undistributed portion of net assets is primarily a statutorily permitted reserve for contingencies. The current reserve for contingencies is well below the allowable cap of 1% of fund assets.

Table 2: Summary Statement of Changes in Fiduciary Net Assets

	June 30, 2005	June 30, 2004 (Restated)	Differences
Investment Income	\$ 47,757,729	\$ 26,048,342	\$ 21,709,387
Expenses	78,379	78,794	(415)
Other additions and participant activity	(206,796,681)	(97,591,689)	(109,204,992)
Change in Net Assets	\$ (159,117,331)	\$ (71,622,141)	\$ (97,495,190)
Net Assets – Beginning of Year	\$ 2,027,676,840	\$ 2,099,298,981	\$ (71,622,141)
Net Assets – End of Year	\$ 1,868,559,509	\$ 2,027,676,840	\$ (159,117,331)

The average investment rate showed dramatic improvement from 1.41% FY04 to 2.00%. For FY05 the Pool underperformed its benchmark by 20 basis points. A rising interest rate environment, as we have experienced over the past 12 months, will cause a lag in rates due to the lower yielding securities previously held in the pool. These will eventually be replaced at the higher level as these securities mature. The table below provides the investment return rates for the current and prior years by month.

	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>Repo Rates</u>
July	1.34	1.41	1.28
August	1.43	1.51	1.45
September	1.42	1.54	1.61
October	1.45	1.54	1.78
November	1.41	1.58	1.92
December	1.36	1.73	2.16
January	1.46	1.89	2.28
February	1.39	2.22	2.50
March	1.27	2.26	2.61
April	1.46	2.53	2.78
May	1.41	2.71	2.98
June	1.46	3.04	3.05
Average	1.41	2.00	2.20

While earning this higher rate, the funds remain available for withdrawal on a 24 hour notice.

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

Participation in the Pool was down compared to the previous year as illustrated in the chart below:

	<u>FY 03-04</u>	<u>FY 04-05</u>
July	2,049,138,443.16	2,003,881,293.96
August	1,980,676,672.95	1,755,963,465.10
September	2,210,437,537.63	1,705,642,009.58
October	2,200,766,510.05	1,891,649,272.92
November	2,058,375,478.73	1,760,314,586.97
December	2,011,049,262.32	2,009,764,484.44
January	2,321,246,480.14	2,367,154,783.17
February	2,394,312,326.48	2,372,817,648.86
March	2,370,556,815.21	2,432,554,586.16
April	2,301,031,952.64	2,339,945,271.66
May	2,277,172,647.21	2,257,277,066.81
June	<u>2,024,005,326.41</u>	<u>1,845,810,910.23</u>
<i>Average</i>	<i>2,183,230,787.74</i>	<i>2,061,897,948.32</i>

At June 30, 2005 there were 509 participating accounts in the pool as compared to 549 at the previous year end.

Contacting the Pool

Persons needing additional information concerning this report may do so by writing or telephoning Shakun Tahiliani, Assistant State Treasurer, State of South Carolina, P.O. Box 11778, Columbia, South Carolina 29211; telephone (803) 734-2641; facsimile (803) 734-2039; e-mail tahis@sto.state.sc.us .

**SOUTH CAROLINA STATE TREASURER'S OFFICE
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**STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2005**

ASSETS	
Cash and cash equivalents	\$ 915,613,465
Invested securities lending collateral	566,374,027
Accrued interest receivable	4,374,483
Investments, at fair value	<u>950,124,461</u>
Total assets	<u>2,436,486,436</u>
LIABILITIES	
Collateral for loaned securities	566,374,027
Other accrued liabilities	<u>1,552,900</u>
Total liabilities	<u>567,926,927</u>
NET ASSETS	
Restricted for pool participants' accounts	1,858,365,717
Restricted for pool participants - undistributed	<u>10,193,792</u>
Total net assets	<u><u>\$ 1,868,559,509</u></u>

See accompanying Notes to Financial Statements.

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**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2005**

ADDITIONS

Investment income	\$ 46,265,195
Securities lending income	19,890,315
Less securities lending expense	<u>(18,397,781)</u>
Net securities lending income	<u>1,492,534</u>
Net investment income	<u>47,757,729</u>
Total revenue	47,757,729

DEDUCTIONS

Administrative expenses	<u>78,379</u>
Net increase in net assets resulting from operations	<u>47,679,350</u>

DISTRIBUTIONS TO PARTICIPANTS

(41,880,847)

PARTICIPANTS TRANSACTIONS:

Deposits	4,990,396,233
Less withdrawals	<u>(5,155,312,067)</u>
Net decrease in net assets resulting from participant transactions	<u>(164,915,834)</u>
Total decrease in net assets	(159,117,331)

NET ASSETS:

Beginning of year as restated	<u>2,027,676,840</u>
End of year	<u><u>\$ 1,868,559,509</u></u>

See accompanying Notes to Financial Statements.

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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

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

The accompanying financial statements present the financial position and results of operations solely of the Pool and do not include any other agencies or component units of the State of South Carolina or any other funds of the Treasurer's Office. The Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. For purposes of separate fund financial statements, the Pool is treated as an external investment pool.

Basis of Accounting and Measurement Focus

The Pool is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Fund applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements and has elected to apply only those standards issued by the Financial Accounting Standards Board ("FASB") on or before November 30, 1989 unless those pronouncements conflict or contradict GASB pronouncements.

Pool Accounting

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

Cash and Cash Equivalents

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

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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

Investments

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

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

1. Obligations of the United States, its agencies, and instrumentalities;
2. Obligations of the State of South Carolina or any of its political subdivisions;
3. Obligations of any corporation within the United States if such obligations bear investment grade ratings of at least two nationally recognized rating services;
4. Certificates of deposit where the certificates are collaterally insured by securities of the type described in 1 and 2 above, held by a third party as escrow agent or custodian, and are of a fair value not less than the amount of their certificates of deposit so secured, including interest; and
5. Repurchase agreements when collateralized by securities of the type described in 1 and 2 above and held by a third party as escrow agent or custodian, of a fair value not less than the amount of the repurchase agreement so collateralized, including interest.

