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

## COLUMBIA, SOUTH CAROLINA

## FINANCIAL STATEMENTS

## JUNE 30, 2006

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# State of South Carolina

## Office of the State Auditor

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**COLUMBIA, S.C. 29201**

**RICHARD H. GILBERT, JR., CPA**
**DEPUTY STATE AUDITOR**

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August 30, 2006

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, 2006 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,

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

RHGjr/cwc

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

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CERTIFIED PUBLIC ACCOUNTANTS AND FINANCIAL ADVISORS

**INDEPENDENT AUDITOR'S REPORT**

Mr. Richard H. Gilbert, Jr., CPA,
Deputy 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, 2006, 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, 2006, and its changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2006, 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.

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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 & Lalan, PA

August 21, 2006



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# 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, 2006 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, 2005 to June 30, 2006 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 2006 | June 30, 2005 | Difference |
|---|---|---|---|
| Cash and Investments | $2,160,797,817 | $ 2,432,111,953 | $ (271,314,136) |
| Interest receivable | $ 5,238,231 | $ 4,374,483 | $ 863,748 |
| Total assets | $ 2,166,036,048 | $ 2,436,486,436 | $ (270,450,388) |
| Collateral for loaned securities | $ 191,135,742 | $ 566,374,027 | $ (375,238,285) |
| Accrued expenses | $ 816,844 | $ 1,552,900 | $ (736,056) |
| Total liabilities | $ 191,952,586 | $ 567,926,927 | $ (375,974,341) |
| Total net assets | $1,974,083,462 | $ 1,868,559,509 | $ 105,523,953 |

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, 2006. The decrease in Total Assets for this year compared to FY05 is due to a smaller number of securities out on loan. The market conditions that existed during the year reduced the demand for these securities.

The liabilities of the fund consist primarily of collateral held for loaned securities that are due back to the borrower under securities lending transactions. As discussed above, given the market environment that existed, this was greatly reduced from last fiscal year. 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.



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*Table 2: Summary Statement of Changes in Fiduciary Net Assets*

| | June 30, 2006 | June 30, 2005 | Differences |
|---|---|---|---|
| Investment Income | $ 81,367,274 | $ 47,757,729 | $ 33,609,545 |
| Expenses | $ (109,854) | $ (78,379) | $ (31,475) |
| Other additions and participant activity | $ 24,266,533 | $ (206,796,681) | $ 231,063,214 |
| Change in Net Assets | $ 105,523,953 | $ (159,117,331) | $ 264,641,284 |
| Net Assets – Beginning of Year | $ 1,868,559,509 | $ 2,027,676,840 | $ (159,117,331) |
| Net Assets – End of Year | $ 1,974,083,462 | $ 1,868,559,509 | $ 105,523,953 |

The average investment rate improved dramatically from 2.00% in FY05 to 4.19% for FY06. For this fiscal year, the Pool outperformed its benchmark, the 90 day Treasury Bills, which returned 4.14%. The pool earned $33,609,545 more than the prior fiscal year due to the improved interest rate environment and higher balances. During FY 06 there were more deposits to the pool than withdraws whereas, the reverse was the case in FY 05. The table below provides the investment return rates for the current and prior years by month.

| | FY 04-05 | FY 05-06 |
|---|---|---|
| July | 1.41 | 3.15 |
| August | 1.51 | 3.43 |
| September | 1.54 | 3.68 |
| October | 1.54 | 3.78 |
| November | 1.58 | 3.96 |
| December | 1.73 | 4.13 |
| January | 1.89 | 4.31 |
| February | 2.22 | 4.62 |
| March | 2.26 | 4.54 |
| April | 2.53 | 4.77 |
| May | 2.71 | 4.86 |
| June | 3.04 | 5.10 |
| ***Average*** | ***2.00*** | ***4.19*** |

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.



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At June 30, 2006 there were 519 participating accounts in the pool as compared to 509 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**.**



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

**STATEMENT OF FIDUCIARY NET ASSETS**
**JUNE 30, 2006**

| | |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 1,295,316,084 |
| Invested securities lending collateral | 191,135,742 |
| Accrued interest receivable | 5,238,231 |
| Investments, at fair value | 674,345,991 |
| Total assets | 2,166,036,048 |
| **LIABILITIES** | |
| Collateral for loaned securities | 191,135,742 |
| Other accrued liabilities | 816,844 |
| Total liabilities | 191,952,586 |
| **NET ASSETS** | |
| Restricted for pool participants' accounts | 1,964,615,714 |
| Restricted for pool participants - undistributed | 9,467,748 |
| Total net assets | $ 1,974,083,462 |

See accompanying Notes to Financial Statements.



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

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**
**YEAR ENDED JUNE 30, 2006**

| | |
|---|---|
| **ADDITIONS:** | |
| Investment income | $ 80,647,031 |
| Securities lending income | 12,769,359 |
| Less securities lending expense | (12,049,116) |
| Net securities lending income | 720,243 |
| Total revenue | 81,367,274 |
| **DEDUCTIONS:** | |
| Administrative expenses | 109,854 |
| Net increase in net assets resulting from operations | 81,257,420 |
| **DISTRIBUTIONS TO PARTICIPANTS** | (81,983,463) |
| **PARTICIPANTS TRANSACTIONS:** | |
| Deposits | 5,222,280,389 |
| Less withdrawals | (5,116,030,393) |
| Net increase in net assets resulting from participant transactions | 106,249,996 |
| Total increase in net assets | 105,523,953 |
| **NET ASSETS:** | |
| Beginning of year | 1,868,559,509 |
| End of year | $ 1,974,083,462 |

See accompanying Notes to Financial Statements.



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**SOUTH CAROLINA STATE TREASURER'S OFFICE**
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**NOTES TO FINANCIAL STATEMENTS**
**JUNE 30, 2006**

## 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. There is no regulatory oversight of the Pool. For purposes of separate fund financial statements, the Pool is treated as an external investment pool.

### Basis of Accounting and Measurement Focus

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

### Pool Accounting

The Pool accounts for assets held by a governmental unit in a trustee capacity as an agent for individuals, private organizations, other governmental units, or other funds. An external investment pool is used when an arrangement exits 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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**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**

Provisio 60.4 of the State's 2005-2006 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 shares in the pool are dollar denominated, therefore the number of shared sold and redeemed is equal to the dollars withdrawn. Monthly investment income is distributed to participants in the form of additional units in the pool and is calculated on the accrual basis of accounting, including accrued interest and amortization of premium or discount. Unrealized gains and losses on investments are not distributed to participants until realized, however they are recognized in the financial statements in accordance with generally accepted accounting principle requirements for fair value accounting of investments.

