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ANNUAL REPORT
SOUTH CAROLINA RETIREMENT SYSTEM
JUNE 30, 1978

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ADMINISTRATION

The administration and responsibility for the proper operation of the Retirement System are vested in the State Budget and Control Board, consisting of five members:

His Excellency Governor James B. Edwards	Chairman, Ex-Officio
Honorable Grady L. Patterson, Jr.	State Treasurer
Honorable Earle E. Morris, Jr.	Comptroller General
Honorable Rembert C. Dennis	Chairman of Senate Finance Committee
Honorable Tom G. Mangum	Chairman of House Ways & Means Committee

The Board appoints a Director, whose duties are to exercise general supervision over the System. The Board further provides for competent actuarial services in order to be sure that the System is actuarially sound.

Purvis W. Collins	Director
Hugh Gillespie	Consulting Actuary
George B. Buck, Co., Inc.	

The annual report of the South Carolina Retirement System for the year ended June 30, 1978, is submitted herewith. During the past year we have continued our rapid growth rate with investments exceeding \$1.3 billion, investment income rapidly approaching the \$100 million mark, and total benefit and refund payments exceeding \$82 million.

In the following pages we present essential facts and information concerning the operations of the Retirement System for the fiscal year ended June 30, 1978.

Revenues:

The System derives revenue from three primary sources; employee contributions, matching contributions from employers, and income earned on investments. Total revenues (including supplemental benefits funded by the State) for the fiscal year ended June 30, 1978 were \$247.9 million, an increase of \$28.5 million or 13% over fiscal 1977 revenues.

A five (5) year comparison of the distribution of our revenue by sources follows:

Year Ended June 30,	Member Contributions		Employer Contributions		Investment Income	
	Amount (Million)	% of Total Revenue	Amount (Million)	% of Total Revenue	Amount (Million)	% of Total Revenue
1978	\$63.0	26.1%	\$87.0	36.0%	\$91.5	37.9%
1977	56.6	26.5%	78.8	36.9%	78.3	36.6%
1976	53.3	27.8%	73.4	38.2%	65.1	34.0%
1975	46.1	28.1%	64.0	39.0%	54.1	32.9%
1974	38.4	27.7%	54.6	39.3%	45.8	33.0%

Since July 1, 1964, employee contribution rates have remained constant at 4% of annual compensation up to \$4800 and 6% of annual compensation in excess of \$4800. Contribution rates for employers have remained constant since July 1, 1975

at 6.8% of covered wages for State Departments and Public Schools and at 5.95% for other covered employers. The group life insurance contribution rate was reduced from .4% of covered wages to .3% effective July 1, 1975.

A five (5) year comparison of employee and employer retirement and group life insurance contributions follows:

Year Ended June 30,	Employee Contributions	Percent Increase For Year	Employer Contributions			
			Retirement	Percent Increase For Year	Group Life	Percent Increase For Year
1978	\$63,043,933	11.3%	\$83,365,017	10.5%	\$3,656,857	10.3%
1977	56,621,748	6.2%	75,462,395	7.2%	3,314,940	10.3%
1976	53,328,475	15.7%	70,375,871	16.7%	3,006,650	(17.9%)
1975	46,092,694	19.9%	60,307,823	17.0%	3,663,033	19.2%
1974	38,426,827	15.9%	51,532,563	14.6%	3,071,902	14.2%

Our retirement contributions are received from three types of reporting entities; State Departments (including institutions of higher learning), Public Schools, and other political subdivisions. Although other political subdivisions constitute approximately half of our number of reporting entities, our primary volume of contributions is received from State Departments and Public Schools as the following schedule reflects.

Year Ended June 30,	Combined Contributions by Type of Entity					
	State Departments		Public Schools		Counties, Municipalities and Other Political Subdivisions	
	Amount (Million)	% of Total Contributions	Amount (Million)	% of Total Contributions	Amount (Million)	% of Total Contributions
1978	\$69.4	46.3%	\$61.4	40.9%	\$19.2	12.8%
1977	61.6	45.5%	55.3	40.8%	18.5	13.7%

Current contributing members of the Retirement System may also make special contributions to the System to establish additional service earned through service in the military, service while in a non-member status, certain out-of-state service, and service cancelled through previous withdrawal of contributions.

