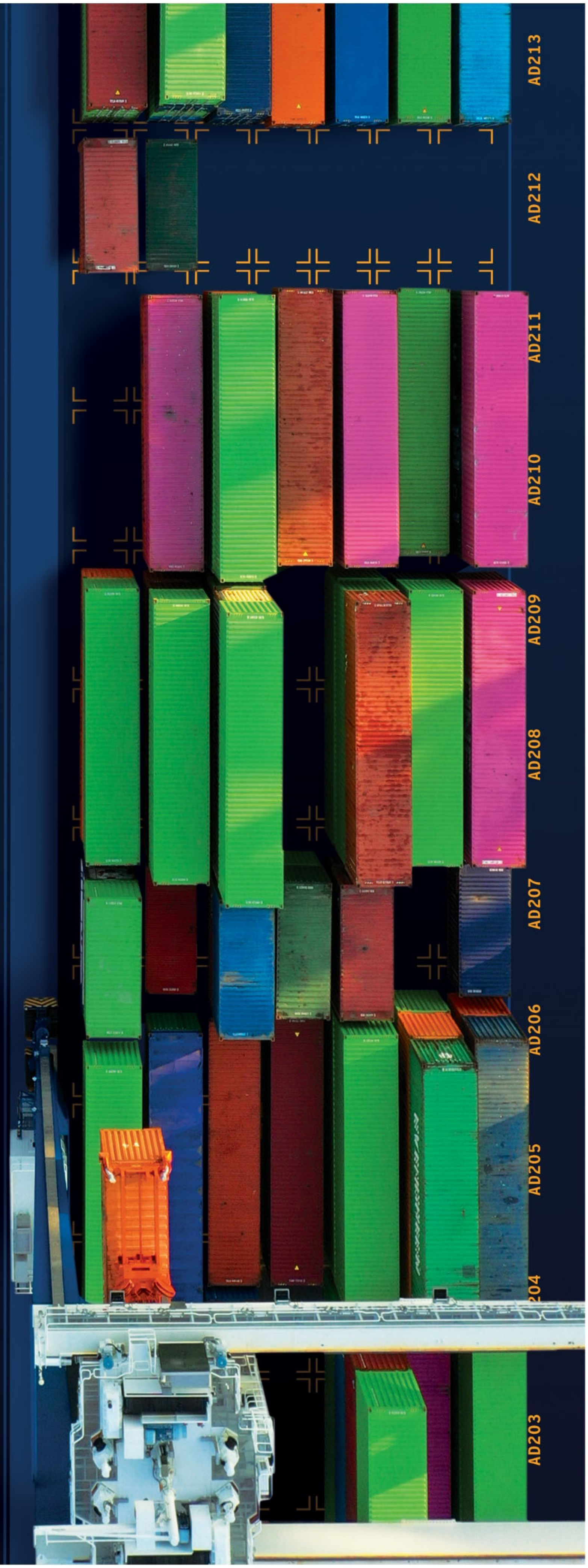
22

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Prepared by
SC Ports
Finance Department



SOUTH CAROLINA PORTS
THE WORLD CONNECTS HERE

South Carolina State Ports Authority
Annual Comprehensive Financial Report
For Fiscal Years Ended June 30, 2022 and 2021

TABLE OF CONTENTS

SOUTH CAROLINA PORTS

200 Ports Authority Drive
Mount Pleasant, SC 29464

www.scspa.com

November 15, 2022

Dear Board Members, Customers, and Port Partners:

Following the most successful fiscal year in our port's history, we move forward as a smarter port operator and a stronger maritime community. South Carolina Ports Authority handled unprecedented cargo volumes in fiscal year 2022, setting TEU records for 11 of 12 months. The Port of Charleston moved a record 2.85 million TEUs last fiscal year, up 12% from the year prior. Record imports drove this growth, while ongoing pandemic disruptions revealed constraints in the global supply chain.

Our port team was put to the test, working tirelessly to deliver goods to communities, hospitals, manufacturers, and retailers. We implemented creative solutions, including prioritizing vessels, leasing new SC Ports' chassis, hiring 150 people in operations, and extending gate hours. These measures benefited customers and improved the lives of motor carriers.

Our teammates' unwavering dedication amid great challenges kept freight moving through the supply chain. It is a true honor to lead the most talented port team in the country.

Operational excellence remains the cornerstone of everything we do. It is the key to supporting our customers and growing our cargo base, especially as we focus on moving more goods for major retailers and import distribution centers.

We are building capacity ahead of demand to meet customers' needs. We have invested more than $2 billion into port assets in recent years. The new Leatherman Terminal adds a much-needed berth to the East Coast, and two more berths will support future growth. The modernized Wando Welch Terminal boasts 15 ship-to-shore cranes with 155 feet of lift height.

The ongoing expansion of Inland Port Greer enhances cargo and rail capacity in the upstate. The Charleston Harbor Deepening Project is nearing completion; vessels can now benefit from 52-foot depth up to our two biggest container terminals. Our port-owned and operated SMART Pool deploys new chassis into the Southeast Port market.

The new Navy Base Intermodal Facility will bring near-dock rail to the Port of Charleston, and a new inner-harbor barge operation will transport containers between Wando and Leatherman terminals. These $550 million projects will support the efficient movement of goods for our customers and greatly enhance our rail competitiveness.

This critical infrastructure would not be possible without the support of the SC Legislature and Governor McMaster. Our state leaders recognize that investing in SC Ports helps port-dependent businesses flourish, bringing jobs and investments to our communities.

SC Ports will continue to deliver on our commitment to provide operational excellence, build critical infrastructure, grow and anchor our cargo base, and care for our people. The jobs created on our waterfront make a generational impact on our communities, and every container we move represents an economic opportunity.

In partnership with all those who work on the docks and in our terminals, we will continue to succeed as a top 10 US container port. Together, we will achieve great things and leave a lasting legacy for South Carolina.

Regards,

Barbara Melvin
President & CEO

SOUTH CAROLINA PORTS
200 Ports Authority Drive
Mount Pleasant, SC 29464
www.scspa.com

November 15, 2022

Board of Directors
South Carolina State Ports Authority
200 Ports Authority Drive
Mount Pleasant, South Carolina 29464

Members of the South Carolina State Ports Authority Board of Directors:

The South Carolina State Ports Authority ("SCSPA" or "Authority") is pleased to present the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This report provides readers with an understanding of the SCSPA's financial condition and activities.

Management assumes responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Internal controls are designed to provide reasonable, but not absolute, assurance that assets are safeguarded, financial transactions are properly recorded and that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from such control and that the evaluation of costs and benefits requires estimates and judgments by the Authority's management.

Elliott Davis, LLC, Certified Public Accountants, has issued an unmodified opinion on South Carolina State Ports Authority's financial statements for the years ended June 30, 2022 and 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the South Carolina State Ports Authority

Founded in 1942, the SCSPA owns and operates public marine and inland terminals in four (4) regions within the state: Charleston, Georgetown, Greer, and Dillon. The facilities within these regions are owner-operated terminals, meaning the SCSPA owns the terminals, operates all container cranes and handling equipment, manages, and operates all container storage yards.

The SCSPA promotes, develops, and facilitates waterborne commerce to meet the current and future needs of its customers, and for the economic benefit of the citizens and businesses of South Carolina. The SCSPA fulfills this mission by delivering cost competitive facilities and services, collaborating with customers and stakeholders, and sustaining its financial self-sufficiency.

Comprised of seven (7) public marine terminals, the SCSPA is the eighth largest container port in the United States and one of the busiest container ports along the Southeast and Gulf coasts. SCSPA is recognized as one of the nation's most efficient and productive ports. SCSPA is an economic driver and key competitive advantage for South Carolina. The Port is responsible for one in 10 jobs statewide, and port-supported jobs pay nearly 40 percent higher than the state's average annual wage.

The SCSPA operates as a self-supporting governmental enterprise and is directed by a nine-member governing board of directors, whose members are appointed by the Governor of South Carolina for five-year terms. The board also includes the Secretaries of Transportation and Commerce as additional ex officio, nonvoting members.

Business of the Authority

The Port of Charleston is comprised of seven (7) ocean terminals handling import and export containerized, breakbulk, roll-on/roll-off ("Ro-Ro"), and bulk cargo. The Authority also owns and oversees the operation of a cruise facility located on the Cooper River in downtown Charleston.

<u>Wando Welch Terminal</u>
Located on the east bank of the Wando River, nine miles from the open ocean, the Wando Welch Terminal is primarily a container facility. The largest of the Authority's facilities, the Wando Welch Terminal contains 3,800 continuous feet of berth space, 689 total acres and more than 400 developed acres, which includes 267 acres of container storage space, and an on-terminal 188,000 square foot warehouse. This terminal, the largest in terms of both physical size and pier container volumes at the Port of Charleston, offers fifteen Super-Post Panamax cranes and routinely handles 13,000-14,000 TEU vessel calls. Vessel transit time from this facility to open sea is approximately two hours.

<u>Hugh K. Leatherman Terminal</u>
Located on the west bank of the Cooper River in North Charleston, South Carolina, the 286-acre Hugh K. Leatherman Terminal is primarily a container facility. The first phase of this project opened in April 2021 and marked the first greenfield container terminal opening in the United States since 2009. The first phase consists of 1,400 linear feet of berth, 134 developed acres, five ship-to-shore cranes and 25 rubber-tired-gantry-cranes. Vessel transit time from this facility to open sea is approximately one-and-a-half hours.

<u>North Charleston Terminal</u>
Located on the Cooper River, fifteen miles from the open ocean, the North Charleston Terminal is primarily a container facility with some breakbulk and transloading activities. Totaling 201 acres, this facility includes 2,460 feet of continuous berth space; five container cranes, two of which are Super Post-Panamax and three of which are Post-Panamax; approximately 134 acres of container storage space; and an on-terminal intermodal rail yard. Vessel transit time from this facility to open sea is approximately two hours.

<u>Columbus Street Terminal</u>
Located on the Cooper River, six miles from the open ocean, the Columbus Street Terminal is the Authority's primary Ro-Ro, breakbulk, heavy lift, and project cargo facility. This terminal spans 155 acres, with 3,500 continuous feet of berth, an on-terminal rail yard served by Norfolk Southern and CSX and three warehouses encompassing 365,000 square feet. Vessel transit time from this facility to open sea is approximately one hour.

Union Pier Terminal

Located on the Cooper River, six miles from the open ocean, Union Pier Terminal is primarily a breakbulk cargo and transloading facility. Of Charleston's six terminals, Union Pier Terminal is the closest to open sea and is located two blocks south of the Columbus Street Terminal in downtown Charleston. This 71-acre facility has over 2,470 continuous feet of wharf and 334,000 square feet of warehouse space. Vessel transit time from this facility to open sea is approximately one hour.

Veterans Terminal

Located on the Cooper River, nine miles from the open ocean, Veterans Terminal is a transloading facility with limited breakbulk operations. Transit time to open sea is approximately one-and-a-half hours.

Georgetown Terminal

The Port of Georgetown is a 45-acre facility located approximately 60 miles northeast of Charleston on the Sampit River, approximately 16.5 miles from the Atlantic Ocean. The Authority owns two facilities at the Port of Georgetown: Pier 31 and Pier 32. Pier 31 consists of a 500-foot berth, a 700-foot berth, 139,800 square feet of warehouse space and 25 acres of paved open storage area. This facility, which is operated by the Authority, is used primarily for the import and export of breakbulk cargo. Pier 32 consists of a 600-foot pier equipped with a 75-ton gantry crane. Harbor depth continues to be a limiting factor for the growth of the Port of Georgetown, which constitutes less than 1% of the Authority's operating revenue. On June 22, 2022, the General Assembly ratified Appropriations Bill H.5150 authorizing for the transfer of the Port of Georgetown to the County of Georgetown. The Bill calls for the Ports Authority to transfer the real property, including buildings, fixtures, and certain equipment in "as-is" condition including, but not limited to, any appurtenances and the assumption of any leases through a quit-claim deed no later than June 30, 2023.

Inland Port Greer

The Authority opened the Inland Port in Greer, South Carolina for test cargo in October 2013, and it became fully operational by November 2013. With an anchor tenant of BMW Manufacturing Company, the Inland Port, which operates 24 hours a day, seven days a week, is an intermodal rail facility that transfers import and export containers and cargo via rail over 200 miles between Charleston and Greer. The Inland Port, providing overnight double-stack rail service, improves the efficiency of freight movements between the Authority, the upstate manufacturing region, and neighboring states, thus promoting economic development and rail efficiency in the State of South Carolina.

Inland Port Dillon

In April 2018, SCSPA opened its second inland port in Dillon, South Carolina, a region with close proximity to I-95 and the North Carolina/South Carolina border. This facility is served by CSX, and the 110-acre terminal has a double stack rail shuttle to and from Charleston. The Inland Port Dillon provides a unique, short-haul rail service for existing clients in the area and serves as a draw for economic development. Harbor Freight Tools, which completed a one-million square foot distribution center expansion in 2019, is the anchor tenant for this facility. The terminal is located within the Carolinas I-95 Mega Site, a 3,400-acre industrial park where industrial clients will find easy access to both the Inland Port Dillon and I-95.

Long-Term Financial Planning

Over the last ten years, the Authority's container volume, measured in twenty-foot equivalent units, has grown from 1.56 million in fiscal year 2013 to 2.85 million in fiscal year 2022, a compound annual growth rate of 6.9%. With the expectation for continued growth, the SCSPA has invested more than $2 billion in recent years to enhance port infrastructure as bigger ships and more cargo comes to the Port of Charleston. SCSPA is realizing major infrastructure projects at the right time, most notably with the opening of the Hugh K. Leatherman Terminal's $1 billion Phase One and the formation of the SMART Chassis Pool. In fiscal year 2022 alone, SCSPA invested more than $200 million to increase capabilities and capacity at the Port of Charleston. With the support of the SC Legislature, SCSPA looks to invest $550 million to develop a near-dock, rail-served cargo yard and an inner harbor barge operation. SC Ports' Navy Base Intermodal Facility will provide near-dock rail to the Leatherman Terminal where containers will be trucked between the facilities on a 1-mile restricted drayage road. CSX and Norfolk Southern will serve the Navy Base Intermodal Facility, swiftly moving cargo for customers and greatly increasing rail and port competitiveness.

Major Initiatives

The deepening of the Charleston Harbor to 52 feet continues to be a strategic priority for SCSPA, South Carolina, and the nation. Deep, wider channels are needed to more efficiently handle the larger containerships already calling US East Coast ports, including Charleston. The $571 million plan calls for Charleston to be deepened to 52 feet mean low water in the interior channel and 54 feet mean low water in the outer channel, and it is estimated that the project will be complete in December 2022. Based on USACE's Project Management Plan, it is anticipated that the local share of the project will be approximately $270 million, and the federal share will be approximately $301 million. As of 2020, this project has been fully funded. The State appropriated $300 million, together with interest earned thereon, to cover costs associated with the deepening of the Charleston Harbor. In addition, the State advanced proceeds of a $50 million Proviso Loan to bridge the federal funding period. The Proviso Loan is expected to be paid back by federal funds when received and approved for reimbursement. To date, the federal government has authorized $246 million, fully funding the project. It is projected that when the project is complete, Charleston will be the deepest port on the US East Coast.