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



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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 | $ 1,295,316,084 | Deposits | $ 145,284 |
| Investments | 674,345,991 | Investments | 1,969,516,791 |
| Totals | $ 1,969,662,075 | | $ 1,969,662,075 |

### 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, 2006, 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 invests 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 three days and the average weighted maturity of investments made with cash collateral was eighteen days. At June 30, 2006, 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 and were insured by the Federal Deposit Insurance Corporation up to $100,000 or were fully collateralized with securities held by the State or its agent in the State Treasurer's name as custodian.

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

## Investments

Investments consists of the following as of June 30, 2006:

| Type of Investment | Fair Value | Maturity Dates | Interest Rates |
|---|---|---|---|
| **U.S. Government** | | | |
| U.S. Government Treasury Notes and Bonds | $ 19,806,200 | 11/30/2006 | 2.875% |
| U. S. Government Agency | 286,261,620 | 7/21/06 - 7/11/07 | 2.875% - 5.5% |
| **Corporate** | | | |
| Corporate Bonds | 136,215,343 | 8/1/06 - 4/10/07 | 2.45% - 5.75% |
| Corporate Asset Backed | 176,716,428 | 11/9/06 - 10/15/10 | 1.4% - 5.36% |
| **Short Term Investments** | | | |
| Commercial Paper | 22,639,900 | 7/11/06 -7/12/06 | 4.82% - 5.18% |
| U. S. Government Agency | 40,359,300 | 7/31/06 - 12/4/06 | 3.95% - 4.85% |
| Repurchase Agreements | 1,287,518,000 | 7/3/2006 | 5.27% |
| Total | $ 1,969,516,791 | | |

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, 2006, all of the Pools' investments were insured and registered**.**



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

**NOTES TO FINANCIAL STATEMENTS**
**JUNE 30, 2006**

The following tables presents the fair value of investments as of June 30, 2006 as reported by the custodian of the assets. The amounts will not agree with the investments shown on the table on page 10 or 11 primarily because the amounts reported below include accrued interest receivable.

| | |
|---|---|
| **Fixed Income** | |
| **U.S. Government** | |
| U.S. Government Treasury Notes and Bonds | $ 19,854,952 |
| U. S. Government Agency | 289,865,632 |
| **Corporate** | |
| Corporate Bonds | 137,921,791 |
| Corporate Asset Backed | 177,034,394 |
| **Short Term Investments** | |
| Commercial Paper | 22,639,814 |
| U. S. Government Agency | 40,359,300 |
| Repurchase Agreements | 1,288,083,435 |
| **Total Invested Assets** | $ 1,975,759,318 |

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.

| | Fair Value | Effective Duration |
|---|---|---|
| **U.S. Government** | | |
| U.S. Government Treasury Notes and Bonds | $ 19,854,952 | 0.41 |
| U. S. Government Agency | 289,865,632 | 0.62 |
| **Corporate** | | |
| Corporate Bonds | 137,921,791 | 0.42 |
| Corporate Asset Backed | 177,034,394 | 0.43 |
| **Short Term Investments** | | |
| Commercial Paper | 22,639,814 | 0.03 |
| U. S. Government Agency | 40,359,300 | 0.29 |
| Repurchase Agreements | 1,288,083,435 | 0 |
| **Total Invested Assets** | $ 1,975,759,318 | 0.17 |



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Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Pool. The investment policy for credit quality of debt securities states that securities must bear an investment grade rating from at least two of the national rating agencies. Credit quality of cash reserves must carry a rating of A1/P1/F1 or D1 from at least 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, 2006, the Pool's rated debt investments were rated by Standard & Poor's and are as follows:

| | | Quality Ratings (amounts expressed in thousands) | | | | |
|---|---|---|---|---|---|---|
| | Fair Value | AAA | AA | A | A-1 | Not Rated |
| **U.S. Government** | | | | | | |
| U.S. Government Treasury Notes and Bonds | $ 19,854,952 | | | | | |
| U. S. Government Agency | 289,865,632 | $ 224,316 | | | | |
| **Corporate** | | | | | | |
| Corporate Bonds | 137,921,791 | 47,922 | | $ 90,000 | | |
| Corporate Asset Backed | 177,034,394 | 149,848 | | | 27,187 | |
| **Short Term Investments** | | | | | | |
| Commercial Paper | 22,639,814 | | | | $ 22,640 | |
| U. S. Government Agency | 40,359,300 | | | | | |
| Repurchase Agreements | 1,288,083,435 | | | | 1,288,083 | |
| **Total Invested Assets** | $ 1,975,759,318 | $ 422,086 | $ - | $ 90,000 | $ 1,337,910 | $ - |

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pool's policy for reducing this risk states that "Except for United States Treasury and Agency obligations, the fixed income portfolio shall contain no more that 5% exposure to any single issuer." At June 30, 2006, the Pool had approximately 65% of its investments in an overnight repurchase agreement with Bank of America that was fully collateralized by United States Treasury and Agency obligations.

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2006, the Pool did not have any investments denominated in foreign currencies so this risk does not apply.



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## 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 $145,000 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:

The Pool reimbursed the State Treasurer's Office $96,214 for various expenses including banking and investment functions.