A summary of employee payments during fiscal 1978 establishing additional service credit follows:

	Number	Amount Paid	Average Payment
Military Service	399	\$ 343,972	\$ 862
Non-Member Service	280	590,191	2,108
Out-of-State Service	45	198,751	4,417
Withdrawal Service	321	439,363	1,369
 TOTAL	 <u>1,045</u>	 <u>\$1,572,277</u>	 1,505

The responsibility for the investment of all funds of the System is vested with the State Treasurer and is subject to restrictions imposed by Section 11-9-660 of the State Code of Laws. The State Treasurer in conjunction with the Retirement System pursues a vigorous cash management program to assure the maximization of earnings on funds.

During the fiscal year ended June 30, 1978 the total net investments of the System increased by \$162.5 million or 13.8% as compared to \$153.9 million or 15.0% for 1977. Investment income is playing an increasing role in the total financial picture of the System. In 1978 this became our largest source of revenue, increasing from \$78.3 million for 1977 to \$91.5 million at June 30, 1978. Strong evidence of the efficient management of investments is reflected in the constant growth of investment income at a rate greater than the growth of the investment

portfolio. The rate of return based on average net investments reflects an increase from 7.11% in 1977 to 7.26% in 1978.

Growth of Investments and Investment Income

Fiscal Year Ended June 30,	Total Net Investments	Percent Increase For Year	Net Income From Investments	Percent Increase For Year	Rate of Return *
1978	\$1,341,837,830	13.8%	\$91,474,148	16.8%	7.26%
1977	1,179,302,383	15.0%	78,327,366	20.4%	7.11%
1976	1,025,423,737	15.5%	65,066,622	20.3%	6.80%
1975	887,728,930	14.9%	54,076,062	18.1%	6.51%
1974	772,489,213	14.7%	45,769,888	15.5%	6.33%

*Based on average net investments for the year.

The following schedule reflects the composition of our portfolio as a percent of total investments (at par value):

	Fiscal Year Ended June 30,				
	1978	1977	1976	1975	1974
U. S. Treasury Obligations	10.8%	6.7%	1.7%	3.6%	4.8%
U. S. Government Agencies	9.1%	8.8%	6.7%	5.5%	8.1%
Insured Merchant Marine Bonds	8.5%	8.2%	10.0%	8.6%	7.2%
State of South Carolina Institutions	1.0%	1.2%	1.4%	1.8%	2.1%
Corporate Bonds:					
Industrials	35.8%	40.7%	43.4%	40.8%	34.8%
Utilities	28.7%	30.8%	33.3%	35.8%	41.1%
Rails	1.4%	1.6%	2.2%	2.4%	1.2%
Financial & Other	4.7%	2.0%	1.3%	1.5%	.7%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Investments Distribution at June 30, 1978 by Final Maturity Date*

Type of Investment	Total Par Value (Millions)	Through 1980	Percentage Maturing Within Specified Years						
			1981 - 1985	1986 - 1990	1991 - 1995	1996 - 2000	2001 - 2005	2006 and After	
U. S. Treasury Bills	\$ 116.9	100.0%	-	-	-	-	-	-	
U. S. Government Agencies	151.7	7.7%	13.2%	14.4%	6.3%	29.8%	21.8%	6.8%	
State of South Carolina Obligations	13.1	14.4%	29.9%	30.4%	20.1%	5.2%	-	-	
Corporate Industrials	482.1	-	-	-	12.6%	38.3%	32.2%	16.9%	
Corporate Utilities	386.3	-	-	-	7.1%	30.4%	28.2%	34.2%	
Corporate Rails	18.7	-	13.1%	86.9%	-	-	-	-	
Insured Merchant Marine Bonds	115.0	-	-	-	21.1%	51.6%	27.3%	-	
Financial Institutions	62.6	-	-	-	-	21.7%	16.0%	62.3%	
Overall	<u>\$1,346.4</u>	9.7%	2.0%	3.2%	9.3%	31.2%	25.1%	19.5%	

*Periodic principal reduction prior to final maturity date are not reflected in this distribution.