In fiscal year 2021, the Authority launched operations of Phase 1 at the Hugh K. Leatherman Terminal, a new container terminal on the Cooper River in North Charleston, and the only greenfield container terminal to open in the United States since 2009. The Hugh K. Leatherman Terminal will be constructed in three phases, with timing based on market demand. The completed first phase consists of 1,400 linear feet of berth, 134 developed acres of which 47 acres dedicated to container storage space, five ship-to-shore cranes, and 25 rubber-tired-gantry cranes. This adds 700,000 TEUs of capacity to the Port of Charleston. At full build-out (after completion of all three phases), the Leatherman Terminal is projected to add 2.4 million TEUs representing an increase of nearly 100% of incremental new container capacity. Additionally, the Leatherman Terminal will feature approximately 3,510 linear feet of berth, 266-developed acres, 165 acres of dedicated container space, 14 ship-to-shore cranes, and 70 rubber-tired gantry cranes. HLT features a dedicated commercial access road connecting the terminal to Interstate 26 and, via an additional private road, will connect to a new intermodal rail facility being built nearby.

With the opening of Phase 1 of the Hugh K. Leatherman Terminal and the continued growth of SCSPA, it is crucial that we develop near-dock rail infrastructure to ensure the efficient movement of goods in our supply chain. The South Carolina General Assembly and Governor Henry McMaster recognized this need by appropriating $550 million for SCSPA's Navy Base Intermodal Facility and inner-harbor barge project. The Navy Base Intermodal Facility will be an intermodal container transfer facility near the Leatherman Terminal, served by both CSX and Norfolk Southern. The inner-harbor barge operation will transport containers between the Wando Welch and Leatherman Terminals.

In fiscal year 2021, the SCSPA Board of Directors approved resolutions for the creation of a chassis pool (South Carolina Maritime Chassis Pool) to be owned and operated by the SCSPA. The resolutions enabled the SCSPA to procure equipment for operation of the SMART Pool and approximately 11,400 chassis have been purchased. The chassis pool will provide newer, modern chassis which will reduce out-of-service levels and lower repair and maintenance costs for users. As chassis have arrived to SCSPA, they have been deployed with long-term leases until the commencement of the pool.

During fiscal year 2022, the SCSPA made the decision to transition away from a home port model and utilize the current cruise facility for port-of-calls. With this transition, the SCSPA will look to entitle the remaining property that is Union Pier Terminal for disposition and redevelopment. The site consists of approximately 70 acres, of which 40 acres would be developable. SCSPA will utilize the proceeds from the sale to fund Phase II of the Hugh K. Leatherman Terminal and other critical infrastructure projects.

Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Carolina State Ports Authority for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the fifth year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report for the South Carolina State Ports Authority would not have been possible without the skill, effort, and dedication of the entire Finance Department staff and our auditors, Elliott Davis, LLC. We wish to thank all members of the SCSPA Board of Directors for their continued guidance and support, and for maintaining the highest standards of professionalism in the management of the South Carolina State Ports Authority's finances.

Respectfully Submitted,

Phillip G. Padgett
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Carolina State Ports Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

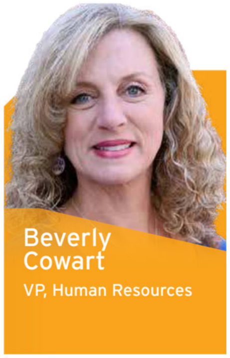
June 30, 2021

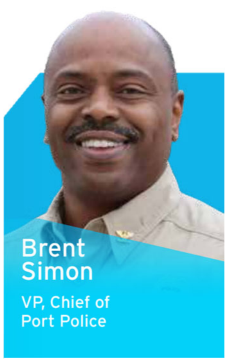
Christopher P. Morrill

Executive Director/CEO

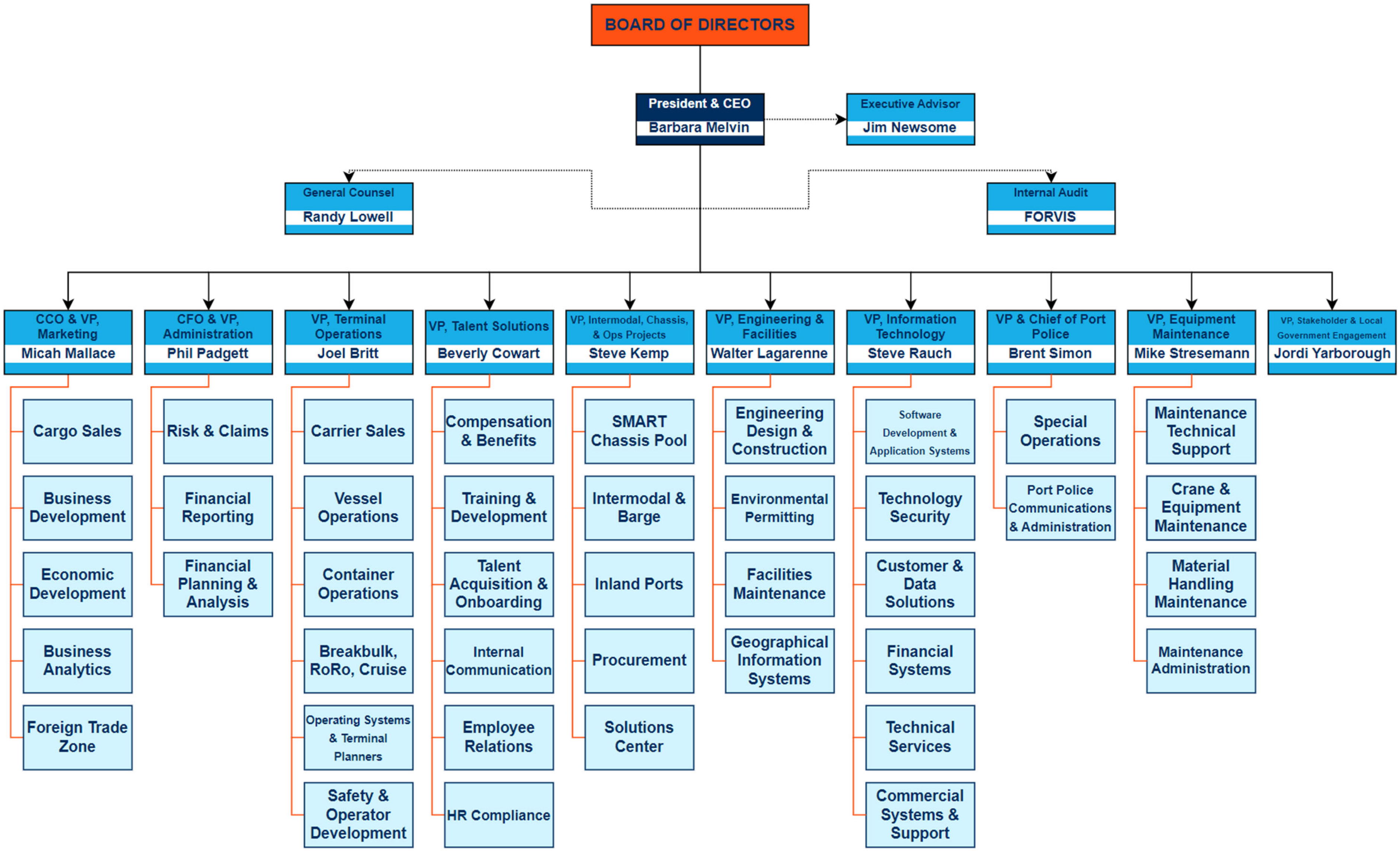
SC PORTS BOARD OF DIRECTORS

SC PORTS LEADERSHIP





Effective 07/01/2022



Effective 7/01/2022

FINANCIAL SECTION

South Carolina State Ports Authority

Financial Statements and Required Supplemental Information June 30, 2022 and 2021

South Carolina State Ports Authority
Index
June 30, 2022 and 2021

elliott davis

Independent Auditor's Report

To the Board of Directors
South Carolina State Ports Authority
Mount Pleasant, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the South Carolina State Ports Authority (the "Ports Authority"), a component unit of the State of South Carolina, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Ports Authority's basic financial statements as listed in the Index.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Ports Authority as of June 30, 2022 and 2021, and the respective changes in financial position and, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ports Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Notes 1 and 4 to the financial statements, as of and for the year ended June 30, 2022, the Ports Authority adopted GASB Statement No. 87, *Leases* which resulted in the restatement of previously reported amounts for the year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ports Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ports Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ports Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, the Schedule of the Ports Authority’s Total OPEB Liability, the Schedule of the Ports Authority’s OPEB Contributions, the Schedule of the Ports Authority’s Proportionate Share of the Net Pension Liability, and the Schedule of the Ports Authority’s Pension Contributions, as listed in the Index, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2022, on our consideration of the Ports Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ports Authority's internal control over financial reporting and compliance.

Elliott Davis, LLC

Charleston, South Carolina
September 20, 2022

Annual Financial Report

The annual financial report of the South Carolina Ports Authority ("Ports Authority" or the "Authority") provides an overview of the Ports Authority's financial activities for the fiscal years ended June 30, 2022 and 2021. Management's discussion and analysis should be read in conjunction with the Authority's accompanying financial statements and notes to the financial statements.

Certain information provided by the Ports Authority, including written, as outlined above, or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, which address activities, events or developments that the Ports Authority expects or anticipates will or may occur in the future, contain forward-looking information.

Actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

About the Authority

The South Carolina Ports Authority was created in 1942 by Act Number 626 of the South Carolina General Assembly for the general purposes of developing and improving the harbors and seaports of Charleston, Georgetown and Beaufort for the handling of waterborne commerce, and to foster and stimulate the shipment of freight and commerce through these ports. The Ports Authority has no stockholders or equity holders and is directed by a governing board, whose members are appointed by the Governor of South Carolina for five-year terms. The Board consists of nine voting members and the Secretaries of Transportation and Commerce as additional ex officio, nonvoting members. The Ports Authority owns and is responsible for the operation of seven ocean terminals at the ports of Charleston and Georgetown, as well as inland port facilities in Greer and Dillon. These facilities primarily handle import and export containerized, breakbulk, and bulk cargoes.

Operational Highlights

- During fiscal year 2022, the Ports Authority handled 2,853,046 twenty-foot equivalent units (TEUs), surpassing the Port of Oakland as number eight on the list of the top ten US Ports. The volumes represent the highest in the Ports Authority's history and an increase of 11.6% over fiscal year 2021 and a 22.7% increase over fiscal year 2020.

- The Ports Authority purchased approximately 11,000 new chassis during fiscal year 2022 for implementation of the Authority's new SMART Chassis Pool, a futuristic chassis pool based on largely new equipment. The first chassis arrived during fiscal year 2022 with a portion leased out to beneficial cargo owners monthly in the interim.

- During fiscal year 2022, the Ports Authority broke ground on a temporary on-terminal transload facility to support Target, the number two importer into the United States. The facility is scheduled to start operations in August 2022 and is forecasting approximately 15,000 pier containers in the first year with potential to grow to approximately 50,000.

- The Ports Authority was appropriated $550 million from the South Carolina General Assembly for the construction of the Navy Base Intermodal Facility (NBIF) and infrastructure supporting the Leatherman & Wando Terminal barge operations. The NBIF will be dual served with a private dedicated drayage road from the Leatherman Terminal. The facility will allow the Ports authority to direct rail-intensive shipping services to the Leatherman Terminal and enhance the utilization of Inland Ports Greer and Dillon.

Financial Highlights

- The Ports Authority generated record operating revenues of $443.1 million for the fiscal year ended June 30, 2022. This represents an increase of 41.7% from the $312.8 million generated for the fiscal year ended June 30, 2021, and a 51.6% increase over revenues in fiscal year 2020 of $292.3 million.
- The Authority had record cash flow from operating activities of $169.1 million in fiscal year 2022, representing a 48.6% increase from fiscal year 2021 and 90.6% over fiscal year 2020.
- The Ports Authority's total net position was $754.8 million, $715.6 million, and $744.0 million as of June 30, 2022, 2021, and 2020 respectively. The Authority's total net position increased $39.2 million during the current fiscal year and $10.8 million from fiscal year 2020.

Analysis of Overall Financial Position and Results of Operations
The Ports Authority's performance measures during fiscal years ended June 30 are as follows:

(in thousands)	2022	2021	2020
Total operating revenues	$ 443,102	$ 312,722	$ 292,256
Total TEUs (equivalent number of 20' container units)	2,853	2,549	2,325
Breakbulk pier tonnage	880	808	636

A total of 1,465, 1,593, and 1,567 vessels (excluding barges) docked during the years ended June 30, 2022, 2021, and 2020, respectively. Per Container News, the Authority is ranked as the second busiest port in the South Atlantic Coast in volume of TEUs and eighth in the United States.

Statements of Net Position (Balance Sheets)
The Statements of Net Position present the financial position of the Authority at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with net position reported as the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Increases and decreases in net position may serve as an indicator of the current fiscal health of the organization and the Authority's financial position over time.

A condensed summary of the Ports Authority's balance sheet and resulting net position at June 30 is shown below:

(in thousands of dollars)	2022	2021	2020
Assets			
Current assets	$ 577,557	$ 483,905	$ 701,304
Held by trustee for debt services	33,759	31,623	31,517
Capital assets, net	1,905,818	1,785,667	1,599,623
Other assets	14,039	12,988	6,209
Total assets	2,531,173	2,314,183	2,338,653
Deferred outflows of resources	76,216	74,615	60,007
Total assets and deferred outflows of resources	$ 2,607,389	$ 2,388,798	$ 2,398,660

(in thousands of dollars)	**2022**	**2021**	**2020**
Liabilities			
Current liabilities	$ 94,046	$ 94,768	$ 107,161
Long-term obligations	1,726,941	1,563,391	1,542,780
Total liabilities	1,820,987	1,658,159	1,649,941
Deferred inflows of resources	31,648	14,997	4,757
Net position			
Net investment in capital assets	488,248	521,168	548,444
Restricted for debt service	37,795	35,774	36,173
Unrestricted	228,711	158,700	159,345
Total net position	754,754	715,642	743,962
Total liabilities, deferred inflows of resources and net position	$ 2,607,389	$ 2,388,798	$ 2,398,660

ASSETS

Total current assets of the Ports Authority increased $93.7 million during fiscal year 2022, representing an increase from fiscal year 2021 of 19.4%. Drivers of these changes include the following:

- Current cash and investments increased from $411.8 million in fiscal year 2021 to $481.6 million in fiscal year 2022. The 16.9% increase is attributable to improved operating cash flow generated during a year where the Authority experienced record operating revenues driven by increased container volume and elevated demurrage charges. Cash and investments decreased from $624.4 million in fiscal year 2020 to $411.8 million in fiscal year 2021 as the Authority invested revenue bond funds in capital assets, resulting in a total decrease of $142.8 million over the two years.
- Accounts receivable (trade) increased $22.5 million in fiscal year 2022 from $48.7 million to $71.2 million, an increase of 46.2%. Primarily driven by a similar increase in operating revenue, the increase is also attributed to end-of-year demurrage accruals for revenue earned but not yet billed. Despite the increase, the Authority's collection experience remains favorable. In fiscal year 2021, accounts receivable increased $9.9 million from $38.8 million to $48.7 million, an increase of 25.6%.
- Other receivables increased $1.5 million in fiscal year 2022 to $4.8 million, primarily related to outstanding amounts owed on federal grants. Other receivables decreased from $6.1 million in fiscal year 2020 to $3.3 million as payment related to the Authority's harbor deepening project was received in fiscal year 2021.
- Inventories increased slightly in fiscal year 2022 to $10.6 million from $9.8 million in fiscal years 2021 and 2020 as the Authority maintained additional spare parts for equipment as supply chain constraints limited availability and delivery during fiscal year 2022.
- Prepaid expense and other current assets decreased from $7.3 million to $7.0 million in fiscal year 2022, relating primarily to a decrease in prepaid insurance costs. In fiscal year 2021, prepaid expense and other current assets increased $1.4 million.