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



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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E02987 | TOWN OF PROSPERITY | $ 449,635 |
| E03951 | CITY OF SUMTER | 1,089,445 |
| E03977 | TOWN OF WINNSBORO | 641,571 |
| E04967 | CITY OF MYRTLE BEACH | 9,242,726 |
| E04983 | CITY OF AIKEN | 15,123,909 |
| E05972 | CITY OF NORTH CHARLESTON | 53,434,618 |
| E05980 | CITY OF CAYCE | 3,411 |
| E06954 | TOWN OF PELION | 798,133 |
| E06988 | CITY OF CAYCE | 7,857 |
| E07952 | CITY OF MYRTLE BEACH | 367,029 |
| E09982 | CITY OF NORTH MYRTLE BEACH | 6,853,754 |
| E11970 | CITY OF NORTH MYRTLE BEACH | 4,438,531 |
| E11988 | CITY OF NORTH MYRTLE BEACH | 4,380,689 |
| E12960 | TOWN OF EDGEFIELD | 594,184 |
| E13976 | TOWN OF PELION | 385,180 |
| E14958 | CITY OF GEORGETOWN | 8,451,904 |
| E14966 | CITY OF LAKE CITY | 263,302 |
| E14974 | TOWN OF SOUTH CONGAREE | 44,110 |
| E14982 | TOWN OF PINE RIDGE | 108,078 |
| E15955 | CITY OF SIMPSONVILLE | 10,331 |
| E15963 | JACKSON PUBLIC WORKS COMMISSION | 295,982 |
| E15989 | CITY OF SENECA | 1,229,785 |
| E16953 | CITY OF SENECA | 1,516,242 |
| E16979 | TOWN OF WINNSBORO | 13,197 |
| E17951 | TOWN OF NORTH | 38,020 |
| E17969 | RICHLAND SCHOOL DISTRICT TWO | 236,922 |
| E17985 | GRAND STRAND WATER AND SEWER AUTHORITY | 2,306,510 |
| E18959 | GRAND STRAND WATER AND SEWER AUTHORITY | 13,760,309 |
| E18975 | CITY OF ISLE OF PALMS | 1,649,975 |
| E19965 | CITY OF HANAHAN | 2,413,929 |
| E20955 | CITY OF HANAHAN | 1,104,584 |
| E20963 | AIKEN COUNTY TREASURER | 57,689 |
| E20971 | LOWER SAVANNAH | 11,392 |
| E21987 | TOWN OF WINNSBORO | 120,832 |
| E22969 | CITY OF GREENVILLE | 8,418,491 |
| E24957 | NEWBERRY COUNTY WATER AND SEWER AUTHORITY | 154,241 |
| E24965 | NEWBERRY COUNTY WATER AND SEWER AUTHORITY | 206,413 |
| E24985 | TOWN OF SULLIVAN'S ISLAND | 353,085 |
| E24991 | TOWN OF SALUDA | 207,265 |
| E24992 | CITY OF FLORENCE | 51,724 |
| E25013 | DORCHESTER COUNTY SCHOOL DISTRICT FOUR | 14,186,249 |
| E25016 | UPPER SAVANNAH | 650,551 |
| E25019 | TOWN OF TRENTON | 251,252 |
| E25021 | TOWN OF JOHNSTON | 43,881 |
| E25022 | CITY OF ORANGEBURG | 9,122,329 |
| E25023 | TOWN OF MCCORMICK | 236,350 |
| E25027 | CITY OF BAMBERG | 371,039 |
| E25029 | CITY OF BAMBERG | 3,645,005 |
| E25032 | AIKEN COUNTY CONSOLIDATED SCHOOL | 12,486,830 |



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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25033 | AIKEN COUNTY CONSOLIDATED SCHOOL | 9,390,200 |
| E25034 | AIKEN COUNTY CONSOLIDATED SCHOOL | 63,744 |
| E25045 | RICHLAND SCHOOL DISTRICT TWO | 1,769,204 |
| E25046 | GOOSE CREEK RECREATION | 232,601 |
| E25048 | ANDERSON SCHOOL DISTRICT TWO | 4,406,369 |
| E25049 | ANDERSON SCHOOL DISTRICT TWO | 8,169 |
| E25050 | SPARTANBURG SCHOOL DISTRICT SEVEN | 13,753,068 |
| E25053 | SPARTANBURG SCHOOL DISTRICT SIX | 2,662,949 |
| E25056 | DORCHESTER COUNTY TREASURER | 12,024,754 |
| E25059 | DORCHESTER COUNTY TREASURER | 1,333,745 |
| E25061 | DORCHESTER COUNTY TREASURER | 966,082 |
| E25064 | DORCHESTER COUNTY TREASURER | 57,258,095 |
| E25069 | CITY OF ISLE OF PALMS | 1,646,030 |
| E25071 | CITY OF NEWBERRY | 935,616 |
| E25072 | CITY OF NEWBERRY | 364,286 |
| E25077 | UNION COUNTY SCHOOLS | 4,591,293 |
| E25078 | TOWN OF JOHNSTON | 1,580 |
| E25086 | CITY OF ABBEVILLE | 2,524 |
| E25087 | CITY OF ABBEVILLE | 349,562 |
| E25090 | UPPER SAVANNAH COG | 80,292 |
| E25096 | DARLINGTON COUNTY TREASURER | 42,993,304 |
| E25099 | OCONEE COUNTY SCHOOL DISTRICT | 12,429,909 |
| E25102 | OCONEE COUNTY SCHOOL DISTRICT | 1,022,184 |
| E25104 | UNION COUNTY SCHOOLS | 53,700 |
| E25105 | CHARLESTON COUNTY SCHOOL DISTRICT | 117,781 |
| E25107 | CITY OF BISHOPVILLE | 785,731 |
| E25109 | CITY OF BISHOPVILLE | 1,664,957 |
| E25110 | GREENVILLE WATER SYSTEM | 27,387,357 |
| E25111 | GREENVILLE WATER SYSTEM | 9,320,527 |
| E25112 | TOWN OF RIDGE SPRING | 11,214 |
| E25113 | GREENVILLE WATER SYSTEM | 1,123,819 |
| E25117 | CHARLESTON COUNTY SCHOOL DISTRICT | 16,546,605 |
| E25118 | TOWN OF RIDGE SPRING | 4,056 |
| E25120 | TOWN OF SALUDA FIRE | 55,962 |
| E25122 | CITY OF NORTH AUGUSTA | 172,433 |
| E25123 | CITY OF NORTH AUGUSTA | 607,855 |
| E25129 | TOWN OF WALHALLA | 128,136 |
| E25135 | TOWN OF RIDGE SPRING | 12,665 |
| E25136 | CHARLESTON COUNTY TREASURER | 8,100,447 |
| E25139 | CATAWBA REG. PLANNING COUNCIL OF GOVERNMENTS | 389,466 |
| E25142 | FAIRFIELD COUNTY TREASURER | 5,996,904 |
| E25146 | CITY OF SUMTER | 1,056,722 |
| E25150 | CITY OF CONWAY | 3,182,173 |
| E25157 | CITY OF CONWAY | 97,950 |
| E25159 | CITY OF CONWAY | 89,859 |
| E25163 | NEWBERRY COUNTY TREASURER | 575,129 |
| E25165 | NEWBERRY COUNTY TREASURER | 120,708 |
| E25166 | NEWBERRY COUNTY TREASURER | 3,153,908 |
| E25168 | CITY OF ROCK HILL | 10,528,172 |