Investment Income

Investment income consists of interest revenue and realized/unrealized gains and losses.

Administrative Expenses

Provisions 60.4 of the State's 2004-2005 Appropriations Act authorized the Treasurer's Office to charge a fee for the operations and management costs associated with the Pool. The Act further authorized the Treasurer's Office to retain and expend the fees to provide the services. The fees assessed may not exceed the costs of the provision of services.

Participant Unit Issues, Redemptions, and Distributions

The Treasurer's Office may sell participation units to all political subdivisions of the State. Funds may be deposited at any time and may be withdrawn upon 24 hours notice. At the option of the participant, such funds can be invested for a fixed period of time for a guaranteed rate of return. Both conditions, period and rate, are determined at the time of investment. Participant's units sold and redeemed are determined using amortized cost, which differs from the fair value method which is used to report investments.

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

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**NOTES TO FINANCIAL STATEMENTS
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Use of Estimates

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

NOTE 2: CASH AND CASH EQUIVALENTS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS

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

The following schedule reconciles the amounts reported in the statement of net assets to the notes.

Statements		Notes	
Cash and cash equivalents	\$ 915,613,465	Deposits	\$ 22,338,807
Investments	950,124,461	Investments	1,843,399,119
Totals	<u>\$ 1,865,737,926</u>		<u>\$ 1,865,737,926</u>

Securities Lending Transactions

Through a custodial agent, the Pool participates in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Pool lends securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102 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, 2005, included U. S. Government securities, U. S. Government agencies, and corporate bonds. The contractual agreement with the Pool's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Pool income distribution by the securities' issuers while the securities are on loan. Cash and U. S. Government securities were received as collateral for these loans. The Pool cannot pledge or sell collateral securities without a borrower default. The Pool invest cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Pool must return the cash collateral to the borrower upon the expiration of the loan. All securities loaned can be terminated on demand by either the Pool or the borrower. At year end the average number of days the loans were outstanding was seven days and the average weighted maturity of investments made with cash collateral was twenty-seven days. At June 30, 2005, there had been no losses resulting from borrower defaults and the Pool had no credit risk exposure to borrowers because the amounts the Pool owed the borrowers exceeded the amounts the borrowers owed the Pool.

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Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pool's deposits may not be recovered. As prescribed by statute, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution or for any other cause. All deposits are required to be insured by the Federal Deposit Insurance Corporation up to \$100,000 or collateralized with securities held by the State or its agent in the State Treasurer's name as custodian.

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

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Pool will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. At June 30, 2005, all of the Pools' investments were insured and registered.

The following table presents the fair value of investments as of June 30, 2005 as reported by the custodian of the assets. The amounts will not agree with the investments shown on the table on page 10 primarily because the amounts reported below include accrued interest receivable.

	<u>Fair Value</u>	<u>Effective Duration</u>
<u>U.S. Government</u>		
U.S. Government Treasury Notes and Bonds	\$ 94,753,639	0.52
U. S. Government Agency	289,741,429	0.43
 <u>Corporate</u>		
Corporate Bonds	34,260,070	0.52
Corporate Asset Backed	391,530,354	0.42
 <u>Short Term Investments</u>		
Commercial Paper	414,177,785	0.06
U. S. Government Agency	86,189,488	0.18
U. S. Treasury Bills	70,207,734	0.19
Repurchase Agreements	466,174,000	0
 Total Invested Assets	 <u><u>\$ 1,847,034,499</u></u>	 <u><u>0.23</u></u>

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Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using effective duration. Effective duration is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 50 basis point change in interest rates. It takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that changes proportionately with market rates. The Pool's investment policy requires that the weighted average maturity and weighted average duration of the actively managed fixed income portfolio should be consistent with SEC Rule 2a-7 guidelines for short term "2a-7 like" funds. The following schedule presents the Pool's interest rate risk.

		Quality Ratings (amounts expressed in thousands)				
	Fair Value	AAA	AA	A	A-1	Not Rated
<u>U.S. Government</u>						
U.S. Government Treasury Notes and Bonds	\$ 94,753,639					
U. S. Government Agency	289,741,429	\$ 116,075				
<u>Corporate</u>						
Corporate Bonds	34,260,070		\$ 6,331	\$ 27,929		
Corporate Asset Backed	391,530,354	376,137				\$ 15,393
<u>Short Term Investments</u>						
Commercial Paper	414,177,785				\$ 414,178	
U. S. Government Agency	86,189,488					
U. S. Treasury Bills	70,207,734					
Repurchase Agreements	466,174,000				466,174	
Total Invested Assets	\$ 1,847,034,499	\$ 492,212	\$ 6,331	\$ 27,929	\$ 880,352	\$ 15,393

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Pool. The investment policy for credit quality of debt securities states that securities must bear an investment grade rating from at least two of the national rating agencies. Credit quality of cash reserves must carry a rating of A1/P1/F1 or D1 from at least two nationally recognized rating services. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. Credit risk ratings are not required for obligations of the U.S. government or those obligations explicitly guaranteed by the U.S. government. As of June 30, 2005, the Pool's rated debt investments were rated by Standard & Poor's and are presented on the following page.

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**NOTES TO FINANCIAL STATEMENTS
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	Fair Value	Quality Ratings (amounts expressed in thousands)			
		AAA	AA	A	A-1
<u>U.S. Government</u>					Not Rated
U.S. Government Treasury Notes and Bonds	\$ 94,753,639				
U. S. Government Agency	289,741,429	\$ 116,075			
<u>Corporate</u>					
Corporate Bonds	34,260,070		\$ 6,331	\$ 27,929	
Corporate Asset Backed	391,530,354	376,137			\$ 15,393
<u>Short Term Investments</u>					
Commercial Paper	414,177,785				\$ 414,178
U. S. Government Agency	86,189,488				
U. S. Treasury Bills	70,207,734				
Repurchase Agreements	466,174,000				466,174
Total Invested Assets	\$ 1,847,034,499	\$ 492,212	\$ 6,331	\$ 27,929	\$ 15,393

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pools' policy for reducing this risk states that "Except for United States Treasury and Agency obligations, the fixed income portfolio shall contain no more than 5% exposure to any single issuer." At June 30, 2005, the Pool had no investment, fixed income or equity, in any single organization which represented 5% or more of the Pool's assets.