Expenditures:

The System disburses retirement benefits to retiring members based upon normal service retirement as well as disability retirements. A member may elect to receive normal service retirement benefits at age 60 or upon the completion of 30 years of service. This benefit is computed based upon two factors; the number of years of creditable service, and the member's average final compensation. To derive a normal service retirement benefit, a factor of 1.25% is multiplied by the portion of a member's average final compensation not in excess of \$4,800 and a factor of 1.65% times that portion of the member's average final compensation in excess of \$4,800. The total of these two amounts is multiplied by the number of years of creditable service to equal the member's annual retirement benefit (assuming the attainment of age 65 or completion of 30 years of service).

A disability retirement benefit is equal to a service retirement allowance which would have been payable had the member continued in service at his present compensation to age 65, minus the actuarial equivalent of the contributions he would have made during the period of projected service.

We provide four benefit options in addition to the normal or maximum benefit calculation:

Maximum Benefit - Benefit is calculated on average final compensation and years of service. Should the member die before accumulated contributions (including interest) are recovered, the balance will be refunded to the designated beneficiary or estate.

Option One - Maximum benefit is reduced by a factor to provide financial protection for member's beneficiary during the first 10 years of retirement. Accumulated contributions at retirement are reduced by 10% annually with any remaining balance refunded to the designated beneficiary or estate upon the death of the member within ten years after retirement. The reduction under this option is approximately \$10.00 per month from the maximum benefit.

Option Two - Maximum benefit is reduced by a factor of approximately 20%-35% to provide the beneficiary a benefit equal to the member's benefit should the member predecease the beneficiary.

Option Three - Maximum benefit is reduced by a factor of approximately 15%-25% to provide the beneficiary one-half the member's benefit should the member predecease the beneficiary.

Option Four - This option provides an inflated payment until age 62 when Social Security payments start and is then reduced below the normal Option One benefit. Payment is calculated to give member a nearly level income when combined with Social Security payments.

The average benefit payment disbursed in the month of June, 1978 was \$277 as compared to \$255 for June, 1977. This represents a monthly increase of approximately \$22 or 8.6%. Our total number of retirants increased by 7.3% from 18,591 at June 30, 1977 to 19,946 at June 30, 1978. The following tables present the growth of our retirant population and growth in average benefit catagorized by type of retirant and by type of benefit paid.

RETIRANT POPULATION GROWTH

<u>Type of Benefit</u>	Month of June					
	Public School Teachers			Other Public Service Employees		
	<u>1978</u>	<u>1977</u>	<u>% Increase</u>	<u>1978</u>	<u>1977</u>	<u>% Increase</u>
Due to service retirement	10,562	10,038	5.2%	6,361	5,841	8.9%
Due to disability	697	617	13.0%	971	839	15.7%
Payments to beneficiaries of deceased retirants	402	371	8.4%	953	885	7.7%
	<u>11,661</u>	<u>11,026</u>	5.8%	<u>8,285</u>	<u>7,565</u>	9.5%

GROWTH IN AVERAGE BENEFIT PAYMENTS

<u>Type of Benefit</u>	Public School Teachers			Month of June Other Public Service Employees		
	<u>1978</u>	<u>1977</u>	<u>% Increase</u>	<u>1978</u>	<u>1977</u>	<u>% Increase</u>
Due to service retirement	\$299	\$275	8.5%	\$264	\$244	8.5%
Due to disability	307	278	10.3%	236	212	11.3%
Payments to beneficiaries of deceased retirants	189	166	14.4%	189	173	9.3%
Overall Average	\$295	\$272	8.7%	\$252	\$232	8.8%

In addition to the benefits originally calculated for retired members, periodic cost of living increases are provided. Effective July 1, 1978 a total of 17,344 retirees were eligible for a 4% cost of living increase totaling approximately \$187,500 per month. This compares to 15,729 retirees qualified to receive a monthly cost of living increase of approximately \$155,500 at July 1, 1977.

The System also administers a group life insurance program under which benefits are payable upon the death of an employee who has completed at least one year of covered service. Benefits under this program are equal to the annual earnable compensation of the member at the time of death. During 1978, a total of 240 claims totaling \$2,502,441 were paid. This represents a 7.0% decrease from the 258 claims paid during the fiscal year ended June 30, 1977. The average claim during 1978 was \$10,427 as compared to \$9,423 for the 1977 fiscal year, an increase of 10.7% for the year.