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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25173 | TOWN OF EDGEFIELD | 406,424 |
| E25174 | SPARTANBURG SCHOOL DISTRICT FOUR | 3,330,484 |
| E25175 | SPARTANBURG SCHOOL DISTRICT FOUR | 3,495 |
| E25178 | DORCHESTER SCHOOL DISTRICT TWO | 16,307,482 |
| E25179 | DORCHESTER SCHOOL DISTRICT TWO | 689,489 |
| E25182 | MOUNT PLEASANT WATERWORK & SEWER COMMISSION | 12,963,347 |
| E25184 | TOWN OF SUMMERVILLE | 11,053,106 |
| E25185 | TOWN OF RIDGE SPRING | 28,748 |
| E25186 | CITY OF CHESTER | 1,066,499 |
| E25187 | CITY OF CHESTER | 151,360 |
| E25190 | CITY OF CHESTER | 54,163 |
| E25194 | CITY OF LANCASTER | 4,099,376 |
| E25205 | CENTRAL MIDLANDS | 11,312 |
| E25209 | CITY OF FLORENCE | 78,345 |
| E25211 | CITY OF FLORENCE | 6,790 |
| E25213 | CITY OF FLORENCE | 29,870 |
| E25214 | CITY OF FLORENCE | 229,636 |
| E25215 | CITY OF FLORENCE | 60,041 |
| E25217 | CITY OF FLORENCE | 141,655 |
| E25229 | LEXINGTON COUNTY SCHOOL DISTRICT #5 | 20,191,975 |
| E25233 | TOWN OF WOODRUFF | 1,023,715 |
| E25239 | MOUNT PLEASANT WATERWORK & SEWER COMMISSION | 2,780,593 |
| E25240 | MOUNT PLEASANT WATERWORK & SEWER COMMISSION | 6,562,530 |
| E25241 | CHARLESTON COUNTY SCHOOL DISTRICT | 151,916 |
| E25245 | SPARTANBURG SCHOOL DISTRICT FOUR | 4,988,678 |
| E25249 | TOWN OF PELION | 18,092 |
| E25250 | TOWN OF PELION | 204,339 |
| E25255 | TOWN OF RICHBURG | 98,163 |
| E25259 | TOWN OF WINNSBORO | 1,136,465 |
| E25261 | S.C. APPALACHIAN | 575,147 |
| E25264 | TOWN OF WINNSBORO | 542,264 |
| E25265 | CITY OF CHARLESTON HOUSING AUTHORITY | 983,513 |
| E25267 | CITY OF CHARLESTON HOUSING AUTHORITY | 472,044 |
| E25272 | AIKEN COUNTY TREASURER | 3,623 |
| E25277 | LEXINGTON COUNTY SCHOOL DISTRICT #5 | 22,747 |
| E25283 | SUMTER COUNTY COUNCIL | 3,945,037 |
| E25306 | TOWN OF LEXINGTON | 15,605,167 |
| E25307 | CHESTERFIELD COUNTY SCHOOL DISTRICT | 5,514,171 |
| E25313 | CITY OF SUMTER | 5,442 |
| E25326 | TOWN OF WINNSBORO | 1,160,444 |
| E25329 | SPARTANBURG WATER SYSTEM | 421,170 |
| E25330 | SPARTANBURG WATER SYSTEM | 270,003 |
| E25335 | CITY OF CLEMSON | 911,792 |
| E25343 | TOWN OF JACKSON | 4,071 |
| E25346 | RICHLAND COUNTY | 55,843,292 |
| E25349 | TOWN OF JACKSON | 349,923 |
| E25360 | JACKSON PUBLIC WORKS COMMISSION | 289,790 |
| E25362 | CITY OF FOREST ACRES | 2,070,864 |
| E25366 | CITY OF FLORENCE | 1,623 |



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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25369 | UPPER SAVANNAH COUNCIL OF GOVERNMENTS | 331,703 |
| E25370 | TOWN OF SUMMERVILLE | 183,526 |
| E25377 | TOWN OF IRMO | 559,809 |
| E25378 | TOWN OF IRMO | 3,233,604 |
| E25379 | NEWBERRY COUNTY TREASURER | 461,937 |
| E25382 | CATAWBA REG. PLANNING COUNCIL OF GOVERNMENTS | 628,104 |
| E25387 | TOWN OF BLYTHEWOOD | 249,681 |
| E25391 | TOWN OF WINNSBORO | 615,122 |
| E25395 | CITY OF ORANGEBURG | 169,103 |
| E25407 | GREENVILLE COUNTY TREASURER | 44,840,072 |
| E25408 | PARKER SEWER & FIRE SUBDISTRICT | 2,604,833 |
| E25413 | TOWN OF IRMO | 59,727 |
| E25414 | LOWCOUNTRY COUNCIL OF GOVERNMENTS | 227,495 |
| E25420 | CITY OF CHESTER | 25,757 |
| E25421 | NEWBERRY COUNTY WATER & SEWER AUTHORITY | 214,542 |
| E25431 | FLORENCE SCHOOL DISTRICT #3 | 5,436,639 |
| E25434 | CITY OF CHESTER | 30,572 |
| E25436 | LOWCOUNTRY COUNCIL OF GOVERNMENTS | 261,026 |
| E25438 | TOWN OF SULLIVAN'S ISLAND | 32,238 |
| E25440 | YORK COUNTY TREASURER | 189,073,801 |
| E25443 | OCONEE COUNTY SCHOOL DISTRICT | 287,975 |
| E25451 | CITY OF ABBEVILLE | 16,347 |
| E25454 | COMM OF PUB WKS OF CITY OF ISLE OF PALMS | 458,098 |
| E25455 | CITY OF UNION | 202,283 |
| E25460 | CITY OF TEGA CAY | 26,828 |
| E25463 | LEXINGTON COUNTY SCHOOL DISTRICT #4 | 4,326,522 |
| E25464 | CITY OF GREENWOOD | 756,547 |
| E25466 | TOWN OF SULLIVAN'S ISLAND | 17,026 |
| E25471 | UNION COUNTY TREASURER | 1,069,327 |
| E25474 | UNION COUNTY TREASURER | 352,950 |
| E25475 | UNION COUNTY TREASURER | 89,556 |
| E25483 | CLARENDON COUNTY SCHOOL DISTRICT #3 | 314,106 |
| E25484 | SPARTANBURG SCHOOL DISTRICT #3 | 2,852 |
| E25487 | METROPOLITAN SEWER SUBDISTRICT | 821,372 |
| E25490 | TOWN OF SOUTH CONGAREE | 5,714 |
| E25491 | TOWN OF SOUTH CONGAREE | 10,306 |
| E25493 | TOWN OF EDGEFIELD | 65,055 |
| E25494 | TOWN OF EDGEFIELD | 255,703 |
| E25495 | TOWN OF EDGEFIELD | 236,836 |
| E25501 | TOWN OF SEABROOK ISLAND | 982,715 |
| E25502 | SPARTANBURG SANITARY SEWER DISTRICT | 4,072,670 |
| E25508 | ORANGEBURG COUNTY SCHOOL DISTRICT #4 | 1,834,364 |
| E25509 | CITY OF ABBEVILLE | 2,814 |
| E25515 | CITY OF SPARTANBURG | 132,599 |
| E25520 | CITY OF ABBEVILLE | 41,407 |
| E25521 | ST. ANDREWS PUBLIC SERVICE DISTRICT | 2,089,473 |
| E25529 | TOWN OF WINNSBORO | 402,719 |
| E25530 | TOWN OF WINNSBORO | 172,099 |
| E25532 | CHESTER METROPOLITAN DISTRICT | 1,421,290 |