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2005, the Pools do not have any deposits or investments denominated in foreign currencies so this risk does not apply.

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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 3: NET ASSETS RESTRICTED FOR POOL PARTICIPANTS

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

Included in amounts restricted for pool participant accounts is \$22,361,382 for deposits received on June 30 that have not been allocated to individual pool participants' accounts. The Pool's policy is to allocate the deposits to the individual accounts when the funds are available for investment.

NOTE 4: RELATED PARTY TRANSACTIONS:

Services received at no cost from State agencies include management, office space, check preparation, banking and investing functions from the Treasurer's Office, and legal services from the Attorney General.

The Pool reimbursed the State Treasurer's Office \$78,379 for various expenses including banking an investment functions.

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

NOTE 5. PRIOR PERIOD ADJUSTMENTS / CHANGES IN ACCOUNTING PRINCIPLE

The following errors related to balances previously reported were discovered during the current year.

- a. Cash and cash equivalents were understated by \$3,326,199.
- b. Accrued interest receivable was overstated by \$128,372.
- c. Accrued expenses were understated by \$894,019.
- d. The amount shown for invested security lending collateral (an asset) and collateral for loaned securities (a liability) were overstated by \$62,874,322.

In addition, the Pool changed its definition of items included as cash and cash equivalents to include investments purchased with an original maturity of three months or less from the date of purchase in addition to the cash on hand, cash items in process to depository institutions, cash balances in depository institutions, interest-earning deposits, and overnight time deposits. The amount of additional cash and cash equivalents as of June 30, 2004 based on this change was \$262,755,229. This change was done so that the Pool uses the same criteria as other Departments and agencies of the State of South Carolina.

The effect of the above adjustments and the change in the accounting principle on the statement of net assets as of June 30, 2004 are as follows:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

	Balances, as previously reported	Prior Period Adjustments	Balances, as restated
Assets:			
Cash and cash equivalents	\$ 895	\$ 266,081,428	\$ 266,082,323
Invested securities lending collateral	1,029,576,224	(62,874,322)	966,701,902
Investment, at fair value	2,016,385,110	(262,755,229)	1,753,629,881
Accrued interest receivable	8,987,027	(128,372)	8,858,655
	<u>\$ 3,054,949,256</u>	<u>\$ (59,676,495)</u>	<u>\$ 2,995,272,761</u>
Liabilities:			
Collateral for loaned securities	\$ 1,029,576,224	\$ (62,874,322)	\$ 966,701,902
Accrued expenses	-	894,019	894,019
	<u>\$ 1,029,576,224</u>	<u>\$ (61,980,303)</u>	<u>\$ 967,595,921</u>
Net assets:			
Restricted for pool participants' accounts	\$ 2,019,955,352	\$ 3,326,199	\$ 2,023,281,551
Restricted for pool participants - undistributed	5,417,680	(1,022,391)	4,395,289
	<u>\$ 2,025,373,032</u>	<u>\$ 2,303,808</u>	<u>\$ 2,027,676,840</u>

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Town of Prosperity - Public Utility System	2987	\$ 593,011
City of Sumter - Depreciation Account	3951	817,818
Town of Winnsboro - Gross Utility	3977	547,797
City of Myrtle Beach - Central Account	4967	8,864,508
City of Aiken	4983	17,512,369
City of North Charleston	5972	31,848,065
City of Cayce - General Fund	5980	3,271
Town of Pelion	6954	869,034
City of Cayce - Operations and Maintenance	6988	7,536
City of Myrtle Beach - Ocean Front Improvements	7952	352,010
City of North Myrtle Beach - New Impact Fees	9982	6,573,294
City of North Myrtle Beach - General Fund	11970	4,256,903
City of North Myrtle Beach - Utility Fund	11988	4,201,428
Town of Edgefield - General Fund	12960	590,112
Town of Pelion - Water Reserve Fund	13976	314,932
City of Georgetown - General Fund	14958	7,793,039
City of Lake City - Investments	14966	252,528
Town of South Congaree - Investment Pool	14974	111,719
Town of Pine Ridge	14982	103,655
City of Simpsonville - Operating Fund	15955	2,295
Town of Jackson - Reserve Revenue	15963	279,006
City of Seneca	15989	2,369,098
Seneca Light and Water Plant	16953	1,683,116
Town of Winnsboro - Vehicle Sinking Fund	16979	12,657
Town of North - Waste Water Treatment Plant	17951	65,643
Richland District 2 - Pupil Activities Fund	17969	227,227
Grand Strand Water & Sewer Authority - Capital 1 Project	17985	2,394
Grand Strand Water & Sewer Authority - Reconciliation	18959	3,161
City of Isle of Palms - Investment Account	18975	1,207,167
City of Hanahan - General Fund	19965	3,063,394
City of Hanahan - Fleet Service Fund	20955	878,391
College Acres Public Works District	20963	55,328
Lower Savannah Council of Government	20971	10,926
Town of Winnsboro - Light and Water District	21987	115,888
City of Greenville - Investment Pool	22969	9,441,363
Newberry County Water & Sewer Authority - FmHA Contingency Fund	24957	339,777
Newberry County Water & Sewer Authority - FmHA Depreciation Reserve	24965	197,966
Sullivan's Island - Special Revenue Fund	24985	468,190
Town of Saluda - General Fund	24991	198,784
City of Florence - General Account	24992	49,607
Dorchester County School District 4 - Operating Fund	25013	14,352,157
Upper Savannah Council of Governments	25016	598,256