Funds held by trustee for debt service include debt service and debt service reserve funds for previously issued revenue bonds. Fluctuations in these balances directly relate to scheduled bond payments in the specific year, and any earnings on securities held in the accounts. During fiscal year 2022, funds held by trustee for debt service increased $2.2 million from $31.6 million to $33.8 million. Total increase over the two-year period is $2.3 million.

The capital assets of the Authority continued to grow in fiscal year 2022 as they increased $120.1 million or 6.7% from $1,785.7 million in fiscal year 2021 to $1,905.8 in fiscal year 2022. Investments in capital assets were made to improve infrastructure and equipment at existing facilities, as well as to construct Phase 1 of the new Hugh K. Leatherman Terminal and purchase new chassis for the Authority's new SMART Chassis Pool. Capital assets have increased by $306.2 million or 19.1% since fiscal year 2020 as upgrading the Authority's infrastructure and construction of the Hugh K. Leatherman Terminal has been a strategic priority of the Authority.

Other noncurrent assets and receivables increased $1.2 million in fiscal year 2022 from $8.8 million to $10.0 million. The balance has increased $8.4 million since fiscal year 2020. During fiscal year 2022, the Authority adopted GASB 87, *Leases* resulting in the inclusion of the present value of all lease payments in the Statements of Net Position as other noncurrent assets and receivables. The Authority's increase in this balance from fiscal year 2020 can be attributed to this implementation, while the slight increase over fiscal year 2021 is directly related to the execution of additional lease agreements by the Ports Authority.

Deferred Outflows of Resources increased $1.6 million during the year and is attributed to the Authority recognizing their allocated share of difference between actual and expected pension experience, the net difference between projected and actual investment earnings, assumption changes, changes in proportionate share and the Ports Authority's actual contributions to pension and other post-employment benefit plans made during 2022 that were paid subsequent to both plans' measurement date of June 30, 2021. The increase also reflects the difference between actual and expected benefit experience, the net difference between projected and actual investment earnings, and assumption changes for other post-employment benefits. Slightly offsetting these increases, is amortization related to revenue bond refunding (2019C & 2019D) done in fiscal year 2020.

LIABILITIES

The Authority's current liabilities decreased slightly during fiscal year 2022 from $94.8 million to $94.0 million, a decrease of approximately 1%. Items to consider relating to these changes are the following:

- Current maturities of long-term debt increased $12.9 million from $15.2 million in fiscal year 2021 to $28.1 million in fiscal year 2022. Primary driver of this increase was the addition of three new notes payable to obtain chassis for the formation and operation of the Authority's SMART Chassis Pool. Current maturities of long-term debt decreased $0.5 million in fiscal year 2021 from $15.7 million in fiscal year 2020 to $15.2 million.
- Accounts payable (including construction) totaled $25.9 million in fiscal year 2022. This represents a decrease of $14.9 million or 36.5% from fiscal year 2021's $40.8 million. In fiscal year 2020, total accounts payable (including construction) was $62.8 million. From 2020, the Authority has decreased accounts payable (including construction) $36.9 million with the primary driver related to construction of Phase I of the Hugh Leatherman Terminal. As the terminal advanced to the later stages and ultimate completion of the facility, there were less amounts outstanding and retainage held and is illustrated in fiscal year 2022's balance.
- Accrued liabilities totaled $40 million in fiscal year 2022 and primarily reflects accrued interest and accrued payroll and related expenses. The increase of $1.2 million from fiscal year 2021 is a product of increased wages costs resulting in elevated accruals for payroll and related expenses. Accrued liabilities have increased $11.4 million since fiscal year 2020, an increase of 40%.

During fiscal year 2022, the Ports Authority's long-term obligations increased $164 million or 10.5% from $1,563 million to $1,727 million. The $1,727 million in long-term obligations in fiscal year 2021, represents an increase of $184 million or 11.9% from fiscal year 2020. Drivers of these changes include the following:

- The Authority's net OPEB liability is $86.3 million in fiscal year 2022. This reflects an increase of $7.8 million from fiscal year 2021. The net OBEB liability increased $17.7 million from fiscal year 2020 to fiscal year 2021. Primary drivers of the net OPEB liability increase were assumption changes related to the discount rate, differences between expected and actual plan experience, and the passage of time.

- Net pension liability of the Authority decreased by $15.3 million from $135.1 million in fiscal year 2021 to $119.8 million in fiscal year 2022, a decrease of 11.3%. The decrease in the net pension liability relates to the net difference between projected and actual investment earnings, changes in proportionate share and the Ports Authority's actual pension plan contributions made during 2022. In fiscal year 2020, the net pension liability of the Authority was $118.3 million.
- The long-term debt of the Ports Authority increased from $1,341.1 million in fiscal year 2021 to $1,484.9 million in fiscal year 2022, an increase of 10.7%. The increase was directly attributable to the creation of the Authority's SMART Chassis Pool and the financing of approximately 11,000 new chassis with three financial institutions. The increase was slightly offset by principal payments made during fiscal year 2022. In fiscal year 2021, long-term debt decreased slightly from $1,358.3 to $1,341.1 million as no new debt was assumed and principal payments were made during the year.

Deferred inflows of resources increased $16.6 million from $15.0 million in fiscal year 2021 to $31.6 million in fiscal year 2022. The primary driver of the Ports Authority's increase was related to deferred inflows related to defined benefit plans and the difference between projected and actual earnings on investments, as this increased the Authority's balance by $17.3 million. In fiscal year 2020, deferred inflows of resources were $4.8 million. Primary driver of the increase from fiscal year 2020 to fiscal year 2021 was the adoption of GASB 87, *Leases* by the Authority in fiscal year 2022 which resulted in deferred inflows of resources related to leases of $11.9 million and $11.5 million in fiscal years 2022 and 2021, respectively.

NET POSITION

The largest portion of the Ports Authority's net position each year (64.7%, 72.8% and 73.7% at June 30, 2022, 2021 and 2020, respectively) represents its investment in capital assets (e.g., land, buildings, improvements, and equipment), less the related debt outstanding used to acquire those capital assets. The Ports Authority uses these capital assets to provide services to major steamship lines and their agents for movement of maritime cargo; consequently, these assets are not available for future spending. Although the Ports Authority's investment in capital assets reported is shown net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves generally are not sold to liquidate liabilities.

An additional portion of the Ports Authority's net position (5.0%, 5.0% and 4.9% at June 30, 2022, 2021 and 2020, respectively) represents resources that are subject to external restrictions. The remaining unrestricted net position (30.3%, 22.2% and 21.4% at June 30, 2022, 2021 and 2020, respectively) may be used to meet any of the Ports Authority's ongoing obligations.

Statements of Revenues, Expenses and Changes in Net Position

The Authority's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. This statement presents the results of operations and shows how the Authority's net position changed during the fiscal year and whether the fiscal condition has improved or worsened during the year.

A condensed comparative summary of the Ports Authority's revenues, expenses and changes in net position for the years ended June 30 is shown below:

(in thousands of dollars)	2022	2021	2020
Operating income	$ 443,102	$ 312,772	$ 292,256
Operating expenses	344,550	275,730	264,841
Operating earnings	98,552	37,042	27,415
Loss on disposal of property and equipment, net	(3,406)	(3,786)	(5,391)
Other nonoperating income (expense), net	(65,298)	(61,853)	(11,770)
Contribution to State of South Carolina	(1,000)	(1,000)	(1,000)
Contribution to Department of Transportation	(7,500)	-	(100,000)
Contribution to Spartanburg County	-	(250)	-
Contribution to Army Corps of Engineers	-	-	(33,294)
Contribution to Department of Commerce	-	(500)	-
Capital grants from the federal government	3,855	1,490	164
Contribution from State of South Carolina	13,909	406	11,337
Change in net position	39,112	(28,451)	(112,539)
Net position, beginning	715,642	743,962	856,501
Adoption of GASB 87	-	131	-
Net position, ending	$ 754,754	$ 715,642	$ 743,962

Total operating revenues in fiscal year 2022 were $443.1 million, an increase of 41.7% from $312.8 million in fiscal year 2021. This increase is primarily attributed to record volumes of containerized cargo along with increased demurrage charges as containers dwelled on terminal longer and cargo owners dealt with supply chain constraints. Fiscal year 2021 operating revenues of $312.8 million were up 7.0% from fiscal year 2020 as the Authority dealt with record container volumes then that were surpassed in fiscal year 2022.

The following table breaks down operating revenues by business segment for each fiscal year ended June 30:

(in thousands)	2022	2021	2020
Operating revenues			
Container	$ 365,850	$ 254,870	$ 234,369
Breakbulk & RoRo Cargo	26,812	25,450	20,992
Inland Ports	39,557	30,401	24,155
Cruise	7,287	532	10,604
Chassis	2,696	-	-
All other	900	1,519	2,136
Total operating revenues	$ 443,102	$ 312,772	$ 292,256

The container business segment continues to be the primary driver of operating revenue for the Ports Authority, representing 82.6%, 81.5%, and 80.2% of operating revenues in fiscal year 2022, 2021, and 2020, respectively. During fiscal year 2022, the Authority experienced increased container volumes coupled with increased demurrage fees to produce the highest operating revenue in the history of the Authority. During fiscal year 2022 and 2021, demurrage fees were approximately $82.5 million and $17.5 million, respectively.

Breakbulk & RoRo Cargo represent approximately 6.1%, 8.1% and 7.2% of operating revenues of the Authority in fiscal years 2022, 2021, and 2020, respectively. During fiscal year 2022 the Authority moved 219,712 vehicles through the terminal. This represented a decrease of approximately 13.5% from 2021 when the Authority saw 253,983 vehicles and was directly attributed to supply chain disruptions experienced during fiscal year 2022. The Authority moved 199,825 vehicles in fiscal year 2020.

Total operating revenue for the inland ports at Greer and Dillon increased $9.2 million or 30.3% in fiscal year 2022. The Authority's inland port network represents approximately 8.9%, 9.7%, and 8.3% of operating revenues for fiscal years 2022, 2021, and 2020, respectively. While rail moves were down at both inland ports during fiscal year 2022, the Authority benefited from longer dwell times in Greer and recognized $14 million in demurrage revenue, the primary driver of the increase over fiscal year 2021.

After being shut down because of COVID-19, cruises resumed in January 2022 and the Authority handled 123,336 cruise passengers. The resumption of activity generated operating revenue of $7.3 million, an increase of $6.8 million from fiscal year 2021 where the Authority didn't have a cruise passenger and the only revenue generated was through parking. In fiscal year 2020, the Authority had $10.6 million in cruise revenue, representing 3.6% of total operating revenue.

In fiscal year 2022, the Authority began leasing chassis monthly in anticipation of the commencement of the SMART Chassis Pool. These leases generated $2.7 million in operating revenue for the Authority in fiscal year 2022 and are planned to generate approximately $39 million in operating revenue in fiscal year 2023.

The following table breaks down operating expenses for each fiscal year ended June 30:

(in thousands)	2022	2021	2020
Operating expenses			
Direct operating expenses	$ 223,818	$ 162,220	$ 167,412
Administrative expense	44,451	52,556	42,370
Depreciation expense	76,281	60,954	55,059
Total operating expenses	$ 344,550	$ 275,730	$ 264,841

Operating expenses of the Authority increased $68.9 million in fiscal year 2022 from $275.7 million in fiscal year 2021 to $344.6 million, an increase of 25.0%. Fiscal year 2021 operating expenses increased $10.9 million from fiscal year 2020 operating expense of $264.8 million. The increase in operating expense over the two-year period is reflective of the increase in container volumes handled by the Authority over the same period. Additionally, the Authority saw depreciation expense increase from $61.0 million in fiscal year 2021 to $76.3 million in fiscal year 2022, an increase of $15.3 million or 25.1%. This increase was expected as the Authority continues to implement its capital plan that included opening the new Hugh Leatherman Terminal and the SMART Chassis Pool.

Non-operating expenses decreased $3.7 million during fiscal year 2022 from $67.0 million in fiscal year 2021 to $63.3 million, a decrease of 5.5%. Drivers of non-operating expenses include the following:

- Interest income in fiscal year 2022 was $6.0 million versus fiscal year 2021 interest income of $8.9 million, as returns on cash and investments decreased in the current year. Interest income in fiscal year 2020 was $11.9 million.
- Unrealized losses on investments were $22.6 million in fiscal year 2022 after recognizing unrealized losses of $21.8 million in fiscal year 2021. The Authority had unrealized gains in fiscal year 2020 of $28.2 million.

- Interest expense was $50.7 million in fiscal year 2022 after incurring $49.2 million in interest expense for fiscal year 2021, representing all interest paid for senior and subordinate debt obligations of the Authority. In fiscal year 2020, interest expense was $45.4 million.
- During fiscal year 2022, the Authority received contributions from the State of South Carolina of $13.7 million related to the construction of the Navy Base Intermodal Facility. Additionally, the Authority made contributions to the State of South Carolina and Department of Transportation of $1.0 million and $7.5 million, respectively.

Capital Assets and Debt Administration

The Ports Authority's investment in capital assets was $1.9 billion as of June 30, 2022, representing a 6.7% increase over June 30, 2021, and a 19.1% increase over 2020. The investments include land, land improvements, buildings, terminal equipment, and projects in progress.

Major capital investments and other significant expenditures over the past two fiscal years include the following:

- Hugh K. Leatherman Terminal – Phase 1
- Navy Base Intermodal Transfer Facility and Barge Infrastructure
- Purchase of approximately 11,000 chassis for creation of SMART Chassis Pool
- Purchase and upgrade of Ship-to-Shore Container Cranes
- Expansion of Inland Port Greer
- Infrastructure at Ridgeville Industrial Campus
- Purchase and upgrades of Rubber-Tired-Gantry Cranes and other Material Handling Equipment
- Traffic flow improvements and densification at the Wando Welch Terminal

Additional information on the capital assets and projects of the Authority can be found in Note 3 and Note 6 to the financial statements.

Debt Administration

The administration of our debt and borrowing capacity is essential to achieving the current capital and growth plan of the Authority. The Ports Authority issued revenue bonds in 2010 ($170 million), 2015 ($294 million), 2018 ($325 million), and 2019 ($657 million). The 2010 revenue bonds were legally defeased in fiscal year 2018 and portions of the 2015 revenue bonds were refunded in fiscal year 2020 with the Series' 2019C ($125 million) and 2019D ($152 million). Total revenue bonds outstanding were $1.02 billion, $1.02 billion, and $1.03 billion as of June 30, 2022, 2021 and 2020, respectively. Additionally, the Authority has direct borrowings outstanding with various third parties totaling $422.3 million and $256.4 million as of June 30, 2022, and 2021, respectively. Additional information on the Ports Authority's long-term debt can be found in Note 5 to the financial statements.

Credit Rating

The Ports Authority's Senior Revenue Bonds, Series 2019A, Series 2019B, Series 2019C, Series 2019D, Series 2018 and Series 2015, are rated by Moody's and Standard and Poor's, A1 and A+, respectively.

Contacting the Ports Authority's Financial Management

If you have questions about this report or need additional financial information, contact the Ports Authority's Chief Financial Officer, 200 Ports Authority Drive, Mount Pleasant, SC 29464 USA.