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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25533 | CHESTER SEWER DISTRICT | 1,141,569 |
| E25536 | KERSHAW COUNTY MEDICAL CENTER | 8,502,444 |
| E25539 | GREENWOOD COUNTY TREASURER | 19,903 |
| E25545 | MT. PLEASANT WATER & SEWER COMMISSION | 2,102 |
| E25546 | MT. PLEASANT WATER & SEWER COMMISSION | 1,449,430 |
| E25548 | MT. PLEASANT WATER & SEWER | 231,610 |
| E25555 | CLARENDON COUNTY TREASURER | 32,476 |
| E25556 | CITY OF LANCASTER | 1,038,554 |
| E25558 | LEXINGTON COUNTY SCHOOL DISTRICT #2 | 7,147,134 |
| E25559 | OCONEE COUNTY SCHOOL DISTRICT | 4,311,976 |
| E25562 | LEXINGTON COUNTY TREASURER | 25,923,535 |
| E25565 | LEXINGTON COUNTY SCHOOL DISTRICT #1 | 4,265,171 |
| E25566 | COMM OF PUB WKS OF CITY OF ISLE OF PALMS | 194,712 |
| E25569 | SCHOOL DISTRICT OF GREENVILLE COUNTY | 90,642,477 |
| E25570 | LEXINGTON COUNTY SCHOOL DISTRICT #3 | 3,024,071 |
| E25574 | TOWN OF SULLIVAN'S ISLAND | 2,667 |
| E25575 | CHARLESTON COUNTY TREASURER | 15,600,229 |
| E25581 | BERKELEY CHARLESTON DORCHESTER COG | 774,142 |
| E25582 | BERKELEY CHARLESTON DORCHESTER COG | 940,445 |
| E25584 | CITY OF GREENWOOD | 1,479,055 |
| E25585 | CITY OF GREENWOOD | 134,884 |
| E25591 | MT. PLEASANT WATER & SEWER COMMISSION | 3,759 |
| E25594 | ANDERSON COUNTY | 899,423 |
| E25595 | McCORMICK COMMISSIONERS OF PUBLIC WORKS | 295,604 |
| E25597 | McCORMICK COMMISSIONERS OF PUBLIC WORKS | 28,890 |
| E25600 | MOUNT PLEASANT WATERWORKS & SEWER | 1,665 |
| E25602 | CITY OF BEAUFORT | 1,214,010 |
| E25605 | TOWN OF JOHNSTON | 36,869 |
| E25607 | YORK COUNTY TREASURER | 11,273,512 |
| E25610 | BEAUFORT COUNTY TREASURER | 6,787,273 |
| E25613 | LEXINGTON COUNTY TREASURER | 259,574 |
| E25614 | LEXINGTON COUNTY TREASURER | 3,401,615 |
| E25617 | LEXINGTON COUNTY TREASURER | 11,087,295 |
| E25619 | CITY OF NORTH AUGUSTA | 724,091 |
| E25620 | CITY OF NORTH AUGUSTA | 2,862,077 |
| E25622 | TOWN OF SULLIVAN'S ISLAND | 149,531 |
| E25623 | FAIRFIELD COUNTY TREASURER | 1,764,512 |
| E25624 | FAIRFIELD COUNTY TREASURER | 243,389 |
| E25630 | TOWN OF CLOVER | 279,434 |
| E25631 | TOWN OF CLOVER | 14,173 |
| E25632 | TOWN OF CLOVER | 48,412 |
| E25633 | TOWN OF CLOVER | 28,461 |
| E25635 | TOWN OF CLOVER | 16,426 |
| E25636 | TOWN OF CLOVER | 24,759 |
| E25638 | TOWN OF SPRINGDALE | 2,721 |
| E25639 | TOWN OF RIDGE SPRING | 14,785 |
| E25640 | NEWBERRY COUNTY TREASURER | 3,233,187 |
| E25641 | NEWBERRY COUNTY TREASURER | 6,577,478 |
| E25643 | FAIRFIELD COUNTY TREASURER | 8,651 |



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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25647 | SUMTER COUNTY COUNCIL | 547,423 |
| E25650 | CITY OF ISLE OF PALMS | 143,231 |
| E25651 | SEABROOK ISLAND WATER & SEWER COMMISSION | 3,371,915 |
| E25654 | UNION COUNTY TREASURER | 308,317 |
| E25659 | SUMTER COUNTY COUNCIL | 218,531 |
| E25661 | LEXINGTON COUNTY SCHOOL DISTRICT #5 | 1,873 |
| E25664 | EDGEFIELD COUNTY SCHOOL DISTRICT | 5,094,345 |
| E25666 | ST. PAUL'S FIRE DISTRICT | 311,524 |
| E25667 | MYRTLE BEACH AIR FORCE BASE REDEVELOPMENT AUTHORITY | 4,380,545 |
| E25668 | CITY OF GREENWOOD | 42,418 |
| E25669 | CITY OF CAMDEN | 510,359 |
| E25670 | TOWN OF CLOVER | 145,507 |
| E25674 | LEXINGTON COUNTY SCHOOL DISTRICT #4 | 5,529 |
| E25676 | CITY OF HANAHAN | 434,969 |
| E25681 | CHESTER METROPOLITAN DISTRICT | 3,544 |
| E25682 | CITY OF HANAHAN | 1,409,799 |
| E25684 | TOWN OF CORDOVA | 121,430 |
| E25788 | TOWN OF TRENTON | 19,693 |
| E25789 | TOWN OF TRENTON | 10,963 |
| E25790 | LANCASTER COUNTY SCHOOL DISTRICT | 14,896,220 |
| E25793 | CLARENDON COUNTY TREASURER | 119,111 |
| E25796 | CITY OF UNION | 20,089 |
| E25797 | DSFR-CITY OF BAMBERG | 73,682 |
| E25798 | CITY OF GEORGETOWN | 4,210,569 |
| E25799 | CITY OF GEORGETOWN | 2,024,540 |
| E25800 | DSFR-CITY OF GOOSE CREEK | 79,310 |
| E25803 | TOWN OF JOHNSTON | 42,840 |
| E25806 | TOWN OF EDISTO BEACH | 794,939 |
| E25807 | TOWN OF EDISTO BEACH | 300,728 |
| E25808 | TOWN OF EDISTO BEACH | 252,736 |
| E25809 | TOWN OF EDISTO BEACH | 81,613 |
| E25810 | TOWN OF EDISTO BEACH | 678,374 |
| E25811 | TOWN OF EDISTO BEACH | 10,748 |
| E25813 | CITY OF CLINTON | 5,194 |
| E25814 | EDGEFIELD COUNTY TREASURER | 6,627,941 |
| E25816 | SPARTANBURG SCHOOL DISTRICT #4 | 444,203 |
| E25817 | CITY OF YORK | 12,096 |
| E25818 | CITY OF YORK | 8,678 |
| E25819 | CITY OF LANCASTER | 208,019 |
| E25820 | CITY OF LANCASTER | 208,019 |
| E25822 | CITY OF BAMBERG | 40,925 |
| E25826 | TOWN OF PROSPERITY | 25,274 |
| E25828 | DSRF-PIONEER RURAL WATER DISTRICT | 103,545 |
| E25829 | SUMTER SCHOOL DISTRICT 17 | 7,499,730 |
| E25830 | SUMTER SCHOOL DISTRICT 17 | 56,527 |
| E25831 | SUMTER SCHOOL DISTRICT 17 | 2,210,374 |
| E25832 | TOWN OF SURFSIDE BEACH | 2,754,660 |
| E25833 | TOWN OF SURFSIDE BEACH | 262,120 |
| E25834 | TOWN OF SURFSIDE BEACH | 881,717 |