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Town of Trenton - General Fund	25019	166,774
Town of Johnston - General Fund	25021	42,086
City of Orangeburg	25022	9,412,710
Town of McCormick - General Fund	25023	177,934
City of Bamberg	25027	354,035
City of Bamberg - BPW Combined Utilities	25029	3,890,574
Aiken County Consolidated School District - General Fund	25032	10,119,202
Aiken County Consolidated School District - Building Fund	25033	732,132
Aiken County Consolidated School District - Food Service	25034	1,981,786
Richland District Two - Food Service	25045	1,696,807
Goose Creek Parks & Playground Commission - General Fund	25046	265,270
Anderson School District #2 - Operations Account	25048	3,581,561
Anderson School District #2 - Building Fund	25049	7,835
Spartanburg School District #7 - Investments	25050	13,945,634
Spartanburg School District #6 - General Fund	25053	7,512,158
Dorchester County - Ordinary Fund	25056	9,239,818
Dorchester County - Bond Sinking Fund #501	25059	780,719
Dorchester County Sewer & Water Account	25061	96,419
City of Isle of Palms - CAP Project Fund	25069	1,354,109
City of Newberry - General Government Depreciation Fund	25071	897,330
City of Newberry - Utility Depreciation Fund	25072	349,379
Union County Schools - General Fund	25077	6,638,575
Town of Johnston - Medical Building Fund	25078	1,516
City of Abbeville - General Fund	25086	1,295
City of Abbeville - Public Utilities	25087	569,277
Upper Savannah COG - General Fund	25090	78,956
Darlington County - School Bond Account	25096	26,184,706
Oconee County School District - General Fund	25099	5,763,767
Oconee County School District - Food Service Fund	25102	786,188
Union County Schools - Food Service Fund	25104	51,502
Charleston County School District - Medals & Awards	25105	93,544
City of Bishopville - General Fund	25107	753,579
City of Bishopville	25109	1,596,826
Greenville Water System - General Fund	25110	11,627,539
Greenville Water System - General Improvement Fund	25111	8,939,125
Town of Ridge Spring - Gross Revenue Cushion Fund 1978	25112	11,261
Greenville Water System - Bond Debt Service Fund	25113	2,324,564
Charleston County Treasurer for Charleston County School District	25117	7,892,067
Town of Ridge Spring - General Fund	25118	3,890
Town of Ridge Spring - Water Department Gross Revenue Fund	25119	3,280
Town of Saluda	25120	76,070
City of North Augusta - Depreciation Fund	25122	165,377
City of North Augusta - Contingent Fund	25123	582,981
Town of Walhalla - UDAG Account	12129	122,893
Town of Ridge Spring - Unemployment Compensation Fund	25135	12,147

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Charleston County Treasurer - Open Account	25136	1,019,070
Catawba Regional Planning Council	25139	193,254
Fairfield County Treasurer	25142	32,812
City of Sumter - Water & Sewer Investment Account	25146	998,477
City of Conway - General Fund	25150	3,051,956
City of Conway - Water Capital Recovery Fund	25157	93,942
City of Conway - Capital Improvements Fund	25159	86,182
Newberry County - Memorial Hospital Sinking Fund	25163	499,333
Newberry County - JFH Nursing Home Sinking Fund	25165	85,026
Newberry County - School Sinking Fund	25166	4,828,059
City of Rock Hill - General Fund	25168	10,087,414
Town of Edgefield - UDAG Account	25173	417,693
Spartanburg School District # 4 - General Fund	25174	2,914,619
Spartanburg School District # 4 - Sinking Fund	25175	6,144
Dorchester School District # 2 - General Fund	25178	17,466,967
Dorchester School District # 2 - Building Fund	25179	651,820
Mount Pleasant Water Works - General Revenue Fund	25182	9,733,813
Town of Summerville - Investment Account	25184	6,598,873
Town of Ridge Spring - Water Department Cushion Fund 70	25185	28,787
City of Chester - General Fund	25186	840,777
City of Chester - Cemetery Account	25187	145,167
City of Chester - Sewer Escrow Account	25190	51,946
City of Lancaster - General Fund	25194	3,458,127
Central Midlands Regional Planning Council	25205	258,219
City of Florence - Enterprise Account (20)	25209	75,139
City of Florence - Debt Service Account (39)	25211	6,512
City of Florence - Equipment Replacement Account (40)	25213	28,648
City of Florence - Workmen's Compensation Reserve Account	25214	220,239
City of Florence - Complex Maintenance Reserve Account (48)	25215	57,584
City of Florence - Water & Sewer Reimbursement Account (53)	25217	135,858
Lexington County School District # 5 - General Fund	25229	16,740,914
Town of Woodruff - General Fund	25233	808,287
Mount Pleasant Water & Sewer Commission - Water Impact Fees	25239	1,574,743
Mount Pleasant Water & Sewer Commission - Water Impact Fees	25240	11,756,568
Charleston County School District - Youth Service Trust Fund	25241	191,660
Spartanburg School District # 4 - Woodruff High School	25245	6,467,527
Town of Pelion - Medical Fund	25249	17,351
Town of Pelion - Water Capital Depreciation Account	25250	156,087
Town of Richburg - General Fund	25255	94,147
Town of Winnsboro - Unappropriated General Funds	25259	1,012,721
South Carolina Appalachian Council of Governments	25261	551,611
Town of Winnsboro - Unappropriated Utility Account	25264	520,074
City of Charleston Housing Authority - Unit #1 Administration Fund	25265	944,252
City of Charleston Housing Authority - LHA Operations Account	25267	452,728
Aiken County treasure - Florence Leaphart	25272	7,312