Refunds of employee contributions and accumulated interest are made to members who leave covered service prior to retirement. A total of 18,284 refunds averaging \$834 were processed during the fiscal year ended June 30, 1978 as

compared to 15,082 refunds averaging \$806 for 1977. This represents an 21.2% increase in the number of refunds and a 3.5% increase in the average refund amount.

A five (5) year summary of benefit payments and refunds follows:

Fiscal Year Ended June 30,	Retirement And Disability Benefits	Percent Change For Year	Group Life Benefits	Percent Change For Year	Member Refunds	Percent Change For Year
1978	\$64,853,794	15.8%	\$2,502,441	2.9%	\$15,244,971	25.4%
1977	55,994,358	20.3%	2,431,210	(2.3%)	12,161,638	25.1%
1976	46,557,461	18.1%	2,489,156	(2.7%)	9,723,373	10.4%
1975	39,429,153	26.1%	2,557,946	22.6%	8,810,675	4.6%
1974	31,264,638	21.8%	2,086,955	.1%	8,421,751	27.1%

Current Legislation:

During the 1978 Session of the Legislature several amendments were passed affecting the Retirement System. A summary of these amendments follows:

Section 34 of the State Appropriations Bill reduced the required years of creditable service for Survivor Benefit eligibility from 35 years to 30 years. The beneficiary of a member who dies in service may elect a refund of contributions, or a monthly payment for life provided one of the following conditions is satisfied:

1. The member was age 65
2. The member was age 60 with 20 years of service credit
3. The member had 30 years of service credit

Senate Bill 243 provides that an elected official may use 36 consecutive months in lieu of 3 consecutive fiscal years in determining average final compensation for retirement benefit calculations. An elected official whose term of office expires other than June 30, may elect to use 36 consecutive months rather

than 3 consecutive fiscal years in the determination of average final salary, on which the monthly benefit is based.

Senate Bill 635 limits to 45 days payments for unused annual leave for retirement benefit calculations. Up to 45 days pay for unused annual leave may be included in the average final compensation, provided the payment is received in the final pay period and is applicable to a high fiscal year of salary.

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEM

ASSETS	JUNE 30, 1978	JUNE 30, 1977
Cash	\$ 2,935,713	\$ 109,461
Accounts Receivable	25,892,991	25,918,615
Investments, at amortized cost	1,297,310,384	1,135,545,971
Add unamortized deferred yield adjustments:		
Deferred yield adjustment for bond exchanges subsequent to July 1, 1971	32,076,931	30,348,165
Deferred yield adjustment at July 1, 1971	12,450,515	13,408,247
Adjusted amortized cost	<u>1,341,837,830</u>	<u>1,179,302,383</u>
	<u>\$1,370,666,534</u>	<u>\$1,205,330,459</u>
FUND BALANCES		
Employee annuity savings fund	\$ 393,901,596	\$ 346,354,084
Employer annuity accumulation fund	969,820,812	853,468,944
Employer group life insurance fund	6,944,126	5,507,431
	<u>\$1,370,666,534</u>	<u>\$1,205,330,459</u>

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEM

Employee Annuity
Savings Fund
Year Ended June 30,
1978 1977

Revenues:

Contributions by members		
State department employees	\$ 28,627,262	\$ 25,767,521
Public school employees	25,967,433	22,490,306
Other political subdivision employees	8,449,238	8,363,921
Contributions by employers		
State department employers		
Public school employers		
Other political subdivision employers		
Supplemental retirement benefits funded by the State		
Investment transactions		
Earnings on investments		
Amortization of July 1, 1971 deferred yield adjustment		
Total Revenues	<u>63,043,933</u>	<u>56,621,748</u>

Expenditures:

Regular retirement benefits		
Supplemental retirement benefits		
Group life insurance payments		
Refunds of contributions to members	15,244,971	12,161,638
Total Expenditures	<u>15,244,971</u>	<u>12,161,638</u>

Interfund transfers according to
statutory requirements:

Contributions by members at retirement	(13,486,960)	(20,931,043)
Interest credited to members' accounts	13,235,510	11,793,063
Net Interfund Transfers	<u>(251,450)</u>	<u>(9,137,980)</u>
Net Change in Fund Balances	<u>47,547,512</u>	<u>35,322,130</u>
Fund balance at beginning of year	<u>346,354,084</u>	<u>311,031,954</u>
Fund balance at end of year	<u>\$393,901,596</u>	<u>\$346,354,084</u>

See notes to financial statements.