AS OF JUNE 30, 2022 AND 2021

(in thousands of dollars)	**2022**	**2021**
Assets		
Current assets		
Cash and cash equivalents, unrestricted	$ 374,937	$ 307,208
Cash and cash equivalents, restricted	101,326	99,448
Cash and cash equivalents held by trustee for debt service	30,809	28,645
Investments, unrestricted	5,351	5,168
Accrued interest receivable	2,333	3,060
Accounts receivable trade, net of allowance for doubtful accounts of $233 in 2022 and $307 in 2021	71,165	48,660
Other receivables	4,830	3,279
Inventories, net	10,637	9,755
Prepaid and other current assets	6,978	7,327
Total current assets	608,366	512,550
Noncurrent assets		
Investments, restricted	4,036	4,151
Investments held by trustee for debt service	2,950	2,978
Capital assets, net	1,905,818	1,785,667
Other noncurrent assets and receivables	10,003	8,837
Total noncurrent assets	1,922,807	1,801,633
Total assets	2,531,173	2,314,183
Deferred outflows of resources		
Defined benefit plans	30,883	29,718
Post-employment benefit plans	20,681	19,188
Deferred loss on refunding bonds	24,652	25,709
Total deferred outflows of resources	76,216	74,615
Total assets and deferred outflows of resources	$ 2,607,389	$ 2,388,798
Liabilities		
Current liabilities		
Current maturities of long-term debt	$ 28,043	$ 15,088
Accounts payable	12,016	10,625
Accounts payable, construction	12,906	28,171
Retainage payable	973	1,955
Accrued interest	22,835	22,988
Accrued payroll and related expenses	15,892	14,001
Other liabilities	1,254	1,817
Harbor deepening obligation, current portion	127	123
Total current liabilities	94,046	94,768
Noncurrent liabilities		
Net OPEB liability	86,312	78,454
Net pension liability	119,759	135,131
Harbor deepening obligation, long-term	3,511	3,638
Long-term debt, net of current maturities	1,481,376	1,337,493
Other non-current liabilities	35,983	8,675
Total noncurrent liabilities	1,726,941	1,563,391
Total liabilities	1,820,987	1,658,159
Deferred inflows of resources		
Defined benefit plans	17,585	519
Post-employment benefit plans	2,119	3,011
Leases	11,944	11,467
Total deferred inflows of resources	31,648	14,997
Net position		
Net investment in capital assets	488,248	521,168
Restricted		
For debt service	37,795	35,774
Unrestricted	228,711	158,700
Total net position	754,754	715,642
Total liabilities, deferred inflows of resources and net position	$ 2,607,389	$ 2,388,798

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

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

(in thousands of dollars)	2022	2021
Operating revenues	$ 443,102	$ 312,772
Operating expenses		
Direct operating	223,818	162,220
Administrative	44,451	52,556
Depreciation and amortization	76,281	60,954
Total operating expenses	344,550	275,730
Operating income	98,552	37,042
Nonoperating (expenses) revenues		
Interest income	5,968	8,858
Other income, net	2,043	274
Loss on disposal of property and equipment, net	(3,406)	(3,786)
Interest expense	(50,721)	(49,196)
Interest expense, leases	(25)	(37)
Unrealized losses on investments, net	(22,563)	(21,752)
Contribution to the State of SC for Cooper River Bridge	(1,000)	(1,000)
Contribution to SC Department of Transportation for infrastructure improvements	(7,500)	-
Contribution to Spartanburg County for infrastructure improvements	-	(250)
Contribution to Department of Commerce for infrastructure improvements	-	(500)
Contribution from the State of SC for Navy Base Intermodal Facility	13,667	-
Contribution from the State of SC for Harbor Deepening	-	10
Other contributions related to Harbor Deepening	-	(4)
Contribution from the State of SC for Jasper Ocean Terminal	242	400
Total nonoperating (expenses) revenues	(63,295)	(66,983)
Revenues in excess of (less than) expenses before capital grants	35,257	(29,941)
Capital grants from the federal government	3,855	1,490
Increase (decrease) in net position	39,112	(28,451)
Total net position		
Beginning of year	715,642	743,962
Adoption of GASB 87	-	131
End of year	$ 754,754	$ 715,642

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

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

(in thousands of dollars)	2022	2021
Cash flows from operating activities		
Cash received from customers	$ 420,892	$ 302,525
Cash paid to suppliers	(121,843)	(85,314)
Cash paid for employees	(129,949)	(103,460)
Net cash provided by operating activities	169,100	113,751
Cash flows from investing activities		
Change in unrealized losses on investments	(22,563)	(23,088)
Interest on investments	6,583	9,545
Payment to support bi-port development	-	(400)
Net cash used in investing activities	(15,980)	(13,943)
Cash flows from noncapital financing activities		
Proceeds from dredging	756	44
Proceeds from other income	1,337	41
Cash received for Port Access Road construction	609	-
Cash paid for Ridgeville tract	-	(102)
Contribution to the State of SC for Cooper River Bridge	(1,000)	(1,000)
Contribution to SC Department of Transportation for infrastructure improvements	(7,500)	-
Contribution to Army Corps of Engineers for harbor deepening	-	(4)
Contribution from the State of SC for harbor deepening	-	6,047
Contribution from federal government	507	747
Contribution from the State of SC Department of Public Safety	-	604
Contribution from CSX Transportation, Inc.	-	138
Contribution from DERA Grant	689	-
Contribution from BUILD Grant	934	-
Contribution from the State of SC for the Navy Base Intermodal Facility	13,571	-
Contribution from the State of SC for Jasper Ocean Terminal	242	400
Net cash provided by noncapital financing activities	10,145	6,915
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(202,813)	(290,090)
Proceeds from sale of capital assets	4,754	22,824
Leases	(271)	607
Cash paid for financed lease	(21)	(126)
Principal paid on revenue bonds	(6,650)	(6,325)
Proceeds from notes payable	179,458	21,255
Principal paid on harbor deepening	(123)	(120)
Principal paid on other debt	(13,392)	(30,007)
Interest paid on revenue bonds	(43,824)	(44,151)
Interest paid on harbor deepening	(113)	(116)
Interest paid on other debt	(8,459)	(6,489)
Cash flows used in capital and related financing activities	(91,454)	(332,738)
Net increase (decrease) in cash and cash equivalents	71,811	(226,015)
Cash and cash equivalents		
Beginning of year	447,598	673,613
End of year	$ 519,409	$ 447,598
Reconciliation of cash and cash equivalents to financial statements		
Cash and cash equivalents	$ 507,072	$ 435,301
Investments	12,337	12,297
Total cash and cash equivalents	$ 519,409	$ 447,598

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

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

(in thousands of dollars)	2022	2021
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 98,552	$ 37,042
Adoption of GASB 87	-	(375)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	76,281	59,394
Provision for doubtful accounts	429	74
Other expense, net	-	989
Amortization	315	1,859
Changes in operating assets and liabilities		
Accounts receivable	(23,003)	(9,883)
Lease receivable	(141)	(192)
Inventories	(1,440)	39
Prepaid and other current assets	349	(1,378)
Accounts payable and other liabilities	10,384	1,917
Other liabilities	(518)	(1,638)
Payroll related liabilities	7,363	13,844
Net pension liability	529	12,059
Net cash provided by operating activities	$ 169,100	$ 113,751

Noncash Investing, Capital and Financing Activities

The following are noncash investing, capital and financing activities as of and for the year ended June 30:

(in thousands of dollars)	2022	2021
Capital assets included in accounts payable	$ 15,736	$ 23,100
Unrealized losses on investments	(22,563)	(21,752)
Contributions in other receivables	-	1,360
Land swap	-	20,373
Interest income included in interest receivable	(727)	234
Other capital activities	8,564	(867)
Intergovernmental activities	-	750

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

1. Summary of Significant Accounting Policies

Organization and Basis of Presentation

The South Carolina State Ports Authority ("Ports Authority") was created in 1942 by Act Number 626 of the South Carolina General Assembly for the general purposes of developing and improving the harbors and seaports of Charleston, Georgetown, and Beaufort for the handling of waterborne commerce and to foster and stimulate the shipment of freight and commerce through these ports. The Ports Authority owns and is responsible for the operation of seven ocean terminals at the ports of Charleston and Georgetown, as well as inland port facilities in Greer and Dillon. These facilities handle import and export containerized, breakbulk and bulk cargoes.

The Ports Authority operates as a self-supporting governmental enterprise and uses the accrual basis of accounting applicable to governmental enterprise funds. The Ports Authority has no stockholders or equity holders and is directed by a governing board whose members are appointed by the Governor of South Carolina for five-year terms. In addition to the nine voting members of the Board of Directors appointed by the Governor, there are two nonvoting board members including the Secretary of Transportation and the Secretary of Commerce. The Ports Authority's financial statements are included in the State of South Carolina general purpose financial statements as a discretely presented component unit.

All activities of the Ports Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The transactions of the Ports Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included in the Statements of Net Position. Net position is segregated into net investment in capital assets; restricted; and unrestricted components. These classifications are defined as follows:

Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of investment in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position components as the unspent proceeds.

Restricted – Consists of external constraints placed on net position use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

New Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Ports Authority is currently evaluating the impact that this Statement will have on its financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Ports Authority is evaluating this requirement with plans for adoption in the fiscal year ending June 30, 2024.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This Statement addresses the following:

- Classification of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*
- Clarification of provisions in Statement No. 87, *Leases*
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* as amended
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement No. 53 to refer to resource flows statements

The requirements of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provision in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 were effective upon issuance and had no material impact on the financial statements of the Ports Authority. The requirements of this Statement related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 while the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The Ports Authority is currently evaluating the impact of these requirements.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replaces instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021 and the Ports Authority has adopted this pronouncement.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Ports Authority has determined that this Statement will have an impact on its financial statements for the fiscal year ending June 30, 2023.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirement of this Statement will improve financial reporting by establishing the definitions of Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) and providing uniform guidance on transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate future obligations and assets resulting from PPPs. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Ports Authority is currently evaluating the impact that this Statement will have on its financial statements.

Other accounting standards that have been issued or proposed by the GASB or other standards-setting bodies are not expected to have a material impact on the Ports Authority's financial position, changes in net position, or cash flows.

Cash and Investments

The Ports Authority maintains cash and investments for operations, debt service and capital improvements. Funds are deposited at financial institutions or invested in funds maintained by the State Treasurer. Cash and investments used for operations are included on the Statements of Net Position as "cash and cash equivalents" and "investments." If an external restriction exists as to the use of the funds it is included on the Statements of Net Position as "restricted cash" or "restricted investments." Cash or investments maintained in accordance with revenue bond debt service requirements are included on the Statements of Net Position as "held by trustee for debt service." Amounts invested with the State Treasurer are part of an internal investment pool. The pool operates as a demand deposit account and amounts invested in the pool are classified as cash and cash equivalents for purposes of the Statements of Cash Flows. Other highly liquid investments with a maturity of three-months or less are considered cash and cash equivalents for purposes of the Statements of Cash Flows.

Credit Risk, Custodial Credit Risk, and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Ports Authority. The investments held by the trustee include U.S. government agency securities, which receive credit ratings from organizations such as Moody's Investors Service and Standard & Poor's. These rating agencies assign ratings to the securities by assessing the likelihood of issuer default; however, government obligations typically are not considered as having significant credit risk. The funds held by trustee received credit ratings from Moody's Investors Service of Aaa and Standard & Poor's of AAA as of June 30, 2022, and 2021. Investments include money market funds, U.S. Government securities, and interest-bearing accounts with credit ratings from Moody's of Aaa and Standard & Poor's of AAA as of June 30, 2022, and 2021. The money invested with the State Treasurer in the cash management pool is not rated by an outside agency; however, it is the policy of the State to invest in only the highest investment grade securities including those rated at least A by the two leading national rating services. State law requires full collateralization of all State Treasurer bank balances, and all the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, credit risk, interest rate risk, and concentration risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Ports Authority will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investments are invested primarily in money market funds, US Government securities, and interest-bearing accounts, which totaled approximately $9,387,000 and $9,319,000 as of June 30, 2022 and 2021, respectively. Investments held by the trustee are invested in government agency securities, which totaled approximately $33,759,000 and $31,623,000 as of June 30, 2022 and 2021, respectively. Investments and investments held by trustee are fully collateralized as of June 30, 2022 and 2021 with securities maintained by outside parties.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Ports Authority's investments in a single issuer. The Ports Authority holds investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds and investments in the State Treasurer's investment pool, which are exempt from concentration of credit risk disclosure requirements.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Ports Authority minimizes its interest rate risk by investing in primarily short-term securities. Interest rate risk associated with the investments at the State Treasurer, are managed by asset allocation policies and by additional constraints controlling risk exposure.

Investments and their relative maturities are as follows at June 30:

(in thousands of dollars)

		Value	
Investment Type	**Maturity**	**2022**	**2021**
Money market funds	Less than three months	$ 111,001	$ 45,809
Mutual funds	Less than one year	4,036	4,151
U.S. government agency securities	Less than one year	4,115	1,807
U.S. government agency securities	One to five years	4,128	6,310

Investments in the state investment pool include obligations of the U.S. and certain agencies of the U.S., obligations of domestic corporations, certificates of deposit and collateralized repurchase agreements. The maturity dates of these investments range from less than one year to thirty years.

Inventories
Inventories consist principally of maintenance parts and supplies and are recorded at cost. Inventory is evaluated for obsolescence on an annual basis and adjusted accordingly.

Capital Assets
Capital assets with a value of $5,000 or greater that are constructed or purchased are capitalized and stated at cost. Contributed capital assets are recorded at estimated fair value on the date received. Donated works of art and similar items should be reported at acquisition value rather than fair value. Capital assets received in a service concession arrangement should be reported at acquisition value.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	5 to 50 years
Buildings and structures	5 to 50 years
Railroad tracks	20 to 25 years
Terminal equipment	5 to 25 years
Furniture and fixtures	5 to 20 years

Lease Receivable

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Under a lease agreement, the Ports Authority may receive variable lease payments based on changes in the Consumer Price Index (CPI). The variable payments are recorded as an inflow of resources in the period incurred. A deferred inflow of resources is recorded to offset the lease receivable. The deferred inflow of resources is recorded at the inception of the lease in an amount equal to the initial recording of the lease receivable plus any prepayments and less any incentives given. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. Lease receivables are included in other receivables and other noncurrent assets and receivables in the Statements of Net Position.

Lease Liabilities

Lease liabilities are measured at the present value of expected lease payments over the lease term. An intangible right-to-use asset is recorded to offset the lease liability. The intangible asset is recorded at the inception of the lease in an amount equal to the initial recording of the lease liability plus any initial direct costs, plus any prepayments, and less any incentives received. The intangible right-to-use asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the lease asset. Lease liabilities are included in other current and non-current liabilities in the Statements of Net Position.

Operating Revenues and Expenses

The Statements of Revenues, Expenses and Changes in Net Position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing commerce through the Ports Authority. Revenue from exchange transactions is recognized at the time the transaction is completed. Nonexchange revenues, including grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to support commerce, other than financing costs.

Contributions
From time to time, the Ports Authority receives contributions from the State of South Carolina or the federal government. Revenues from contributions are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Restricted Resources
When the Ports Authority has both restricted and unrestricted resources available to finance a particular program, it is the Ports Authority's policy to use restricted resources before unrestricted resources.

Premiums on Long-Term Debt
Premiums on long-term debt are amortized as a component of interest expense over the term of the related debt obligations using the effective interest method.