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Town of Pelion - Corporate Airport Fund	25275	30,038
Lexington County School District # 5 - Food Service Account	25277	3,743,081
Sumter County - Depreciation Fund	25283	3,783,603
Town of Lexington - General Account	25306	4,235,471
Chesterfield County School District - Operating Account	25307	4,495,201
City of Sumter Trust Fund	25313	5,219
Town of Winnsboro - Legal Awards	25326	1,144,933
Spartanburg Water System - Construction Account	25329	403,936
Spartanburg Water System - Operating Account	25330	258,954
City of Clemson - General Fund	25335	874,481
Town of Jackson - Building Revenue	25343	3,648
Richland County School District #1	25346	31,416,289
Town of Jackson - Capital Expenditures	25349	282,081
Town of Jackson - Public Works Commission	25360	401,335
City of Forest Acres General Fund	25362	1,394,635
City of Florence Utility Construction Fund	25366	1,557
Upper Savannah Council of Government Revolving Loan Program	25369	276,074
Town of Summerville - Capital Improvements Fund	25370	176,016
Town of Irmo - Sanitation Account	25377	524,433
Town of Irmo - General Savings	25378	2,950,714
Newberry County Water & Sewer	25379	464,453
Catawba Regional Planning Council EDA - RLF Account	25382	453,179
Town of Bythewood - General Savings	25387	147,557
Town of Winnsboro - Excess Debt Service Reserve Fund	25391	589,951
City of Orangeburg - Self Insurance Fund	25395	162,183
Greenville County Treasurer - General Purpose Account	25407	15,803,725
Parker Sewer & Fire Subdistrict - Operating Account	25408	1,643,228
Town of Irmo - Gazebo Fund	25413	33,209
Low Country Council of Governments	25414	516,079
City of Chester Water Works Account	25420	24,703
Newberry County Water & Sewer Authority SYS Improvement	25421	649,881
Florence School District # 3 Lease Purchase	25431	2,621,800
City of Chester Fire Department Equipment Replacement Fund	25434	132,130
Low Country Council of Governments EDA - Funds	25436	55,730
Sullivan's Island Land Trust Fund	25438	30,919
York County Treasurer General Fund	25440	150,917,561
Oconee County School District Scholarship Fund	25443	286,662
City of Abbeville Police Department Drug Forfeiture Account	25451	15,678
City of Isle of Palms Water & Sewer Department Capital Projects	25454	439,352
City of Union - General Fund	25455	194,005
City of Tega Cay Tax Account	25460	92,474
Lexington County School District # 4 Pool Account	25463	6,327,640
City of Greenwood General Fund	25464	1,466,473
Town of Sullivan's Island Confederate Memorial Fund	25466	16,329
Union County Treasurer County Operations	25471	48,475

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Union County Treasurer School General Bond and Note Account	25473	4,019
Union County Treasurer Government Bonds	25474	338,507
Union County Treasurer Economic Development Funds	25475	85,892
Clarendon County School District # 3 General Fund	25483	6,403
Spartanburg County School District # 3 General Fund	25484	2,735
Metropolitan Sewer Subdistrict General Fund	25487	787,761
Town of South Congaree Police Equipment Escrow Account	25490	5,480
Town of South Congaree Festival Escrow Account	25491	4,987
Town of Edgefield UDAG - Police Capital	25493	62,393
Town of Edgefield UDAG - Fire Capital	25494	225,250
Town of Edgefield UDAG - Sanitation Capital	25495	227,145
Town of Seabrook Island General Fund	25501	845,777
Spartanburg Sanitary Sewer District Capital Fund	25502	3,906,014
Orangeburg County School District #4 Investment Account	25508	1,789,067
City of Abbeville Property Tax Rollback Fund	25509	1,185
City of Spartanburg General Fund	25515	127,173
City of Abbeville General Fund Reserve Account	25520	53,343
St. Andrews Public Service District 2.2M G.O. Bond Cap Project	25521	464,469
Town of Winnsboro Renewal and Replacement Fund	25529	386,240
Town of Winnsboro Construction Fund	25530	165,057
Chester Metro District Stae Investment Account	25532	1,363,130
Chester Sewer District State Investment Account	25533	1,094,855
Kershaw County Memorial Hospital General Fund	25536	26,938,985
Greenwood County Treasurer Capital Fund	25539	19,089
Mt. Pleasant Water & Sewer Commission - E&E Fund	25545	126,566
Mt. Pleasant Water & Sewer Commission	25546	331,732
Mt. Pleasant Water & Sewer General Utilities Fund	25548	222,132
City of Lancaster - Gross Revenue Fund Savings	25555	31,147
Lexington School District #2 School Building Investment	25556	936,674
Lexington School District #2 General Investment Account	25558	2,594,113
Oconne County School District Building Fund	25559	6,963,265
County of Lexington - Treasurer General Fund	25562	24,862,728
Lexington School District #1	25565	19,856,402
Commission of Public Works of City if Isle of Palms Depr Fund	25566	186,744
School District of Greenville County	25569	74,911,041
Lexington County School District # 3	25570	3,291,863
Town of Sullivan's Island Infrastructure Account	25574	2,557
Charleston County Treasurer Accomidations Tax	25575	14,961,858
Berkeley Charleston Dorcherster Cog. General Fund	25581	403,805
Berkeley Charleston Dorcherster Cog. Special Revenue Fund	25582	779,171
City of Greenwood Capital Impróvement Fund	25584	1,427,590
City of Greenwood Employee Recognition Fund	25585	134,480
Mt. Pleasant Water & Sewer Commission Renewals & Replacements	25591	3,605
Anderson County Fire Protection Commission	25594	797,944
McCormick Commissioners of Public Works Electric Investment	25595	283,508