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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25838 | SUMTER COUNTY COUNCIL | 1,220,226 |
| E25840 | CITY OF CAMDEN | 604,720 |
| E25841 | TOWN OF JOHNSTON | 1,731 |
| E25842 | TOWN OF JOHNSTON | 6,611 |
| E25843 | CITY OF ISLE OF PALMS | 1,100,460 |
| E25844 | RICHLAND SCHOOL DISTRICT #2 | 24,020,786 |
| E25845 | EDGEFIELD COUNTY SCHOOL DISTRICT | 550,608 |
| E25848 | RICHLAND SCHOOL DISTRICT TWO | 41,374,681 |
| E25851 | CITY OF CLINTON | 817,722 |
| E25853 | DSFR-CHESTER SEWER DISTRICT | 83,909 |
| E25854 | TOWN OF SURFSIDE BEACH | 724,528 |
| E25857 | WADE HAMPTON | 975,840 |
| E25861 | R.D. ANDERSON APPLIED TECHNOLOGY CENTER | 901,118 |
| E25862 | FLORENCE COUNTY TREASURER | 130,033 |
| E25863 | CITY OF LANCASTER | 431,636 |
| E25864 | CITY OF LANCASTER | 480,791 |
| E25865 | FLORENCE COUNTY SCHOOL DISTRICT #2 | 680,496 |
| E25866 | FLORENCE COUNTY SCHOOL DISTRICT #4 | 511,868 |
| E25867 | FLORENCE COUNTY SCHOOL DISTRICT #5 | 2,561,997 |
| E25869 | FLORENCE COUNTY SCHOOL DISTRICT #1 | 33,005,287 |
| E25870 | CLARENDON COUNTY TREASURER | 437,850 |
| E25871 | RICHLAND COUNTY TREASURER | 51,818,095 |
| E25872 | TOWN OF ARCADIA LAKES | 256,197 |
| E25874 | SPARTANBURG SCHOOL DISTRICT #3 | 2,822 |
| E25875 | TOWN OF EDISTO BEACH | 271,649 |
| E25877 | LAURENS COUNTY TREASURER | 3,244,138 |
| E25878 | CITY OF GEORGETOWN | 27,547 |
| E25881 | CITY OF GREENWOOD | 67,466 |
| E25883 | TOWN OF EDISTO BEACH | 374,619 |
| E25889 | WESTERN PIEDMONT | 158,909 |
| E25891 | Clarendon County Treasurer | 669,866 |
| E25892 | SPARTANBURG COUNTY S/D 4 | 3,634 |
| E25893 | SUMTER COUNTY COUNCIL | 2,751 |
| E25897 | YORK COUNTY TREASURER | 3,428,030 |
| E25898 | CITY OF SUMTER | 60,728 |
| E25899 | TOWN OF SURFSIDE BEACH | 621,546 |
| E25902 | TOWN OF CLOVER | 4,843 |
| E25915 | DILLON COUNTY BOARD OF EDUCATION | 641,679 |
| E25918 | CITY OF CLINTON | 10,339 |
| E25919 | CITY OF WESTMINSTER | 265,289 |
| E25921 | TAYLORS FIRE & SEWER DISTRICT | 679,205 |
| E25925 | DSRF-CITY OF SPARTANBURG | 74,895 |
| E25926 | FORT MILL SCHOOL DISTRICT 4 | 669,576 |
| E25927 | CHESTER COUNTY TREASURER | 3,539,338 |
| E25928 | CHESTER COUNTY TREASURER | 3,573 |
| E25929 | CHESTER COUNTY TREASURER | 1,332,964 |
| E25936 | DSRF - TOWN OF LATTA | 29,605 |
| E25937 | YORK COUNTY SCHOOL DISTRICT 1 | 10,436,328 |
| E25939 | CITY OF GREENWOOD | 399,635 |