Deferred Outflows/Inflows of Resources
Deferred outflows of resources represent a consumption of net assets applicable to future reporting periods. The Ports Authority's deferred outflows of resources consist of (i) deferred loss on debt refunding – the defeasance of previously outstanding revenue bonds resulting in deferred refunding losses. These deferred losses are recognized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter; (ii) net pension and net OPEB liabilities – decreases in net pension and net OPEB liabilities that are not included in expense. Also, employer contributions related to pension and OPEB that are made subsequent to the measurement date are reported as deferred outflows of resources. Deferred inflows of resources represent an acquisition of net assets applicable to future reporting periods. The Ports Authority's deferred inflows of resources consist of increases in net pension liabilities and net OPEB liabilities not included in expense and leases receivable.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risk Management
The Ports Authority is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; injuries to employees and natural disasters. The Ports Authority has obtained commercial insurance to cover the risk of these losses, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the years ending June 30, 2022, 2021, and 2020.

Risks and Uncertainties
The 2019 novel coronavirus ("COVID-19") has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Ports Authority and its customers' costs, demand for the Ports Authority's services, and the U.S. economy. The extent of the impact of the COVID-19 outbreak on the Ports Authority cannot be predicted at this time.

Concentration of Credit Risk
The Ports Authority provides services and facilities usage for companies located throughout the world. During the years ended June 30, 2022 and 2021, three customers accounted for the following revenue and accounts receivable percentages:

	2022		2021	
	Revenue	Accounts Receivable	Revenue	Accounts Receivable
Customer 1	16%	14%	17%	30%
Customer 2	15	19	12	12
Customer 3	15	9	11	11
	46%	42%	40%	53%

The Ports Authority generally provides credit to its customers. The Ports Authority performs ongoing credit evaluations of its customers and generally operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms. The Ports Authority maintains reserves for potential credit losses.

Annual Leave Policy
Employees earn vacation at rates of 12 to 25 days per year and may accumulate up to a maximum of 5 days, depending on their length of employment and type of employment contract. All employees could carry their leave balance into the new policy as their respective maximum. Upon termination, employees are paid for any unused accumulated vacation, up to their respective maximum. The liability for annual leave is accrued at its accumulated value for the current year plus the respective maximum in the accompanying financial statements. The liability is approximately $2,490,000 and $2,459,000 as of June 30, 2022 and 2021, respectively, and is included in accrued payroll and related expenses in the Statements of Net Position.

Related Party Transactions
The Ports Authority conducts certain business transactions with the State of South Carolina and other entities affiliated with the State of South Carolina. Transactions with related parties are carried out in commercial terms and conditions and at market prices.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of the Ports Authority and additions and deductions to/from the Ports Authority's net position have been determined on the same basis as they are reported by the South Carolina Retirement Systems administered by the South Carolina Public Employees Benefit Authority (PEBA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Change in Accounting Principle/Restatement & Reclassifications
During the fiscal year ending June 30, 2022, the Ports Authority implemented GASB 87, *Leases.* The implementation of this Statement required the Ports Authority to record beginning lease receivable, deferred inflow of resources and the effects on net position for the fiscal year ending June 30, 2021. As a result, net position of the Ports Authority increased approximately $131,000 for the fiscal year ending June 30, 2021. Additionally, certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The effects of the adjustment to the Ports Authority's previously issued financial statements are as follows:

(in thousands of dollars)	2021 As previously reported	GASB 87 Adjustments	2021 As restated
Assets			
Accrued interest receivable	$ 3,032	$ 28	$ 3,060
Other receivables	339	2,940	3,279
Capital assets, net	1,785,044	623	1,785,667
Other noncurrent assets and receivables	211	8,626	8,837
Total Assets	1,788,626	12,217	1,800,843
Liabilities			
Accrued interest	(22,988)	-	(22,988)
Deferred revenue	(1,509)	1,509	-
Other liabilities	-	(1,817)	(1,817)
Other non-current liabilities	(8,364)	(311)	(8,675)
Total Liabilities	(32,861)	(619)	(33,480)
Deferred inflow of resources			
Deferred inflow of resources - leases	-	(11,467)	(11,467)
Total Deferred inflow of resources	-	(11,467)	(11,467)
Net Position			
Net investment in capital assets	(521,164)	(4)	(521,168)
Unrestricted	(158,573)	(127)	(158,700)
Total Net Position	$ (679,737)	$ (131)	$ (679,868)

Subsequent Events

In preparing these financial statements, the Ports Authority has evaluated events and transactions for potential recognition or disclosure through September 20, 2022, the date the financial statements were available to be issued.

2. Cash and Investments

The Ports Authority's total cash and cash equivalents and investments at June 30, 2022 and 2021 was approximately $519,409,000 and $447,598,000, respectively. Periodically, cash on deposit in federally insured institutions exceeds the limit on insured deposits and may not be specifically collateralized. The Ports Authority has not experienced any such losses in its cash or investment accounts and believes it is not exposed to any significant credit risk regarding cash and investments at June 30, 2022 and 2021.

The bond trustees invest in government agency securities and repurchase agreements collateralized by U.S. government securities. These investments are carried at their estimated fair values.

Investments held with the State Treasurer are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, and the credit risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina. For the fiscal years ending June 30, 2022 and 2021, approximately $(15,921,000) of the $383,037,000 and $6,270,000 of the $368,263,000, respectively, identified in the schedule on the following page as "Deposits held by State Treasurer" is attributable to unrealized (loss) appreciation.

State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days.

The following schedule reconciles cash and investments in the notes to the Statements of Net Position as of June 30:

(in thousands of dollars)	2022	2021
Statements of Net Position		
Current assets		
Cash and cash equivalents, unrestricted	$ 374,937	$ 307,208
Cash and cash equivalents, restricted	101,326	99,448
Cash and cash equivalents held by trustee for debt service	30,809	28,645
Investments, unrestricted	5,351	5,168
Noncurrent assets		
Investments, restricted	4,036	4,151
Cash & Investments held by trustee for debt service	2,950	2,978
	$ 519,409	$ 447,598

(in thousands of dollars)	2022	2021
Deposits and Investments		
Deposits insured (FDIC) or collateralized by securities held by the pledging financial institution's agent in the Ports Authority's name	$ 93,226	$ 38,393
Deposits held by the State Treasurer's Office	383,037	368,263
Investments held by third party banks	9,387	9,319
Deposits held by trustee	30,867	28,674
U.S. government agency securities, held by trustee	2,892	2,949
	$ 519,409	$ 447,598

General provision regarding these Funds are as follows:

Restricted cash and investments are held for a specific purpose and therefore not available to the Authority for general business use. Current restricted funds include funds related to the 52-foot Harbor Deepening project, construction funds of the 2018, 2019A and 2019B bond issuances, and escrow deposits for specific equipment purchases.

Investments held by the trustee for debt service include Revenue Bond Debt Service Funds and Revenue Bond Debt Service Reserve Funds, which are to be used for the redemption of bonds and payment of interest on the bonds. Additions to the Revenue Bond Debt Service Funds are required from operating funds in amounts equal to the annual principal and interest payments. Additions to the Reserve Funds are required from operating funds when the Reserve Fund's assets are less than the sum of the largest annual interest payment for each issue of revenue bonds outstanding (See Note 5). When the assets of the Reserve Funds exceed the requirements, the Ports Authority is permitted to use investment income from the Reserve Funds for principal and interest payments and thereby reduce the amount of operating funds required to be transferred to the Debt Service Funds. Cash in the Debt Service Reserve Funds can be invested and reinvested in investments collateralized by U.S. government or agency obligations, with maturities consistent with the need for cash in the funds.

The assets of the State Port Construction Fund, included in current cash and cash equivalents on the Statements of Net Position, are unexpended contributions to the Fund and net harbormaster fees required to be transferred to the Fund. The assets are internally designated for improvements and expansion of the Ports Authority's facilities.

Fair Value Guidance
Investments held by the Ports Authority are accounted for under GASB Statement No. 72, *Fair Value Measurement and Application* and are carried at their estimated fair value. This Statement requires the Ports Authority to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

The Statement also establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the asset, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the investment's risk. Money market mutual funds classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.
The cost, gross unrealized gain, gross unrealized loss, and fair values of fixed maturity securities as of and for the years ended June 30, 2022 and 2021 are as follows:

(in thousands of dollars)	**2022**			
Type of Investment	**Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Market Value**
Money market funds	$ 111,001	$ -	$ -	$ 111,001
Mutual funds	4,036	-	-	4,036
U.S. treasury securities	7,948	15	(212)	7,751
Gov't sponsored securities	506	5	(19)	492
	$ 123,491	$ 20	$ (231)	$ 123,280

(in thousands of dollars)	**2021**			
Type of Investment	**Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Market Value**
Money market funds	$ 45,809	$ -	$ -	$ 45,809
Mutual funds	4,151	-	-	4,151
U.S. treasury securities	6,539	139	(3)	6,675
Gov't sponsored securities	1,417	26	(1)	1,442
	$ 57,916	$ 165	$ (4)	$ 58,077

Unrealized losses on investments as reported on the Statements of Revenues, Expenses and Changes in Net Position of $(22,563,000) for the year ended June 30, 2022, includes unrealized losses on investments of $(372,000) and unrealized loss on deposits held by state treasurer of $(22,191,000). For the fiscal year ended June 30, 2021, unrealized loss on investments as reported on the Statements of Revenues, Expenses and Changes in Net Position of ($21,752,000) included unrealized losses on investments of ($324,000) and unrealized losses on deposits held by state treasurer of ($21,428,000).

The investment balances in the tables above and below are included in the Statements of Net Position as investments (approximately $9,387,000 and $9,319,000 as of June 30, 2022 and 2021, respectively) and investments held by trustee for debt service (approximately $2,950,000 and $2,978,000 as of June 30, 2022 and 2021, respectively). There were fifteen securities in an unrealized loss position at June 30, 2022, two of which were in a loss position for greater than 12 months. There were five securities in an unrealized loss position at June 30, 2021, none of which were greater than 12 months.

The following table provides the hierarchy information about the Ports Authority's financial assets measured at fair value on a recurring basis at June 30:

(in thousands of dollars)	2022			
Type of Investment	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 111,001	$ -	$ -	$ 111,001
Mutual funds	4,036	-	-	4,036
U.S. treasury securities	-	7,751	-	7,751
Gov't sponsored securities	-	492	-	492
	$ 115,037	$ 8,243	$ -	$ 123,280

(in thousands of dollars)	2021			
Type of Investment	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 45,809	$ -	$ -	$ 45,809
Mutual funds	4,151	-	-	4,151
U.S. treasury securities	-	6,675	-	6,675
Gov't sponsored securities	-	1,442	-	1,442
	$ 49,960	$ 8,117	$ -	$ 58,077

3. Capital Assets

Capital assets consist of the following amounts:

(in thousands of dollars)	**Balance at June 30, 2021**	**Additions**	**Disposals**	**Transfers**	**Balance at June 30, 2022**
Capital assets not depreciated:					
Land	$ 696,208	$ 3,141	$ (5,719)	$ 23,341	$ 716,971
Capital projects in progress	72,833	203,180	-	(200,948)	75,065
Total capital assets not depreciated	769,041	206,321	(5,719)	(177,607)	792,036
Depreciable capital assets:					
Land improvements	669,184	-	(317)	40,674	709,541
Buildings and structures	669,842	-	(22,311)	46,945	694,476
Railroad tracks	19,774	-	-	4,070	23,844
Terminal equipment	311,383	-	(1,696)	85,512	395,199
Furniture and fixtures	41,111	-	-	406	41,517
Intangible assets	623	62	(316)	-	369
Total depreciable capital assets	1,711,917	62	(24,640)	177,607	1,864,946
Less: Accumulated depreciation	695,291	76,281	(20,408)	-	751,164
Depreciable capital assets, net	1,016,626	(76,219)	(4,232)	177,607	1,113,782
Capital assets, net	$ 1,785,667	$ 130,102	$ (9,951)	$ -	$ 1,905,818

(in thousands of dollars)	Balance at June 30, 2020	Additions	Disposals	Transfers	Balance at June 30, 2021
Capital assets not depreciated:					
Land	$ 374,341	$ 20,372	$ (21,401)	$ 322,896	$ 696,208
Capital projects in progress	615,601	258,042	-	(800,810)	72,833
Total capital assets not depreciated	989,942	278,414	(21,401)	(477,914)	769,041
Depreciable capital assets:					
Land improvements	443,703	-	(6,794)	232,275	669,184
Buildings and structures	498,134	-	(11,246)	182,954	669,842
Railroad tracks	19,774	-	-	-	19,774
Terminal equipment	256,553	317	(7,193)	61,706	311,383
Furniture and fixtures	40,132	-	-	979	41,111
Intangible assets	27	623	(27)	-	623
Total depreciable capital assets	1,258,323	940	(25,260)	477,914	1,711,917
Less: Accumulated depreciation	648,642	59,394	(12,745)	-	695,291
Depreciable capital assets, net	609,681	(58,454)	(12,515)	477,914	1,016,626
Capital assets, net	$ 1,599,623	$ 219,960	$ (33,916)	$ -	$ 1,785,667

4. Leases

The Ports Authority, as a lessor, recognizes a lease receivable and deferred inflows of resources at the commencement of a lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. As a lessor, the asset underlying the lease is not unrecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received and less any incentives given at or before the commencement of the lease.

For GASB No. 87, *Leases*, the Ports Authority's leases were categorized as follows:

1. Included
2. Excluded – short-term

Included Leases

For included leases, the Ports Authority recognized lessor lease receivable of $12,176,000 for the fiscal year ending June 30, 2022 and is included in other receivables and other noncurrent assets and receivables in the Statements of Net Position. For the fiscal year ending June 30, 2022, the Ports Authority reported lease revenue of $3,537,000 and interest revenue of $442,000. For the fiscal year ended June 30, 2021, the Ports Authority reported lease revenue of $2,944,000 and interest revenue of $612,000, as restated.

The Ports Authority uses an incremental borrowing rate of 3.0% to discount lease revenue to net present value unless the lease specifies an implicit borrowing rate. Two leases were discounted using their implicit rates of 3.5% and 5.0% as specified in the lease. Some leases include termination clauses, without cause, after a specified date. Those periods were not included in the term of the lease.

Land

The Ports Authority leases land for terms that range from 3 to 55 years. The terms of the land lease agreements include fixed revenue components based on total acreage. Some land lease agreements include a variable revenue component based on the Consumer Price Index (CPI). Other adjustments include one-time rent waivers that are also included in variable revenue. Variable revenue and rent waivers totaled $(14,000) and $160 for the fiscal years ending June 30, 2022 and 2021, respectively. The variable revenue and rent waivers were not included in the measurement of the lease receivable.

Building
The Ports Authority leases buildings and warehouses for terms that range from two to five years. The terms of the building lease agreements include a fixed revenue component based on total square footage. Some building lease agreements include a variable revenue component based on changes in CPI and some include discounts contingent upon container volume. Variable revenue and discounts totaled $(172,000) and $(187,000) for the fiscal years ending June 30, 2022 and 2021, respectively. The variable building revenue and volume discounts were not included in the measurement of the lease receivable.