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
McCormick Commissioners of Public Works Employment Fund	25597	27,708
Mt. Pleasant Water & Sewer Commission Ro. Membrane Replacement	25600	724,603
City of Beaufort Investment Account	25602	1,164,332
Town of Johnston Sanitation Capital Reserve	25605	35,360
York County Treasurer Water & Sewer 1995 Bond	25607	10,812,193
Beaufort County Treasurer General Fund	25610	7,100,311
Lexington County Treasurer Tax Holding Account	25613	248,952
Lexington County Treasurer Delinquent Tax Account	25614	686,936
Lexington County Treasurer Debt Service	25617	5,194,285
City of North Augusta Sanitation Fund	25619	694,461
City of North Augusta Gross Revenue Fund	25620	2,744,959
Town of Sullivan's Island Project Management (FEMA)	25622	143,412
Fairfield County Treasurer School District Account	25623	1,122,342
Fairfield County Treasurer School Bond Account	25624	278,625
Town of Clover General Fund Money Market	25630	92,949
Town of Clover Water & Sewer Money Market	25631	13,593
Town of Clover Health & Sanitation Depreciation	25632	95,987
Town of Clover Water & Sewer Depreciation	25633	27,296
Town of Clover PTO General Fund	25635	15,753
Town of Clover PTO - Water & Sewer	25636	23,746
Town of Springdale M.L. Checking	25638	2,610
Town of Ridge Spring Water Cushion Fund	25639	19,070
Newberry County Treasurer County Ordinary Fund	25640	3,969,708
Newberry County Treasurer School General Fund	25641	6,211,860
Fairfield County Treasurer School Lease Purchase Account	25643	235,767
Sumter County Council 1990 G.O. Bond Sinking Fund	25647	525,022
City of Isle of Palms Accommodations Fee Investment Account	25650	110,081
Seabrook Island Water & Sewer Commission reserve Account	25651	2,986,433
Union County Treasurer Landfill Enterprise Fund	25654	1,265,956
Sumter County 1996 School District #17 Bond Fund	25659	209,588
Lexington County School District #5 Barwell Funds	25661	1,796
Edgefield County School District	25664	4,380,203
St. Pauls Fire District	25666	274,695
Myrtle Beach Airforce Base Redevelopment Authority (MBAFBRA)	25667	8,158,435
City of Greenwood Police Restricted Fund	25668	99,359
City of Camden	25669	489,474
Town of Clover Depreciation and Contingency - Water Bond	25670	131,759
Lexington County School District # 4 Building Fund	25674	5,303
City of Hanahan Building Fund	25676	417,170
Chester Metropolitan District - Series 1997 Bond Proceeds	25681	3,399
City of Hanahan - Property Tax Relief Fund	25682	1,227,855
Town of Cordova - General Fund Account	25684	106,274
Town of Trenton - Police Capital Reserve	25788	18,887
Town of Trenton - Fire Capital Reserve	25789	10,514
Lancaster County School District - General Account	25790	15,264,208

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Clarendon County Treasurer - Clarendon county Debt Service	25793	114,237
City of Union - Enterprise Fund	25796	19,267
DSFC - City of Bamberg - Iron Removal Facility	25797	70,667
City of Georgetown - Electric Fund	25798	4,038,270
City of Georgetown - Water Fund	25799	1,941,694
DSFR - City of Goosecreek	25800	76,065
Town of Johnston - Walker Street Rehab # 1	25803	41,087
Town of Edisto - General Fund	25806	473,405
Town of Edisto - Water Fund	25807	225,277
Town of Edisto - Sewer Fund	25808	268,253
Town of Edisto - Accomidations Tax Special Fund	25809	221,498
Town of Edisto - Beach Preservation Fund	25810	1,829,416
Town of Edisto - Fire Department I & J Fund	25811	8,580
City of Clinton - Gas Authority Proceeds	25813	4,355
Edgefield County Treasurer Investment Fund	25814	5,373,252
Spartanburg County School District #4 - Food Service	25816	462,127
City of York - General/Utility Fund	25817	11,601
City of York - Water/Sewer Depreciation	25818	8,323
City of Lancaster - Contingent Fund	25819	185,774
City of Lancaster - Depreciation Fund	25820	185,774
City of Bamberg - Retirees Medical Plan	25822	35,400
Town of Prosperity - General Fund	25826	75,555
DSRF Pioneer Rural Water District Account	25828	111,301
Sumter School District #17 - General Fund	25829	6,602,273
Sumter School District #17 - Building Fund Account	25830	442,232
Sumter School District #17 - Food Service Account	25831	2,119,924
Town of Surside Beach - General Fund	25832	1,583,384
Town of Surside Beach - Capital Projects Fund	25833	251,394
Town of Surside Beach - Accomodations Tax Fund	25834	845,637
Sumter County 1997 B #2 Bond Sinking Fund	25838	1,170,294
City of Camden 1998 Bond Proceeds	25840	3,598,583
Town of Johnston - Administrative	25841	1,660
Town of Johnston - Police Department Capital Reserve	25842	6,340
City of isle of Palms - Disaster Recovery Reserve Fund	25843	1,114,172
Richland School District #2 - General Fund	25844	13,754,490
Edgefield County School District - CSD Investments	25845	528,076
Richland School District #2 - Building Fund	25848	18,223,830
City of Clinton - Utility System Fund	25851	5,249
DSFR - Chester Sewer District	25853	80,475
Town of Surfside Beach - Street Improvement Fund	25854	695,851
Wade Hampton Fire & Sewer District	25857	1,468,590
R.D. Anderson Applied Technology Center - General Fund	25861	1,143,364
Florence County Treasurer - School District's Operating Account	25862	124,712
City of Lancaster - Residential Garbage	25863	349,234
City of Lancaster - Commercial Garbage	25864	396,377