Employer Annuity
Accumulation Fund
Year Ended June 30,
1978 1977

Employer Group Life
Insurance Fund
Year Ended June 30,
1978 1977

\$ 39,187,659	\$ 34,382,443
34,016,658	31,407,688
10,160,700	9,672,264

\$1,688,838	\$1,512,942
1,481,426	1,369,769
486,593	432,229

6,397,326	5,674,104
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92,149,601	79,126,769
(957,732)	(957,732)

282,279	158,329
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<u>180,954,212</u>	<u>159,305,536</u>
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<u>3,939,136</u>	<u>3,473,269</u>
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58,456,468	50,320,254
6,397,326	5,674,104

2,502,441	2,431,210
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<u>64,853,794</u>	<u>55,994,358</u>
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<u>2,502,441</u>	<u>2,431,210</u>
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13,486,960	20,931,043
(13,235,510)	(11,793,063)

<u>251,450</u>	<u>9,137,980</u>
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<u>116,351,868</u>	<u>112,449,158</u>
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<u>1,436,695</u>	<u>1,042,059</u>
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<u>853,468,944</u>	<u>741,019,786</u>
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<u>5,507,431</u>	<u>4,465,372</u>
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<u>\$969,820,812</u>	<u>\$853,468,944</u>
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<u>\$6,944,126</u>	<u>\$5,507,431</u>
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NOTES TO FINANCIAL STATEMENTS
SOUTH CAROLINA RETIREMENT SYSTEM

AUTHORIZING LEGISLATION

The South Carolina Retirement System (System) was established pursuant to the provisions of Section 9-1-20 of the Code of Laws of South Carolina for the purpose of providing retirement allowances and other benefits for teachers and employees of the State and political subdivisions or agencies or departments thereof. The responsibility for the general supervision and management of the System is vested in the State Budget and Control Board.

Responsibility for the investment of all funds of the System is vested in the State Treasurer under the restrictions imposed by Section 11-9-660 of the State Code of Laws.

Funds to cover the costs of administration of the System are appropriated annually by the General Assembly. These costs are accounted for in another fund and are not reflected in the accounts of this System.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions from members and employers are recorded on the cash basis of accounting during the year. Contributions received during the calendar quarter ending September 30th, which apply to the calendar quarter ended June 30th, are reported as revenue for the year ended June 30th and as accounts receivable as of June 30th. The results from following this practice are the same as if these accounts were maintained on the accrual basis of accounting.

Income from investments is not recorded until collected. Retirement benefits and refunds to members are not recorded until paid.

Interest is credited annually at the rate of 4% per annum to members' accounts based upon balances in the accounts on June 30th of the preceding year by transferring the amounts earned from the employer annuity accumulation fund to the members' accounts in the employee annuity savings fund.

Prior to July 1, 1971 the System followed accounting practices which produced security carrying values in the investment portfolio which were in excess of the values as determined in conformity with acceptable methods of accounting for securities transactions, amortization of premiums and the accretion of discounts, and accrued interest receivable on securities purchased. The excess of security carrying values in the investment portfolio as determined according to the accounting practices followed by the System, and the values as determined using a deferred yield adjustment method of accounting, an acceptable method of accounting for gains and losses on bond exchanges applicable to public employee retirement systems, at July 1, 1971 was \$18,196,907. Effective July 1, 1971, the System adopted the method of amortizing the excess security carrying value of \$18,196,907 (deferred yield adjustment) through charges to current year

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SOUTH CAROLINA RETIREMENT SYSTEM

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

operations using the straight-line method over a twenty year period beginning July 1, 1971 (which twenty year period is less than the average life of the securities in the investment portfolio).

The System, for reporting purposes, currently values its investments at adjusted amortized cost, i.e. amortized cost plus unamortized deferred yield adjustments. The System amortizes bond premium and accretes bond discount for all securities acquired after July 1, 1971 using the straight-line method based on maturity dates. Accrued interest receivable on bonds purchased is charged against investment income when such interest is purchased.