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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E25941 | SCHOOL DISTRICT OF GREENVILLE COUNTY | 59,840,497 |
| E25942 | CHESTER COUNTY TREASURER | 1,792,418 |
| E25946 | ROCK HILL S/D 3 OF YORK COUNTY | 11,562,783 |
| E25947 | CITY OF NORTH AUGUSTA | 829,148 |
| E25948 | CITY OF NORTH AUGUSTA | 1,693,301 |
| E25951 | MYRTLE BEACH AIR FORCE REDEVELOPMENT AUTHORITY | 823,175 |
| E25952 | DSRF - CITY OF BELTON | 23,408 |
| E25953 | MT. PLEASANT WATERWORKS | 571,501 |
| E25954 | CHARLESTON CO. SCHOOL DISTRICT | 254,564 |
| E25958 | GREENWOOD COUNTY TREASURER | 378,111 |
| E25962 | PIONEER RURAL WATER DISTRICT | 216,663 |
| E25963 | PIONEER RURAL WATER DISTRICT | 170,716 |
| E25964 | PIONEER RURAL WATER DISTRICT | 67,311 |
| E25965 | PIONEER RURAL WATER DISTRICT | 171,078 |
| E25966 | YORK COUNTY TREASURER | 8,327,381 |
| E25968 | TOWN OF PORT ROYAL | 309,638 |
| E25970 | BAMBERG SCHOOL DISTRICT ONE | 118,325 |
| E25971 | LANCASTER CO. NATURAL GAS AUTHORITY | 2,238,789 |
| E25972 | LANCASTER CO. NATURAL GAS AUTHORITY | 1,856,664 |
| E25973 | CITY OF SUMTER | 136,864 |
| E25976 | TOWN OF SALUDA | 2,144 |
| E25979 | CITY OF MAULDIN | 847,930 |
| E25981 | TOWN OF SULLIVAN'S ISLAND | 119,240 |
| E25983 | TOWN OF KIAWAH ISLAND | 57,032 |
| E25984 | TOWN OF KIAWAH ISLAND | 577,103 |
| E25985 | TOWN OF KIAWAH ISLAND | 168,068 |
| E25989 | TOWN OF KIAWAH ISLAND | 196,337 |
| E25990 | FAIRFIELD COUNTY TREASURER | 115,904 |
| E25991 | TAYLORS FIRE AND SEWER DISTRICT | 490,752 |
| E25993 | SUMTER SCHOOL DISTRICT 17 | 473,349 |
| E25996 | LANCASTER COUNTY TREASURER | 44,488 |
| E25997 | LEXINGTON COUNTY S/D 5 | 288,777 |
| E25999 | DSRF-BELTON-HONEA PATH | 31,202 |
| E26002 | CHARLESTON COUNTY TREASURER | 4,505,461 |
| E26003 | LANCASTER COUNTY NATURAL GAS AUTHORITY | 108,874 |
| E26004 | DSRF - TOWN OF JACKSON | 73,628 |
| E26009 | SPARTANBURG CO. SCHOOL DISTRICT FOUR | 34,878 |
| E26010 | DSRF - CITY OF TRAVELERS REST | 16,243 |
| E26014 | CHESTERFIELD COUNTY SCHOOL DISTRICT | 2,974,857 |
| E26016 | TOWN OF LEXINGTON | 490,924 |
| E26024 | CHESTER COUNTY SCHOOL DISTRICT | 1,624,446 |
| E26025 | CITY OF ISLE OF PALMS | 258,363 |
| E26026 | CITY OF SPARTANBURG | 78,043 |
| E26028 | GREENVILLE COUNTY SCHOOL DISTRICT | 4,246,930 |
| E26030 | GREENVILLE WATER SYSTEM | 1,293,254 |
| E26031 | LAKE MARION REGIONAL WATER AGENCY | 4,978,116 |
| E26032 | ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE | 17,913,828 |
| E26034 | CLOVER SCHOOL DISTRICT TWO | 10,843,267 |
| E26036 | TOWN OF DUNCAN | 217,253 |



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

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E26038 | GREENVILLE HOSPITAL SYSTEM | 26,193,815 |
| E26042 | CITY OF MYRTLE BEACH | 328,775 |
| E26043 | CHESTER COUNTY SCHOOL DISTRICT | 30,906 |
| E26045 | RICHLAND COUNTY TREASURER | 7,448,507 |
| E26046 | CITY OF NORTH AUGUSTA | 4,547,924 |
| E26047 | CITY OF NORTH AUGUSTA | 2,964,513 |
| E26048 | CITY OF NORTH AUGUSTA | 630,851 |
| E26050 | MT. PLEASANT WATERWORKS | 1,170,156 |
| E26051 | RIVERBANKS PARK COMMISISON | 473,438 |
| E26059 | ORANGEBURG COUNTY SCHOOL DISTRICT THREE | 9,534,206 |
| E26062 | SUMTER COUNTY SCHOOL DISTRICT TWO | 10,266,647 |
| E26064 | UPPER SAVANNAH COUNCIL GOVERNMENTS | 748,519 |
| E26065 | YORK COUNTY TREASURER | 10,773,807 |
| E26071 | ST. ANDREWS PUBLIC SERVICE DISTRICT COMMISSION | 1,109,056 |
| E26073 | GREENVILLE COUNTY SCHOOL DISTRICT BEST 2002 SE | 55,291,616 |
| E26074 | BEAUFORT COUNTY TREASURER | 234,532 |
| E26075 | GREENVILLE WATER SYSTEM | 1,113,804 |
| E26080 | YORK SCHOOL DISTRICT #1 | 55,294 |
| E26081 | CITY OF MAULDIN | 5,463,780 |
| E26082 | CHESTER COUNTY SCHOOL DISTRICT | 366,522 |
| E26083 | CHESTER COUNTY SCHOOL DISTRICT | 5,134,886 |
| E26085 | RIVERBANKS ZOO & GARDEN | 79,737 |
| E26086 | GREENVILLE COUNTY SCHOOL DISTRICT | 44,810,444 |
| E26087 | LEXINGTON CO. JOINT MUNI. WATER & SERWER COMM. | 1,022 |
| E26088 | LEXINGTON CO. JOINT MUNI. WATER & SEWER COMM. | 1,053 |
| E26090 | LEXINGTON CO. JOINT MUNI. WATER & SEWER COMM. | 1,407,385 |
| E26091 | TOWN OF MCCORMICK | 215,587 |
| E26092 | TOWN OF MCCORMICK | 215,587 |
| E26093 | TOWN OF MCCORMICK | 53,897 |
| E26094 | TOWN OF MCCORMICK | 133,243 |
| E26097 | CITY OF GREENVILLE | 1,301,975 |
| E26100 | CITY OF ISLE OF PALMS | 257,228 |
| E26101 | CITY OF GEORGETOWN | 2,094,457 |
| E26102 | TOWN OF BLYTHEWOOD | 561,464 |
| E26103 | TOWN OF BLYTHEWOOD | 59,491 |
| E26104 | TOWN OF BLYTHEWOOD | 494,436 |
| E26108 | CITY OF SUMTER | 248,217 |
| E26109 | CITY OF HANAHAN | 319,057 |
| E26110 | GREENVILLE CO. SCHOOL DISTRICT | 10,728,682 |
| E26112 | CITY OF WOODRUFF | 25,036 |
| E26120 | CITY OF NORTH CHARLESTON | 1,747,632 |
| E26121 | LEXINGTON COUNTY TREASURER | 3,203,496 |
| E26123 | CITY OF NORTH CHARLESTON | 10,912,549 |
| E26124 | FAIRFIELD COUNTY TREASURER | 2,763,262 |
| E26126 | CHARLESTON CO. SCHOOL DISTRICT | 38,967 |
| E26128 | CITY OF FOUNTAIN INN | 456,474 |
| E26129 | CITY OF FOUNTAIN INN | 146,536 |
| E26130 | TOWN OF SURFSIDE BEACH | 843,840 |
| E26131 | LANCASTER COUNTY | 270,989 |