Minimum future lease receipts are:

(in thousands of dollars)	Principal	Interest	Total
2023	$ 2,511	$ 362	$ 2,873
2024	2,110	290	2,400
2025	1,195	234	1,429
2026	525	210	735
2027	545	189	734
2028–2032	2,624	617	3,241
2033–2037	889	315	1,204
2038–2042	479	231	710
2043–2047	556	153	709
2048–2052	569	64	633
2053–2057	27	24	51
2058–2062	31	20	51
2063–2067	36	15	51
2068–2072	42	9	51
2073–2077	37	2	39
	$ 12,176	$ 2,735	$ 14,911

Excluded – Short-Term Leases
The Ports Authority does not recognize lease receivable and deferred inflows of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

The Ports Authority, as a lessee, recognizes an intangible right-to-use asset and a lease liability at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. The lease liability is measured at the present value of the lease payments expected to be paid during the lease term. The intangible right-to-use asset is measured at the value of the lease liability plus any initial direct costs and prepayments and less any incentives received.

For GASB No. 87, *Leases*, the Ports Authority's leases were categorized as follows:
1. Included
2. Excluded – short-term

Included Leases
For included leases, the Ports Authority is reporting a lessee lease Liability of $364,000 for the year ending June 30, 2022, and is included in other current and non-current liabilities in the Statements of Net Position. For the fiscal year ended June 30, 2022, the Ports Authority reported lease expense of $315,000 and interest expense of $15,000 related to these lease payments. For the fiscal year ended June 30, 2021, the Ports Authority reported lease expense of $299,000 and interest expense of $12,000.

Lease liability activity for the fiscal years ending June 30, 2022 and 2021 are as follows:

(in thousands of dollars)	June 30, 2021	Additions	Reductions	June 30, 2022	Current Portion
Lease liability	$ 618	$ 63	$ (317)	$ 364	$ 263
	$ 618	$ 63	$ (317)	$ 364	$ 263

(in thousands of dollars)	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
Lease liability	$ -	$ 922	$ (304)	$ 618	$ 307
	$ -	$ 922	$ (304)	$ 618	$ 307

None of the lease agreements entered by the Ports Authority as a lessee include an implicit rate of return, therefore the Ports Authority used an incremental borrowing rate of 3.0% to discount the lease to net present value. Some leases include a termination clause available to either party after a certain date, without cause. Those periods were not included in the term of the lease.

Land
The Ports Authority leases land with a term of five years. The terms of the land lease agreements include fixed expense components based on total acreage. Fixed land expense totaled $17,000 for the fiscal years ending June 30, 2022 and 2021. The terms of the land lease agreements do not include a variable expense component.

Building
The Ports Authority leases buildings on terminal with a term of two years. Fixed building expense totaled $197,000 and $190,000 for the fiscal years ending June 30, 2022 and 2021, respectively. The terms of the building lease agreements do not include a variable expense component.

Equipment
The Authority leases printing and postage equipment for office use at multiple locations with five-year terms. Fixed equipment expense totaled $101,000 and $92,000 for the fiscal years ending June 30, 2022 and 2021, respectively. The terms of the equipment lease agreements do not include a variable expense component.

Minimum future lease expenditures are:

(in thousands of dollars)	Principal	Interest	Total
2023	$ 263	$ 6	$ 269
2024	52	2	54
2025	28	1	29
2026	20	-	20
2027	1	-	1
	$ 364	$ 9	$ 373

Excluded – Short-Term Leases
The Ports Authority does not recognize lease liability and an intangible right-to-use asset for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

5. Long-Term Debt

Borrowings and payments on long-term debt are as follows:

(in thousands of dollars)	June 30, 2021	Additions	Reductions	June 30, 2022	Current Portion
Revenue bonds – Series 2015	$ 55,300	$ -	$ -	$ 55,300	$ -
Revenue bonds – Series 2018	312,645	-	(6,650)	305,995	6,980
Revenue bonds – Series 2019 A	121,910	-	-	121,910	750
Revenue bonds – Series 2019 B	258,420	-	-	258,420	1,250
Revenue bonds – Series 2019 C	125,000	-	-	125,000	-
Revenue bonds – Series 2019 D	151,580	-	-	151,580	-
Notes payable	252,607	179,459	(13,392)	418,674	19,063
Harbor deepening obligation	3,761	-	(123)	3,638	127
	1,281,223	179,459	(20,165)	1,440,517	28,170
Plus: Unamortized premium	75,119	-	(2,579)	72,540	2,617
	$ 1,356,342	$ 179,459	$ (22,744)	$ 1,513,057	$ 30,787

(in thousands of dollars)	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
Revenue bonds – Series 2015	$ 55,300	$ -	$ -	$ 55,300	$ -
Revenue bonds – Series 2018	318,970	-	(6,325)	312,645	6,650
Revenue bonds – Series 2019 A	121,910	-	-	121,910	-
Revenue bonds – Series 2019 B	258,420	-	-	258,420	-
Revenue bonds – Series 2019 C	125,000	-	-	125,000	-
Revenue bonds – Series 2019 D	151,580	-	-	151,580	-
Notes payable	261,359	21,255	(30,007)	252,607	8,438
Harbor deepening obligation	3,881	-	(120)	3,761	123
	1,296,420	21,255	(36,452)	1,281,223	15,211
Plus: Unamortized premium	77,654	-	(2,535)	75,119	-
	$ 1,374,074	$ 21,255	$ (38,987)	$ 1,356,342	$ 15,211

Series 2019D
On November 20, 2019, the Ports Authority issued $151,580,000 of Series 2019D Bonds having stated interest rates from 2.95% to 3.87% payable annually on each January 1 and July 1. Net proceeds of $164,287,011 were received to (i) refund certain maturities of the Authority's Series 2015 Bonds and (ii) to pay certain costs and expenses relating to the issuance and sale of the Series 2019D Bonds. As a result of the Series 2019D refunding, the Ports Authority achieved net present value savings of $11,185,072.

Series 2019A, 2019B, and 2019C (2019 Bonds)
On October 2, 2019, the Ports Authority issued $505,330,000 of Series 2019 (A, B, & C) Bonds having stated interest rates from 3.0% to 5.0% payable annually on each January 1 and July 1. Net proceeds of $545,942,043 were received to (i) pay or reimburse the Authority for a portion of the cost of a port access road and related improvements in connection with the development by the Authority of the Hugh K. Leatherman Terminal, (ii) pay or reimburse the Authority for construction, equipment and other capital costs in connection with the Leatherman Terminal, and certain capital expenditures included in the Authority's capital plan, (iii) refund certain maturities of the Ports Authority's Series

2015 Bonds, and (iv) to pay certain costs and expenses relating to the issuance of the Series 2019A, 2019B, and 2019C Bonds. The Series 2019A and 2019B Bonds, issued at a premium of $13,779,974 and $27,688,640, respectively, consist of term bonds maturing between July 1, 2022 and 2059. The bond premium is amortized using the effective interest method over the life of the bonds. Bond issuance costs were expensed in the period incurred. The Series 2019C refunding was issued at par and resulted in net present value savings of $9,752,855 for the Ports Authority.

Series 2018
On June 6, 2018, the Ports Authority issued $325,000,000 of Series 2018 Bonds having stated interest rates from 4.0% to 5.0% payable annually on each January 1 and July 1. Net proceeds of $364,585,000 were received to (i) pay or reimburse the Ports Authority for costs associated with the expansion and improvement of the Ports Authority's facilities, including the reimbursement to the Ports Authority of certain costs previously incurred and certain capital expenditures as included in the Ports Authority's capital budget for fiscal years 2018 through 2020 in the amount of $363,372,000 and (ii) $1,785,000 to pay certain costs and expenses related to the issuance of the Series 2018 Bonds. The bonds, issued at a premium of approximately $40,158,000, consist of term bonds maturing between July 1, 2019 and 2055. The bond premium is amortized using the effective interest method over the life of the bonds. Bond issuance costs were expensed in the period incurred.

Series 2015
On November 4, 2015, the Ports Authority issued $294,025,000 of Series 2015 Bonds having stated interest rates ranging from 3.5% to 5.25% payable annually on each January 1 and July 1. Net proceeds of $314,260,000 were received to (i) pay or reimburse the Ports Authority for costs associated with the expansion and improvement of the Ports Authority's facilities, including the reimbursement to the Ports Authority of certain costs previously incurred and certain capital expenditures as included in the Ports Authority's capital budget for fiscal years 2016 through 2018 in the amount of $300,000,000, (ii) $12,443,000 to fund the debt service reserve fund and (iii) $1,817,000 to pay certain costs and expenses related to the issuance of the Series 2015 bonds. The bonds, issued at a premium of approximately $20,235,000, consist of term bonds maturing between July 1, 2026 and 2055. The bond premium is amortized using the effective interest method over the life of the bonds. Bond issuance costs were expensed in the period incurred.

In connection with the Series 2019A, 2019B, 2019C, 2019D, 2018 and 2015 outstanding revenue bonds, (1) the Ports Authority's net revenues (defined as the portion of revenues remaining after providing for the proper operation and maintenance of facilities) are pledged for payment of bond principal and interest, (2) a statutory lien on the Ports Authority's facilities exists and (3) for Series 2015 only, the Ports Authority is required to maintain Revenue Bond Debt Service Funds; Revenue Bond Debt Service Reserve Funds; an Operations and Maintenance Fund; a Construction Fund (until funds are exhausted) and a Capital Improvement Fund (for improvement of Ports Authority facilities); and a Depreciation Fund (for operating equipment). Management believes the Ports Authority is in compliance with these covenants as of June 30, 2022 and 2021.

Optional Redemption
The 2019D Bonds shall be subject to redemption prior to maturity, at the option of the Ports Authority, on and after July 1, 2029, in whole or in part at any time and in any order of maturity selected by the Ports Authority, at the principal amount of the Series 2019D Bonds to be redeemed, together with interest accrued thereon on the date fixed for redemption. The Series 2019 Bonds maturing on or after July 1, 2030, shall be subject to redemption prior to maturity, at the option of the Ports Authority, on and after July 1, 2029, in whole or in part, at any time in any order of maturity selected by the Ports Authority, at the principal amount of the 2019D Bonds to be redeemed, together with interest accrued thereon on the date fixed for redemption.

The Series 2018 and 2015 Bonds maturing on or after July 1, 2029 and 2026, respectively, shall be subject to redemption prior to maturity, at the option of the Ports Authority, on and after July 1, 2028 and 2025, respectively, in whole or in part, at any time in any order of maturity selected by the Ports Authority, at the principal amount of the Series 2018 and 2015 Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption
The Series 2019D and Series 2019C Bonds shall be subject to mandatory sinking fund redemption, by lot in such manner as the trustee shall deem fair and appropriate for random selection, prior to maturity, commencing July 1, 2035, and on each July 1 thereafter, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Series 2019A and Series 2019B Bonds shall be subject to mandatory sinking fund redemption, by lot in such manner as the trustee shall deem fair and appropriate for random selection, prior to maturity, commencing July 1, 2040, and on each July 1 thereafter, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Series 2018 Bonds shall be subject to mandatory sinking fund redemption, by lot in such manner as the trustee shall deem fair and appropriate for random selection, prior to maturity, commencing July 1, 2039, and on each July 1 thereafter, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Series 2015 Bonds shall be subject to mandatory sinking fund redemption, by lot in such manner as the trustee shall deem fair and appropriate for random selection, prior to maturity, commencing July 1, 2036, and on each July 1 thereafter, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Direct Borrowings
On December 22, 2021, the Ports Authority entered into an $88,865,270 lease purchase agreement with a bank to defray the costs of acquiring equipment to be utilized for the operation of the Authority's SMART Chassis Pool. The agreement bears interest at the rate of 2.21% with payments due semi-annually commencing on June 22, 2022 and ending December 22, 2036. As of June 30, 2022 the Ports Authority had $86,350,810 outstanding under this agreement.

On July 23, 2021, the Ports Authority entered into a loan and security agreement with a bank for $65,000,000. The loan was evidenced by certain promissory note in the same amount. Proceeds of the loan were used to defray the costs of acquiring equipment to be utilized in the Ports Authority's SMART Chassis Pool. The promissory note has a ten-year term that includes a variable rate (LIBOR plus 125 basis points) interest only period for up to sixteen months whereby the Ports Authority can draw down the loan from time to time. Once the interest-only period is converted, the outstanding balance is amortized over the remaining term at a fixed rate determined at the time of conversion and the Authority makes monthly principal and interest payments thereafter. On December 17, 2021, the Ports Authority executed and delivered a permanent promissory note under the Loan Agreement in the amount of $35,593,151. The permanent loan bears interest at the rate of 2.26% with payments due on the 30th day of each month commencing January 30, 2022 and ending July 30, 2031. There will 114 equal payments of principal and interest with a final balloon payment. As of June 30, 2022 the Ports Authority had $34,589,469 outstanding under this loan agreement.

On July 9, 2021, the Ports Authority entered into a loan and security agreement with a bank for $55,000,000. The loan was evidenced by a promissory note in the same amount. Proceeds of the loan were used to defray the costs of acquiring equipment to be utilized in the Ports Authority's SMART Chassis Pool. The promissory note bears interest at a fixed rate of 2.40%, has a ten-year term, and is collateralized by the equipment. The loan is a closed-end line of credit whereby the Ports Authority can draw down the loan from time to time until July 1, 2023. On February 28, 2022, the Ports Authority entered into a First Amendment to this agreement. As amended, the Note bears interest at the rate of 2.40% per annum with principal and interest payable on the first day of each month beginning March 1, 2022 and ending September 1, 2036. As of June 30, 2022, the Ports Authority had $53,564,203 outstanding under this loan agreement.

On January 26, 2021, the Ports Authority entered into a loan and security agreement with a bank for $21,255,357. The loan was evidenced by a Subordinate Lien Revenue Refunding Bond, Series 2021, in the same amount. Proceeds were used to refund the Ports Authority's $30,000,000 promissory note agreement which was entered into for the development and construction of the South Carolina Inland Port located in Greer, SC. Principal and interest are payable monthly at a rate of 2.70% per annum, beginning March 1, 2021 with payments made monthly thereafter until the loan matures on February 1, 2031. As of June 30, 2022 and 2021, the Ports Authority had amounts outstanding under this loan agreement of $20,597,709 and $21,070,270, respectively.

On April 17, 2020, the Ports Authority entered into a loan and security agreement with a bank for $82,932,577. The loan was evidenced by a Subordinate Lien Revenue Bond, Series 2020, in the same amount. Proceeds were used to refund the Ports Authority's $25,000,000 Subordinate Lien Revenue Bond, Series 2016, $20,000,000 Subordinate Lien Revenue Bond, Series 2019A and $40,000,000 Subordinate Lien Revenue Bond, Series 2019B which were issued to purchase material handling equipment for the Wando Welch Terminal with the purchased assets and a third lien on net revenues securing the loan. Principal and interest are payable semi-annually at a rate of 2.086% per annum, beginning September 15, 2020 with payments made semi-annually thereafter until the loan matures on March 15, 2035. As of June 30, 2022 and 2021, the Ports Authority had amounts outstanding under this loan agreement of $75,875,233 and $79,363,634, respectively.

Pursuant to a loan agreement dated as of April 30, 2019, the Ports Authority entered into a loan agreement with the South Carolina State Treasurer's Office for $50,000,000 in advance of the contribution by the United States government of the federal share of the cost of the Charleston Harbor deepening project (see Note 6). The loan is payable as to interest only until such time as either the debt is extinguished, or the principal amortization commences. The loan bears interest at a per annum rate equal to the average yield on the South Carolina State investment pool which is 1.48% and 2.00% as of June 30, 2022 and 2021, respectively. Upon receipt by the Ports Authority of the federal government's reimbursement of any moneys advanced by the Ports Authority for the federal share of the cost of the Charleston Harbor deepening project, the Ports Authority is required to apply such funds to any principal amount remaining on the loan on the date of reimbursement. If the Ports Authority makes no principal payments on the loan by January 1, 2025, the Ports Authority will pay, from available funds, based on no more than a 25-year amortization, the drawn principal balance. The loan is unsecured and expressly subordinate to all debt obligations of the Ports Authority.