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Florence County School District #2 - Operating Fund	25865	427,876
Florence County School District #4 - Operating Fund	25866	142,195
Florence County School District # 5 - Master Account	25867	2,529,538
Florence County School District #1 Account	25869	27,997,649
Clarendon County Treasurer - E911 Fund	25870	419,932
Richland County Treasurer	25871	761,262
Town of Acadia Lakes - General Fund	25872	245,713
Spartanburg School District #3 - Renovation Account	25874	2,707
Town of Edisto Beach - Hospitality Fee	25875	260,533
Laurens County treasurer - General Fund	25877	2,613,910
City of Georgetown - Spencer Guerry Scholarship Fund	25878	26,419
City of Greenwood - Uptown Greenwood Local Development Restricted Fund	25881	64,705
Town of Edisto Beach - Vehicle Equipment replacement Fund	25883	359,290
Western Piedmont Education Consortium	25889	180,636
Clarendon County Treasurer - School District #1 Refunding Account	25891	642,454
Spartanburg County School District #4 - Bond Fund	25892	3,485
Sumter County Council - "C" transportation Funds	25893	1,178,265
York County Treasurer	25897	4,775,502
City of Sumter	25898	242,267
Town of Surfside Beach - Hospitality Fund	25899	470,649
Town of Clover - Water Line Replacement	25902	4,645
Dillon County Board of Education	25915	1,191,694
City of Clinton - HUD Account	25918	9,916
City of Westminster	25919	256,442
Taylors Fire & Sewer District	25921	953,871
City of Spartanburg - Water Pollution Control Revolving Fund	25925	71,830
Fort Mill School District #4 - Investment Account	25926	10,674,678
Chester County Treasurer - School Bond Investment Fund	25927	3,899,716
Chester County Treasurer - County Bond Sinking Fund	25928	407,172
Chester County Treasurer - "C" Funds Holding account	25929	1,267,064
Town of Latta - Reserve Account	25936	28,394
York County School District # 1	25937	8,373,938
City of Greenwood - Community Development Fund	25939	349,026
School District of Greenville County - Building Fund	25941	42,328,427
Chester County Treasurer - Multiple Reserves Account	25942	1,730,405
Rock Hill S?D #3 of York County	25946	10,488,293
City of North Augusta - Street Improvement Fund	25947	795,219
City of North Augusta - Capital Projects Fund	25948	1,624,010
Fairfield Memorial Hospital Investment Account	25950	520,437
Myrtle Beach Air Force Redevelopment Authority	25951	789,490
City of Belton	25952	22,451
Mount Pleasant Waterworks	25953	459,266
Charleston County School District	25954	256,285

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Greenwood County Treasurer - 96 S/D General Obligation Bond Fund 2000	25958	362,638
Pioneer Rural Water District - Depreciation Fund	25962	189,056
Pioneer Rural Water District - Contingency Fund	25963	144,545
Pioneer Rural Water District - RD Reserve Fund	25964	69,354
Pioneer Rural Water District	25965	164,078
York County Treasurer - Rock Hill Bond	25966	17,339,064
Town of Port Royal	25968	467,079
Bamberg School District #1	25970	74,961
Lancaster Co. Natural Gas Authority Construction & Depreciation	25971	2,147,176
Lancaster Co. Natural Gas Authority Gross Revenue	25972	1,801,692
City of Sumter - 2000 TIF Bond Account	25973	166,863
Town of Saluda - Scholarship Fund	25976	2,056
City of Mauldin - Fire Account	25978	5,487
City of Mauldin - Sewer Account	25979	141,767
Town of Sullivan's Island - General Fund	25981	212,621
Town of Kiawah Island - County Accommodations Tax	25983	54,698
Town of Kiawah Island - Local Accommodations Tax	25984	553,488
Town of Kiawah Island - Hospital Tax	25985	161,191
Town of Kiawah Island - General Fund	25989	188,303
Fairfield County Treasurer - Library Endowment	25990	113,514
Taylors Fire and Sewer District - Fire Account	25991	536,956
Sumter School District #17 - Sumter High School Memorial Scholarship Fund	25993	453,980
Lancaster County Treasurer - 2001 County Bond	25996	297,976
Lexington County S/D #5 - Harbison Land Settlement	25997	281,141
Belton-Hoea Path Water Authority	25999	29,925
Charleston County Treasurer - CTC Funds	26002	4,321,095
Lancaster County Natural Gas Authority - LNGA Expansion Fund	26003	104,418
DSRF - Town of Jackson	26004	70,678
Spartanburg School District #4 - Contributions for North Side Renovation	26009	41,795
City of Travelers Rest - Sewer Revenue Pledge Account	26010	15,578
City of Greenville - GO Bond 2001	26013	1,397,758
Chesterfield County School District - 2000 1% Sales Tax	26014	5,090,355
Town of Lexington - Series 2001 B Escrow	26016	2,610,780
Riverbanks Parks Commission - Riverbanks Zoo & Garden	26021	15,466
Chester County School District - Food Service Account	26024	1,557,972
City of Isle of Palms - State Accommodation Tax	26025	207,282
City of Spartanburg - Sewer Fund	26026	74,850
Greenville County School District - Food Service Fund	26028	3,098,024
Greenville Water System - Bond Debt Service Fund	26030	1,296,787
BCD-COG - Lake Marion Regional Water - General Fund	26031	7,637,411
Orangeburg School District - Investment Account	26032	16,291,709
City of Spartanburg - Bonds Proceeds 2000	26033	371,774