The deferred yield adjustment method of accounting for bond exchanges prescribes when exchanges have taken place (bonds being replaced with similar bonds), the current operating statement should not show gains or losses from bond exchanges nor should the statement of assets available for retirement benefits disclose materially different carrying values for similar bonds. Under this method, the difference between the proceeds from the sale of a bond (which are reinvested in a similar bond) and the book value of the bond sold is not recorded as a gain or loss, but is recorded as an amount to be amortized over the future life of the bond exchanged or acquired, whichever is shorter, to offset the future interest income including accretion of any discount or amortization of any premium which results in the purchase of bonds to replace the bonds sold. Recognizing the long-term yield objectives of investing, the deferred yield adjustment method provides a more reasonable basis within a public employee retirement system to account for bond exchanges and accordingly, the use of this method provides financial information which more properly reflects the substance of the transactions.

Earnings on investments include income received on investments, plus accretion of bond discount, less amortization of bond premium, and the amortization of the deferred yield adjustment for bond exchanges since July 1, 1971.

Gains and losses arising from non-exchange bond transactions are not deferred, and are recognized as current year gains and losses.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SOUTH CAROLINA RETIREMENT SYSTEM

INVESTMENTS

Adjusted amortized cost of investments at June 30, 1978 and 1977 is computed as follows:

	June 30, 1978	June 30, 1977
Par value of securities	\$1,346,447,817	\$1,181,114,372
Add (deduct):		
Net unaccreted discount	(49,137,433)	(45,568,401)
Amortized cost of securities	<u>1,297,310,384</u>	<u>1,135,545,971</u>
Add unamortized deferred yield adjustments	<u>44,527,446</u>	<u>43,756,412</u>
	<u>\$1,341,837,830</u>	<u>\$1,179,302,383</u>

Contributions to and earnings of the System are expected to exceed retirement and withdrawal payments for an extended period of time. As a consequence of this cash flow, no provision is considered necessary for possible losses on disposal of securities in the investment portfolio because the System has the ability and intends to either hold the securities to maturity or exchange such securities and does not expect to realize any significant losses. Market value is one of the factors considered in the overall management of the portfolio which is governed primarily by specific statutory requirements. Independent investment counsel is retained to assist in the investment process.

UNFUNDED LIABILITY

According to the latest report issued by George B. Buck Consulting Actuaries, Inc. dated July 10, 1978, the accrued liability contribution for past service costs which was not covered by assets held by the System as of June 30, 1977 was \$408,089,380. Unfunded vested benefits are not calculated in the actuaries' report. Funding requirements are determined annually based on actuarial valuation.

INVESTMENTS
SOUTH CAROLINA RETIREMENT SYSTEM

JUNE 30, 1978	Par Value	Amortized Cost	Post July 1, 1971 Unamortized Deferred Yield Adjustment
U. S. Treasury Bills	\$ 116,870,000	\$ 114,551,730	
U. S. Government Agencies	151,792,455	150,671,862	\$ 225,582
State of South Carolina Institutions	13,116,000	13,116,000	
Corporate Industrials	482,050,058	478,938,073	3,143,958
Corporate Utilities	386,319,000	343,893,701	28,707,391
Corporate Rails	18,731,233	18,731,233	
Financial Institutions	62,600,000	62,438,714	
Insured Merchant Marine Bonds	114,969,071	114,969,071	
	<u>\$1,346,447,817</u>	<u>\$1,297,310,384</u>	<u>\$32,076,931</u>

JUNE 30, 1977	Par Value	Amortized Cost	Post July 1, 1971 Unamortized Deferred Yield Adjustment
U. S. Treasury Bills	\$ 78,645,000	\$ 78,069,135	
U. S. Government Agencies	103,951,098	103,406,442	\$ 242,764
State of South Carolina Institutions	14,000,000	14,000,000	
Corporate Industrials	480,374,916	475,941,937	4,270,602
Corporate Utilities	364,195,000	324,213,271	25,834,799
Corporate Rails	19,077,952	19,077,952	
Financial Institutions	23,600,000	23,566,828	
Insured Merchant Marine Bonds	97,270,406	97,270,406	
	<u>\$1,181,114,372</u>	<u>\$1,135,545,971</u>	<u>\$30,348,165</u>