On May 15, 2018, the Ports Authority entered into a loan and security agreement with a bank for $80,000,000. The loan was evidenced by a Subordinate Lien Revenue Bond, Series 2018, in the same amount. Proceeds were used to purchase material handling equipment for the Wando Welch Terminal with the purchased assets securing the loan. Interest is payable semi-annually at a rate of 3.341% per annum, beginning November 15, 2018. The first principal payment was due November 15, 2019, and payments are made annually thereafter until the loan matures on May 15, 2034. As of June 30, 2022 and 2021, the Ports Authority had amounts outstanding under this loan agreement of $71,105,367 and $74,169,008, respectively.

On March 21, 2017, the Ports Authority entered into a mortgage of real estate and security agreement with Marlboro Development Team, Inc., a South Carolina Corporation for $20,000,000. Proceeds were used for the development and construction of the South Carolina Inland Port located in Dillon, SC. Principal and interest are payable annually with interest at 2.7% per annum. The loan matures on March 21, 2037. As of June 30, 2022, and 2021, the Ports Authority had amounts outstanding under this loan agreement of $15,950,633 and $16,804,224, respectively.

On January 29, 2015, the Ports Authority entered into a promissory note agreement with a bank for $14,000,000. Interest was payable monthly for twelve months and then, semi-annually beginning July 29, 2016. The interest rate per annum is based on the 90-day published LIBOR plus .85%, with a floor of 1.25%. The first principal payment was due January 29, 2017. Principal payments are made annually in equal amounts with all outstanding principal and interest due on January 29, 2025. Proceeds from this note were used for the development and construction of a cold storage facility located in North Charleston, SC. As of June 30, 2022, and 2021, the Ports Authority had amounts outstanding under this loan agreement of $10,640,000 and $11,200,000, respectively.

The Ports Authority and the Army Corps of Engineers (Federal entity) entered into a cooperation agreement to deepen the Charleston Harbor to its present depth of 45 feet on June 5, 1998. The Ports Authority has paid a portion of the local share amount of $47,700,000, utilizing $31,700,000 from the State of South Carolina's funding sources provided for this project. The remaining portion of the local share is being paid over a period of 30 years and includes annual interest of 3%. As of June 30, 2022, and 2021, the remaining balance is approximately $3,638,363 and $3,800,000, respectively.

Maturities of long-term debt are summarized as follows:

	Revenue Bonds		**Direct Borrowing Debt**	
(in thousands of dollars)	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 8,980	$ 43,433	$ 19,190	$ 9,027
2024	11,275	42,927	19,651	8,558
2025	11,840	42,349	79,084	8,030
2026	12,440	41,742	20,050	7,475
2027	13,150	41,102	20,547	6,977
2028–2032	77,180	194,733	137,712	42,421
2033–2037	107,465	173,032	124,802	7,311
2038–2042	135,930	145,416	1,048	131
2043–2047	169,580	111,756	228	7
2048–2052	207,315	74,022	-	-
2053–2057	206,330	28,841	-	-
2058–2062	56,720	3,254	-	-
	$ 1,018,205	$ 942,607	$ 422,312	$ 89,937

The components of interest expense for the years ended June 30, 2022 and 2021 are as follows:

(in thousands)	**2022**	**2021**
Interest expense on long-term debt	$ 52,243	$ 50,675
Amortization of premiums on long-term debt	(2,579)	(2,536)
Amortization of deferred outflows for bond refunding	1,057	1,057
	$ 50,721	$ 49,196

6. Commitments

Construction

In addition to routine commitments for repairs and maintenance, the Ports Authority had commitments for construction of approximately $167,500,000 and $68,650,000 as well as commitments for non-construction property, plant, and equipment of approximately $4,850,000 and $7,500,000 at June 30, 2022 and 2021, respectively.

Harbor Deepening

On July 19, 2017, the Ports Authority executed a Project Partnership Agreement (PPA) with the Department of the Army to commence construction of the post-45 harbor deepening project for the Charleston Harbor. The US Army Corps of Engineers has estimated that the harbor deepening project will be complete in 2022 and is expected to cost approximately $584,900,000. Based on US Army Corps of Engineers Project Management Plan, it is anticipated that the local share of the project will be approximately $279,500,000, and the federal share will be approximately $305,400,000. The State appropriated $300,000,000 together with interest earned thereon, to cover costs associated with the deepening of the Charleston Harbor. In addition, the State advanced the proceeds of the $50,000,000 Proviso Loan to bridge the federal funding period (see Note 5). The Proviso Loan is expected to be paid back by federal funds when received and approved for reimbursement. To date, the federal government has authorized $246,000,000 towards the project.

Hugh K. Leatherman Terminal

In May 2007, the Ports Authority received permits to begin construction of a 286-acre container terminal facility on a portion of the former Charleston Naval Base on the west bank of the Cooper River in North Charleston, SC. The first phase of this project opened in April 2021 and marked the first greenfield container terminal opening in the United States since 2009. The first phase consists of 1,400 linear feet of berth, 134 developed acres, five ship-to-shore cranes, and 25 rubber-tired-gantry-cranes. The cost for the first phase was approximately $986,000,000. The remaining phases will be developed into the future on a demand-driven basis.

Navy Base Intermodal Facility

On June 21, 2021, the General Assembly ratified Appropriations Bill H.4100. As part of the bill, the South Carolina Ports Authority was appropriated $200,000,000 for cargo infrastructure related to the Navy Base Intermodal Facility (NBIF). This revenue is deemed to have occurred and is available for use in fiscal year 2022 after September 1, 2021. On June 22, 2022, the General Assembly ratified Appropriations Bill H.5150. As part of the bill, the Ports Authority was appropriated an additional $350,000,000 for the NBIF and Container Barge Infrastructure. This revenue is deemed to have occurred and is available for use in fiscal year 2023 after September 1, 2022. Funds will be utilized for construction of the NBIF and Container Barge Infrastructure.

On July 1, 2021, the Ports Authority entered into an intergovernmental agreement with the South Carolina Department of Commerce and its Division of Public Railways to cooperate on the construction and operation of the Navy Base Intermodal Facility on the former Charleston Naval Complex for the purpose of serving the Port of Charleston with near-dock, equal access to Norfolk Southern Railway Company and CSX Transportation, Inc. to meet future intermodal container transportation demand in the Charleston region. Under the terms of the agreement, the Ports Authority will have the obligation, authority and responsibility for the bidding, award, construction, and operation of the NBIF, which commenced during the fiscal year ending June 30, 2022.

Rail Overpass
In October 2002, as amended in February 2005, the Ports Authority, and the City of North Charleston (City) entered into a Memorandum of Understanding (MOU) related to certain issues concerning the development of the Leatherman Terminal, particularly the division of real estate on the Charleston Naval Complex. In the MOU, it is stated that the Ports Authority acknowledges that the City requires certain minimum infrastructure, including three rail overpasses, to be in place before the Ports Authority commences container operations, and provides for the Ports Authority and the City to approach the South Carolina General Assembly for the funding of the rail overpasses. To date, the South Carolina General Assembly has not acted on the Ports Authority's and City's request for funding, and, because of the absence of that funding source, the rail overpasses were not constructed as part of Phase 1 of the Leatherman Terminal.

On December 20, 2021, the Ports Authority and the City of North Charleston entered into a Settlement Agreement related to the 2002 MOU, as amended. The terms of the agreement call for the Ports Authority to pay the City of North Charleston $40,000,000 in equal payments of $10,000,000 each year for four years. The Ports Authority made the first $10,000,000 payment during fiscal year 2022 and the remaining $30,000,000 is included in other non-current liabilities in the Statement of Net Position.

Port of Georgetown
Also included in Appropriations Bill H.5150 which was ratified by the General Assembly on June 22, 2022, is the authorization for the Transfer of the Port of Georgetown to the County of Georgetown. The Bill calls for the Ports Authority to transfer the real property, including buildings, fixtures, and certain equipment to the County of Georgetown in "as-is" condition including, but not limited to, any appurtenances and the assumption of any leases through a quit-claim deed no later than June 30, 2023. Any and all funds in the Georgetown Port Maintenance Dredging Fund shall be transferred to the Ports Authority in full consideration for such transfer. As of June 30, 2022, these funds totaled $3,350,000. Only the approval of the Georgetown County Council and the Ports Authority Board of Directors is required for this transaction.

South Carolina Maritime Chassis Pool
In April and June 2021, the Board of Directors approved resolutions for the creation of a chassis pool to be owned and operated by the Ports Authority. The resolutions enable the Ports Authority to procure equipment to operate the chassis pool in an amount not to exceed $205,000,000. The chassis pool will provide newer, modern chassis which will reduce out-of-service levels and lower repair and maintenance costs for users. The chassis pool will launch in phases with the first being at the Hugh K. Leatherman Terminal on August 15, 2022.

Economic Incentive Agreement
In January 2021, the Ports Authority entered into an economic incentive agreement with a developer to encourage the development of an approximately 1,000,000 square-foot building that could be leased or sold to a user that may utilize the Port of Charleston as part of its operations. Under the terms of the agreement, the Ports Authority committed to reimbursement of carrying costs incurred by the developer if the building has not leased a minimum of 500,000 square-feet or been sold prior to January 1, 2023. Carrying costs would not exceed $2,357,220 and would be applied from January 1, 2023 through December 31, 2023. Should the building lease a minimum of 800,000 square-feet or be sold before January 1, 2023, the Ports Authority would receive an incentive of $235,722 for entering into the agreement. As of June 30, 2022, this building has been fully leased and $235,722 has been recognized in other income (expense) in the Statements of Revenues, Expenses and Changes in Net Position.

7. Retirement Plans

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29233. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state-agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplement Retirement Plan (SCNG).

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- State ORP - As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member’s account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

  The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

  The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions
Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates are as follows:

	2022	2021
SCRS		
Employee class two	9.00%	9.00 %
Employee class three	9.00%	9.00 %
State ORP employee	9.00%	9.00 %
PORS		
Employee class two	9.75%	9.75 %
Employee class three	9.75%	9.75 %

Required employer contribution rates are as follows:

	2022	2021
SCRS		
Employer class two	16.41%	15.41 %
Employer class three	16.41%	15.41 %
Employer incidental death benefit	0.15%	0.15 %
State ORP		
Employer contribution	16.41%	15.41 %
Employer incidental death benefit	0.15%	0.15 %
PORS		
Employer class two	18.84%	17.84 %
Employer class three	18.84%	17.84 %
Employer incidental death benefit	0.20%	0.20 %
Employer accidental death program	0.20%	0.20 %

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company

(GRS) and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In fiscal year 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021 and June 30, 2020.

	SCRS	**PORS**
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0%	3.5% to 10.5%
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or $500	lesser of 1% or $500

	SCRS	**PORS**
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5%	3.5% to 9.5%
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or $500	lesser of 1% or $500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the TPL as of June 30, 2021 and 2020 are as follows.

Former job class	**Males**	**Females**
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General employees and members of the general assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public safety and firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Former job class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General employees and members of the general assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public safety and firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2021 and 2020, for SCRS and PORS are presented below.

(in thousands of dollars)	**2021**			
	Total Pension Liability	**Plan Fiduciary Net Position**	**Employers' Net Pension Liability (Asset)**	**Plan Fiduciary Net Position as a Percentage of the the Total Pension Liability**
SCRS	$ 55,131,579	$ 33,490,306	$ 21,641,273	60.7%
PORS	8,684,586	6,111,672	2,572,914	70.4%

(in thousands of dollars)	**2020**			
	Total Pension Liability	**Plan Fiduciary Net Position**	**Employers' Net Pension Liability (Asset)**	**Plan Fiduciary Net Position as a Percentage of the the Total Pension Liability**
SCRS	$ 51,844,188	$ 26,292,419	$ 25,551,769	50.7%
PORS	8,046,387	4,730,175	3,316,212	58.8%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022 and 2021, the Ports Authority reported a liability of approximately $119,759,000 and $135,131,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and 2020, respectively, and the total pension liability was determined by an actuarial valuation as of that date. The Ports Authority's proportion of the net pension liability was based on its share of contributions to the pension plans in fiscal years 2021 and 2020 relative to the contributions made by all participating employers. At June 30, 2021 and 2020, the Ports Authority's proportion was 0.5523 and 0.5277 percent, respectively, for the SCRS and 0.0089 and 0.0091 percent, respectively, for the PORS.

For the years ended June 30, 2022 and 2021, the Ports Authority recognized pension expense for SCRS of approximately $15,020,000 and $21,338,000, respectively. For the years ended June 30, 2022 and 2021, the Ports Authority recognized pension expense for PORS of approximately $22,000 and $48,500, respectively. At June 30, 2022 and 2021, the Ports Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS - 2022	
(in thousands of dollars)	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 2,036	$ (161)
Net difference between projected and actual earnings on pension plan investments	-	(17,363)
Changes in actuarial assumptions	6,543	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	8,179	-
The Ports Authority's contributions subsequent to the measurement date	14,082	-
	$ 30,840	$ (17,524)

	PORS - 2022	
(in thousands of dollars)	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 8	$ (1)
Net difference between projected and actual earnings on pension plan investments	-	(52)
Changes in actuarial assumptions	16	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	-	(8)
The Ports Authority's contributions subsequent to the measurement date	19	-
	$ 43	$ (61)
Total SCRS and PORS	**$ 30,883**	**$ (17,585)**

(in thousands of dollars)	SCRS - 2021 Deferred Outflows of Resources	SCRS - 2021 Deferred Inflows of Resources
Difference between actual and expected experience	$ 1,556	$ (510)
Net difference between projected and actual earnings on pension plan investments	9,918	-
Changes in actuarial assumptions	165	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	8,709	-
The Ports Authority's contributions subsequent to the measurement date	9,303	-
	$ 29,651	$ (510)

(in thousands of dollars)	PORS - 2021 Deferred Outflows of Resources	PORS - 2021 Deferred Inflows of Resources
Difference between actual and expected experience	$ 6	$ (2)
Net difference between projected and actual earnings on pension plan investments	31	-
Changes in actuarial assumptions	3	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	1	(7)
The Ports Authority's contributions subsequent to the measurement date	26	-
	$ 67	$ (9)
Total SCRS and PORS	**$ 29,718**	**$ (519)**

Approximately $14,101,000 and $9,329,000 reported as deferred outflows of resources related to pensions resulting from the Ports Authority's contributions paid subsequent to the measurement date for the SCRS and PORS plans during the years ended June 30, 2022 and 2021, respectively, will be recognized as a reduction of the net pension liability during the years ended June 30, 2023 and 2022, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SCRS	PORS
Year Ended June 30, 2022		
2022	$ 4,075	$ (6)
2023	1,817	(5)
2024	(162)	(6)
2025	(6,496)	(20)

Year Ended June 30, 2021	SCRS	PORS
2021	$ 6,830	$ 10
2022	6,374	7
2023	4,103	8
2024	2,531	7

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

	2022		
Allocation/Exposure	**Target asset allocation**	**Expected arithmetic real rate of return**	**Long term expected portfolio real rate of return**
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	**12.0%**		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total expected return	100.0%		5.18%
Inflation for actuarial purposes			2.25%
			7.43%

	2021		
	Target asset allocation	**Expected arithmetic real rate of return**	**Long term expected portfolio real rate of return**
Asset class			
Global equity	**51.0%**		
Global public equity	35.0	7.81%	2.73%
Private equity	9.0	8.91	0.80
Equity options strategies	7.0	5.09	0.36
Real assets	**12.0**		
Real estate (Private)	8.0	5.55	0.44
Real estate (REITs)	1.0	7.78	0.08
Infrastructure (Private)	2.0	4.88	0.10
Infrastructure (Public)	1.0	7.05	0.07
Opportunistic	**8.0**		
Global Tactical Asset Allocation	7.0	3.56	0.25
Other opportunistic strategies	1.0	4.41	0.04
Credit	**15.0**		
High Yield Bonds/Bank Loans	4.0	4.21	0.17
Emerging markets debt	4.0	3.44	0.14
Private debt	7.0	5.79	0.40
Rate Sensitive	**14.0**		
Core fixed income	13.0	1.60	0.21
Cash and short duration (net)	1.0	0.56	0.01
Total expected return	100.0%		5.80%
Inflation for actuarial purposes			2.25
			8.05%

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that the contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the Ports Authority's proportionate share of the collective NPL of the participating employers calculated using the June 30, 2022 and 2021 discount rate of 7 percent, as well as what the Ports Authority's proportionate share of the NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate:

	2022					
(in thousands of dollars)		**1% Decrease (6.00%)**		**Discount Rate (7.00%)**		**1% Increase (8.00%)**
Ports Authority's share of the net pension liability						
SCRS	$	156,569	$	119,530	$	88,742
PORS		333		229		145

	2021					
(in thousands of dollars)		**1% Decrease (6.25%)**		**Discount Rate (7.25%)**		**1% Increase (8.25%)**
Ports Authority's share of the net pension liability						
SCRS	$	167,104	$	134,830	$	107,879
PORS		399		301		223

Additional Financial and Actuarial Information
Information contained in this note was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2021, and the accounting valuation report as of June 30, 2021. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' Annual Comprehensive Financial Report.