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**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E26132 | GREENVILLE HOSITAL SYSTEM | 275,180 |
| E26134 | LEXINGTON COUNTY TREASURER | 87,034 |
| E26137 | MUNCIPAL ASSOCIATION OF SC | 3,205 |
| E26138 | MUNCIPAL ASSOCIATION OF SC | 3,119 |
| E26139 | MUNCIPAL ASSOCIATION OF SC | 4,452 |
| E26140 | CITY OF BENNETTSVILLE | 50,337 |
| E26141 | CITY OF BENNETTSVILLE | 74,665 |
| E26142 | CITY OF ISLE OF PALMS | 1,106,563 |
| E26143 | CITY OF GEORGETOWN | 770,103 |
| E26144 | YORK COUNTY TREASURER | 361,803 |
| E26145 | ST. JOHN'S FIRE DISTRICT | 1,472,714 |
| E26146 | CATAWBA REGIONAL PLANNING COUNCIL OF GOVERNMENT | 42,353 |
| E26147 | LEXINGTON COUNTY HEALTH SERVICES DISTRICT INC | 1,059,438 |
| E26149 | CITY OF ABBEVILLE | 2,142 |
| E26152 | GREENVILLE COUNTY SCHOOL DISTRICT | 3,133,132 |
| E26153 | CHARLESTON COUNTY S/D | 229,139 |
| E26154 | CITY OF FOREST ACRES | 329,019 |
| E26156 | GREENVILLE COUNTY SCHOOLS | 299,515 |
| E26158 | CITY OF MYRTLE BEACH | 634,401 |
| E26159 | CITY OF NEW ELLENTON | 451,211 |
| E26160 | YORK COUNTY TREASURER | 36,006,205 |
| E26161 | TOWN OF LOWRYS | 104,836 |
| E26163 | CITY OF MYRTLE BEACH | 375,128 |
| E26164 | GREENVILLE WATER SYSTEM | 2,562,577 |
| E26165 | DARLINGTON COUNTY SCHOOL DISTRICT | 3,138,162 |
| E26166 | LAURENS COUNTY WATER & SEWER | 656,457 |
| E26167 | GOOSE CREEK RECREATION | 263,152 |
| E26168 | CITY OF ROCK HILL | 2,727,237 |
| E26169 | CITY OF ROCK HILL | 653,776 |
| E26170 | TOWN OF TRENTON | 1,493 |
| E26172 | TOWN OF LYMAN | 292,504 |
| E26173 | TOWN OF LYMAN | 823,103 |
| E26174 | OLDE ENGLISH CONSORTIUM | 58,098 |
| E26179 | YORK COUNTY TREASURER | 11,297,683 |
| E26182 | CITY OF NORTH AUGUSTA | 1,454,239 |
| E26183 | CITY OF NORTH AUGUSTA | 626,398 |
| E26184 | SUMTER COUNTY COUNCIL | 3,709,043 |
| E26185 | NEWBERRY COUNTY TREASURER | 188,445 |
| E26187 | LEXINGTON COUNTY TREASURER | 1,613,430 |
| E26188 | SUMTER COUNTY COUNCIL | 1,878,237 |
| E26190 | CITY OF SUMTER | 606,570 |
| E26192 | CITY OF HANAHAN | 997,450 |
| E26193 | NEWBERRY COUNTY TREASURER | 2,020,786 |
| E26194 | SPARTANBURG SANITARY SEWER DISTRICT | 10,375,548 |
| E26195 | CHARLESTON COUNTY SCHOOL DISTRICT | 4,736,801 |
| E26196 | CITY OF ABBEVILLE | 59,185 |
| E26198 | CITY OF SPARTANBURG | 426,388 |
| E26199 | LEXINGTON COUNTY S/D #1 | 51,366,089 |
| E26200 | GREENWOOD COUNTY TREASURER | 7,281,099 |



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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS**
**JUNE 30, 2006**

| ACCOUNT NUMBER | ACCOUNT NAME | BALANCE |
|---|---|---|
| E26203 | CITY OF SUMTER | 1,490,046 |
| E26204 | CHESTER COUNTY TREASURER | 103,856 |
| E26205 | ELEVENTH CIRCUIT SOLICITOR | 74,995 |
| E26206 | CITY OF AIKEN | 5,243,217 |
| E26207 | GREENVILLE COUNTY SCHOOLS | 1,248,492 |
| E26208 | GREENWOOD COUNTY TREASURER | 463,687 |
| E26209 | TOWN OF ROCKVILLE COUNCIL | 112,655 |
| E26210 | YORK CO. TREASURER (FIXED RATE) | 17,147,234 |
| E26211 | DORCHESTER COUNTY TREASURER | 6,433,286 |
| E26212 | MOUNT PLEASANT WATERWORKS | 8,445,423 |
| E26213 | MOUNT PLEASANT WATERWORKS | 12,195,785 |
| E26214 | CITY OF CONWAY | 1,527,926 |
| E26215 | GREENVILLE CO SCHOOLS | 4,796,762 |
| E26216 | GREENVILLE CO SCHOOLS | 5,009,874 |
| E26217 | GREENVILLE CO SCHOOLS | 136,633 |
| E26218 | CITY OF CONWAY | 1,521,315 |
| E26220 | NEWBERRY COUNTY TREASURER | 176,829 |
| E26221 | SUMTER COUNTY S/D #2 | 1,060,726 |
| E26222 | NEWBERRY COUNTY TREASURER | 529,314 |
| E26223 | TOWN OF WINNSBORO | 162,805 |
| E26224 | CITY OF CLINTON | 13,124 |
| E26226 | DORCHESTER COUNTY TREASURER | 5,312,263 |
| E26227 | NEWBERRY COUNTY TREASURER | 655,497 |
| E26228 | TOWN OF WINNSBORO | 90,463 |
| E26229 | CITY OF MYRTLE BEACH | 1,156,567 |
| E26230 | CITY OF MYRTLE BEACH | 2,717,480 |
| E26231 | CITY OF MYRTLE BEACH | 275,844 |
| E26232 | CITY OF MYRTLE BEACH | 32,182 |
| E26233 | NEWBERRY COUNTY TREASURER | 80,401 |
| | UNALLOCATED | 145,000 |
| | TOTAL | $ 1,964,615,714 |



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ROGERS & LABAN, PA
CERTIFIED PUBLIC ACCOUNTANTS AND FINANCIAL ADVISORS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mr. Richard H. Gilbert, Jr., CPA,
Deputy State Auditor
State of South Carolina
Columbia, South Carolina

We have audited the financial statements of South Carolina Local Government Investment Pool (the Pool) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Pool's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pool's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

Rogers & Laban, PA

August 21, 2006

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

## STATUS OF PRIOR YEAR FINDINGS
**JUNE 30, 2006**

Our report for the year ended June 30, 2005 dated September 22, 2005 reported a finding that the Pool needed improvements in financial statement reporting. This condition was corrected during the year ended June 30, 2006.



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