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Clover School District 2 - Clover School District 2	26034	9,590,999
Town of Duncan - E - Fund	26036	209,601
Greenville Hospital System - Corporate Expense Fund	26038	76,503
City of Myrtle Beach - Series 2002B	26041	433,835
City of Myrtle Beach BB Stadium Renew.	26042	315,321
Chester County School District - Bond Anticipation Note	26043	29,641
Richland County - Detention/Township	26045	8,126,983
City of North Augusta - Construction Fund	26046	4,361,820
City of North augusta - Sales Tax Fund	26047	3,138,261
City of North Augusta - General Fund	26048	2,974,248
Mount Pleasant Waterworks - FYE03 Construction Fund	26050	1,378,217
Riverbanks Parks Commission - General Fund	26051	43,230
Laurens County - District 56 Construction of 2002	26056	1,799,191
City of Sumter - 911 Emergency Responders Fund	26058	3,500
Orangeburg Consolidated School District #3 - Investment Account	26059	4,271,384
Fairfield Memorial Hospital - Operating Reserve Fund	26060	136,097
Sumter County School District #2	26062	10,880,691
Upper Savannah Council of Government - SSED Relief	26064	654,014
York County - York County Bonds	26065	10,332,936
St. Andrews Public Service District - PSD Bonds	26071	1,063,672
City of Goose Creek - TIF 2002 Bond Construction	26072	1,150,601
Greenville County School District - Installation Purchasing Revenue Bond Proceeds	26073	227,024,602
Beaufort County - BOSD 8% Projects	26074	1,211,714
Greenville Water - Bond Debt Service Fund Series 2003	26075	1,067,790
York School District #1 _jennifer Bradley Scholarship	26080	53,032
City of Mauldin - General Fund	26081	2,069,860
Chester County School District - Bonds Series 2003	26082	351,524
Chester County School District - Investment Account	26083	7,271,139
Riverbanks Zoo - Special Revenue Fund	26085	76,474
Greenville County School District	26086	99,468,856
Lexington Co. Joint Muni. Water & Sewer Comm.	26087	1,152,623
Lexington Co. Joint Muni. Water & Sewer Comm.	26088	3,933
Lexington Co. Joint Muni. Water & Sewer Comm.	26089	397,928
Lexington Co. Joint Muni. Water & Sewer Comm.	26090	1,352,533
Town of McCormick	26091	206,765
Town of McCormick	26092	206,765
Town of McCormick	26093	51,691
Town of McCormick	26094	103,382
City of Isle of Palms	26095	220,048
City of Greenville	26097	3,056,837
City of Myrtle Beach	26099	1,024,678
City of Isle of Palms	26100	831,732
City of Georgetown	26101	2,141,887
Town of Blythewood	26102	443,217

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Town of Blythewood	26103	52,270
Town of Blythewood	26104	275,467
Spartanburg Water System	26105	10,827,697
Lexington County School District #3	26107	9,437
City of Sumter	26108	675,038
City of Hanahan	26109	83,051
Greenville County School District	26110	47,068,123
City of Woodruff	26112	24,011
Spartanburg Water & Sewer	26114	5,410,814
City of North Charleston	26120	3,172,641
Lexington County Treasurer	26121	10,047,793
City of North Charleston	26123	5,155,551
Fairfield County Treasurer	26124	436,770
Charleston Co. School District	26126	7,705,405
City of Fountain Inn	26128	437,795
City of Fountain Inn	26129	140,539
Town of Surside Beach	26130	503,531
Lancaster County	26131	259,900
Greenville Hospital System	26132	263,919
Lexington County Treasurer	26134	726,340
Municipal Association of SC SC Municipal Insurance Trust	26137	3,074
Municipal Association of SC SC Local Govt Assurance Group	26138	2,992
Municipal Association of SC SC Muni Ins and Risk Fund	26139	4,269
City of Bennettsville Streetscape Phase II	26140	214,329
City of Bennettsville Streetscape Phase III	26141	816,202
City of Isle of Palms Fire Station Reserve Account	26142	328,120
City of Georgetown Regional WWTP- Andrews	26143	918,462
York County Treasurer S/D 1 Bond Account	26144	348,694
St John's Fire District	26145	1,066,369
Catawba Reg Council of Govt	26146	20,644
Lexington County Health Services Lexington Medical Center Operating	26147	1,016,085
City of Abbeville 2004 Construction Fund	26149	247,007
Greenwood County Treasurer Metro G/O Const Bond 2004	26150	1,433,417
Greenville County School Dist FY05 GO Bond	26152	1,877,134
Charleston County S/D GO Refunding 2004B-Rest Yield	26153	219,763
City of Forest Acres Hospitality Fund	26154	436,956
Greenville County Schools Best 2004 S Capitalized Int	26156	3,244,979
Lexington County Treasurer S/D #3 GO Bond Series 2004	26157	321,331
City of Myrtle Beach Seascape Property	26158	608,441
City of New Ellenton 1% Local Option Sales Tax 2004	26159	457,603
York County treasurer F/R-Fort Mill S/D #4 Bond Account	26160	55,850,528
Town of Lowrys Investment Account	26161	100,546
Greenville County Schools Best Debt Service	26162	2,487,594
City of Myrtle Beach Rivoli Theater Renovation	26163	359,777
Greenville Water System Bond Debt Serv Fd Series 2005	26164	1,837,433

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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS
JUNE 30, 2005**

Participant	Participant account number	Balance at June 30, 2005
Darlington County School Dist Bond Issue 2005	26165	45,473,009
Laurens County Water & Sewer Investment Account	26166	1,497,591
Goose Creek Recreation Commission Future Projects Fund	26167	252,384
City Of Rock Hill Fund Balance Reserve	26168	950,604
City Of Rock Hill Land Sales Reserve	26169	654,611
Town Of Trenton Administrative account	26170	30,265
City Of Abbeville Construction Fund	26171	281,456
Town Of Lyman General Fund	26172	101,413
Town Of Lyman Sewer Fund	26173	805,638
Olde English Consortium Investment account	26174	5,010
Lexington School District #1 \$20MM GO BAN 2005 A	26175	20,147,244
Lexington School District #1 \$2.5 M GO BAN 2005 B	26176	2,518,406
City Of Aiken Invevestment (Fixed Rate)	26177	5,041,631
York County Treasurer STO ACQ FD CUST York Co ML	26179	15,749,054
Sumter S/D CO S/D Two 2005 Bonds	26180	3,430,169
Lexington Co Joint Municipal Water & Sewer BAN 2005	26181	4,004,777
City of North Augusta Riverfront/Central Core Fund	26182	1,001,276
City of North Augusta Stormwater Fund	26183	600,766
Sumter County Council County Library Fund	26184	5,969,568
Newberry County Treasurer Capital Projects Account	26185	421,501
Sumter County Council County Infrastructure Fund	26188	1,801,378
City Of Sumter General Fund Investment	26190	300,029
Unallocated deposits		22,361,382
Total net assets in pool participants' accounts		<u><u>\$1,858,365,717</u></u>