Deferred Compensation Plans
During the year ended June 30, 2012, the Ports Authority established a 401(a)-defined contribution plan and a 415(m)-government excess plan on behalf of certain executives at the Ports Authority, which is administered by USI Consulting Group. The Ports Authority makes payments into the plans each year of employment and the participants in the plans become fully vested at the end of a five-year period or are subject to a 3-year rolling vest. Compensation expense is recognized for payments made to the plans. For the years ended June 30, 2022 and 2021, the Ports Authority recognized compensation expense of $2,703,504 and $932,385, respectively. At June 30, 2022 and 2021, the Ports Authority reported a liability of $4,036,525 and $4,151,382, respectively, for the plans, which are included in other non-current liabilities in the Statements of Net Position.

8. Other Post-Employment Benefits (OPEB)

The Ports Authority provides single employer, post-employment health care benefits including group healthcare, dental and vision to eligible employees who retire from the Ports Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Plan consists of hospital benefits, major medical benefits, a prescription drug program, dental and vision care program. The health care benefits cover medical and hospitalization costs for retirees and their dependents. If the retiree is eligible for Medicare, Ports Authority coverage is secondary.

The Ports Authority follows the eligibility rules set by PEBA, which are summarized below.

Retiree Insurance Eligibility and Funding for Employees Hired Before May 2, 2008:

- At any age, with 28 years of service credit (at least 10 years must be earned service), retiree and employer fund the premium.
- At age 60 and older, with at least 10 years of service credit (at least 10 years must be earned service), retiree and employer fund the premium.
- At age 60 and older, with at least 20 years (left employment before eligible to retire) of service credit (at least 20 years must be earned service), retiree and employer fund the premium; coverage begins when eligible for retirement.
- At age 55-60, with at least 25 years of service credit (at least 10 years must be earned service), retiree pays nonfunded premium until age 60 or when 28 years of service would have been earned. Afterward, retiree and employer fund the premium.
- At age 60 and older, with at least 5 years of service credit (at least 5 but fewer than 10 years must be earned service), retiree pays nonfunded premium.
- At any age if approved for disability, with at least 5 years of service credit (at least 4 but fewer than 10 years must be earned service), retiree and employer fund the premium.

Retiree Insurance Eligibility and Funding for Employees Hired After May 2, 2008:

- At any age, with 28 years of service credit (at least 25 years must be earned service), retiree and employer fund the premium.
- At age 60 and older or approved for disability, with at least 15 years of service credit (at least 15 years must be earned service), retiree pays retiree share plus 50% of employer share.
- At age 60 and older or approved for disability with at least 5 years of service credit (at least 5 years must be earned service), retiree pays nonfunded premium.

Eligibility requirements are subject to changes made by the South Carolina Public Employee Benefit Authority.

At June 30, 2022 and 2021, the following employees were covered by the benefit terms:

	2022	**2021**
Retirees and beneficiaries currently receiving benefit payments	282	282
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	726	726
Total	1,008	1,008

Total OPEB Liability

The Ports Authority's total OPEB liability of approximately $86,312,000 and $78,454,000 was measured as of June 30, 2021 and 2020, respectively (measurement dates), and was determined by an actuarial valuation as of June 30, 2020 with updated procedures used to roll forward the total OPEB liability to June 30, 2021.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2022
Inflation	2.25%
Salary increases	3.0% to 9.5%, including inflation
Discount rate	1.92%
Healthcare cost trend rates	6.0% decreasing to an ultimate rate of 4.0% after 15 years
Participation rate	85% of eligible retirees for full subsidy, 60% of retirees for partially funded subsidy and 10% who are not eligible for any subsidy

	2021
Inflation	2.25%
Salary increases	3.0% to 7.0% for SCRS, including inflation
Discount rate	2.45%
Healthcare cost trend rates	6.0% decreasing to an ultimate rate of 4.0% after 15 years
Participation rate	85% of eligible retirees for full subsidy, 60% of retirees for partially funded subsidy and 10% who are not eligible for any subsidy

The discount rate was based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index." Mortality rates were based on the 2020 Public Retirees of South Carolina Mortality Table for Males or Females, as appropriate, with fully generational mortality projections from the year 2020 based on the ultimate rates in Scale MP-2019. The actuarial assumptions used in the June 30, 2021 and 2020 valuations were based on the results of an actuarial experience study as of June 30, 2020 and a measurement date of June 30, 2020 with updated procedures used to roll forward the total OPEB liability to June 30, 2021.

(in thousands of dollars)	2022	2021
Total OPEB obligation, beginning of year	$ 78,454	$ 60,817
Service cost	3,642	2,596
Interest on the total OPEB liability	1,941	1,913
Changes of benefit terms	-	-
OPEB Plan administrative expense	-	-
Difference between expected and actual experience	41	2,677
Changes in assumptions or other inputs	4,298	12,422
Benefit payments	(2,064)	(1,971)
Net change in total OPEB liability	7,858	17,637
Total OPEB obligation, end of year	$ 86,312	$ 78,454

Changes of assumptions reflect a change in the discount rate from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. In fiscal year 2021, changes of assumptions or other inputs reflect a change in the discount rate from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020.

Sensitivity Analysis
The following presents the total OPEB liability of the Ports Authority, as well as what the Ports Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

	2022		
(in thousands of dollars)	**1% Decrease (0.92%)**	**Discount Rate (1.92%)**	**1% Increase (2.92%)**
Total OPEB liability	$ 103,270	$ 86,312	$ 72,961

	2021		
(in thousands of dollars)	**1% Decrease (1.45%)**	**Discount Rate (2.45%)**	**1% Increase (3.45%)**
Total OPEB liability	$ 93,494	$ 78,454	$ 66,585

The following presents the total OPEB liability of the Ports Authority, as well as what the Ports Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5 percent decreasing to 3 percent) or 1-percentage point higher (7 percent decreasing to 5 percent) than the current healthcare cost trend rates:

	2022		
(in thousands of dollars)	**1% Decrease (5.00%) decreasing to (3.00%)**	**Healthcare Cost Trend Rates (6.00%) decreasing to (4.00%)**	**1% Increase (7.00%) decreasing to (5.00%)**
Total OPEB liability	$ 69,779	$ 86,312	$ 108,605

	2021		
(in thousands of dollars)	**1% Decrease (5.00%) decreasing to (3.00%)**	**Healthcare Cost Trend Rates (6.00%) decreasing to (4.00%)**	**1% Increase (7.00%) decreasing to (5.00%)**
Total OPEB liability	$ 64,336	$ 78,454	$ 97,332

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2022 and 2021, the Ports Authority recognized OPEB expense of approximately $7,593,000 and $6,000,000, respectively. Approximately $2,120,000 and $2,065,000 reported as deferred outflows of resources related to OPEB resulting from the Ports Authority's contributions paid subsequent to the measurement date during the years ended June 30, 2022 and 2021, respectively, will be recognized as a reduction of the total OPEB liability during the years ended June 30, 2023 and 2022, respectively. The Ports Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

(in thousands of dollars)	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Difference between actual and expected experience	$ 2,484	$ -
Changes in actuarial assumptions or other inputs	16,077	(2,119)
The Ports Authority's contributions subsequent to the measurement date	2,120	-
	$ 20,681	$ (2,119)

(in thousands of dollars)	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Difference between actual and expected experience	$ 2,855	$ -
Changes in actuarial assumptions or other inputs	14,268	(3,011)
The Ports Authority's contributions subsequent to the measurement date	2,065	-
	$ 19,188	$ (3,011)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

(in thousands of dollars)	**2022**
Years Ended June 30:	
2023	$ 2,010
2024	2,010
2025	2,652
2026	2,785
2027	2,627
Thereafter	4,358

(in thousands of dollars)	**2021**
Years Ended June 30:	
2022	$ 1,513
2023	1,513
2024	1,513
2025	2,155
2026	2,288
Thereafter	5,130

9. Other Matters

Cruise
During fiscal year 2022, the Ports Authority determined it beneficial to transition away from home port cruises at the end of calendar year 2024 and transition to a port-of-call cruise operation. With this transition, the need for a newly constructed passenger terminal was eliminated. All costs incurred to date of approximately $8,900,000 for the planning, engineering, and design of the new passenger terminal were included in operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position and written off during fiscal year 2022.

Cooper River Bridge
After contributing $21,000,000 before fiscal year 2004, the Ports Authority agreed to pay $1,000,000 per year beginning in fiscal year 2004 for a total of $45,000,000 for the construction of the new Cooper River Bridge. These payments to the State of South Carolina have been treated as nonoperating expenses, and therefore, have reduced the Ports Authority's net position.

Payments to the State of South Carolina for the Cooper River Bridge totaled $1,000,000 in each of the fiscal years ending June 30, 2022 and 2021.

Jasper County
The Ports Authority entered into a joint government organizational agreement with the State of Georgia for the formation of a bi-state facility to be operated jointly between the Ports Authority and the State of Georgia. The legal and operational structure of the potential bi-state facility is not known at this time. The Ports Authority contributed $249,000 and $400,000 in cash to the joint organization in fiscal years ended June 30, 2022 and 2021, respectively. Amounts contributed in fiscal years 2022 and 2021 by the Ports Authority were sourced from capital project funds provided by the State of South Carolina. The cash contribution has been used by the joint organization to support the initial planning associated with a bi-state facility. Total expenses recognized by the Ports Authority related to initial planning costs were approximately $55,000 and $224,000 for the years ended June 30, 2022 and 2021, respectively, and are included in "Other income (expense), net" in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

During fiscal year 2022, the Ports Authority entered into an agreement with Jasper County to effectively convey its one-half interest in the Joint Venture to develop the Jasper Ocean Terminal. Transfer of this interest requires approval from the Ports Authority's Board of Directors, Jasper County Council, and the Board of Directors of the Georgia Ports Authority. The Board of Directors of the South Carolina Ports Authority and the members of Jasper County Council have approved this conveyance and it currently rests with the Board of Directors of the Georgia Ports Authority. The original deadline of January 31, 2022 has passed; however, both sides have agreed to continue talks to see if an agreement can be reached on the transfer. However, as of June 30, 2022, the interest in the Joint Venture remains with the South Carolina Ports Authority.

Cold Storage Facility
In fiscal year 2016, the Ports Authority completed construction of a cold storage facility in North Charleston and executed an amendment to a previous land lease and license agreement with New Orleans Cold Storage (NOCS) to lease the facility. Payments commenced in January 2017 and were to continue until the end of the license agreement on December 31, 2046. In September 2020, the Ports Authority entered into a purchase and sale agreement with NOCS for the sale of the cold storage facility in the amount of $16,500,000. As a result, the Ports Authority recorded a gain on sale of property of approximately $4,900,000 during the fiscal year ending June 30, 2021.

Federal Grant Agreements
The Ports Authority has been awarded grants from the Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, CARES Act, and the Department of Transportation, Maritime Administration (DOT) (as an agent of the Transportation Security Administration). As of June 30, 2022 and 2021, the Ports Authority has expended approximately $3,855,000 and $1,490,000, respectively, related to these grant agreements.

Land Swap
In February 2021, the Ports Authority entered into an agreement with The United States of America, acting by and through the United States Coast Guard for the exchange of parcels of property on the old Charleston Navy Base in North Charleston, South Carolina. As a result of the agreement, the Ports Authority acquired approximately 90 acres of property with an estimated fair value of $17,300,000 and received $4,540,000 cash, in exchange for approximately 76 acres with an estimated fair value of $21,840,000. As a result of the transaction, the Ports Authority recognized a loss of approximately $2,000,000. Additionally, the Ports Authority granted two easements on the acquired property for an additional $1,638,000 in cash. Revenue for the two easements is earned over the term of the easement agreement with the outstanding balance reflected in other liabilities on the Statements of Net Position at June 30, 2022 and 2021.

Sale of Certain Properties
2009 Act No. 73 required that the Daniel Island and Thomas (St. Thomas) Island properties be subject to a contract of sale by December 31, 2012, such sale to be completed by December 31, 2013, barring which such properties are also to be transferred to the State Department of Administration as a fiduciary to the Ports Authority and its bondholders. The requirements to sell the property have been extended to June 30, 2023. If the Ports Authority has not completed the sale of its remaining real property on Daniel Island and Thomas (St. Thomas) Island, except for the dredge disposal cells that are needed in connection with the construction of the Leatherman Terminal on the Charleston Naval Complex and for harbor deepening and for channel and berth maintenance, by June 30, 2023, the Ports Authority must transfer the property to the State Department of Administration as fiduciary to the Ports Authority and its bondholders. The Ports Authority shall sell the real property under terms and conditions it considers most advantageous to the Ports Authority and the State of South Carolina, and the price must be equal to or greater than at least one of two required independent appraisals.

10. Litigation

In the ordinary course of business, the Ports Authority becomes involved in litigation, claims and administrative proceedings. Certain litigation, claims and proceedings were pending at June 30, 2022, and management intends to vigorously defend the Ports Authority in such matters. While the ultimate results cannot be predicted with certainty, management does not expect these matters to have a material adverse effect on the financial position of the Ports Authority.

In January 2013, the Ports Authority intervened in a federal case brought by preservation and environmental groups against the United States Army Corps of Engineers (Corps), to challenge issuance of authority for the Ports Authority to drive pilings under a building on Union Pier Terminal in renovating the building to accommodate passenger vessels. On September 19, 2013, the federal district court remanded the permit to the Corps for further review and action. The permit application is under review by the Corps on remand. The Ports Authority intends to continue pursuing the federal permit and to continue any legal actions necessary to perfect the final permit.

In February 2013, the same cruise terminal opponents and others filed an administrative action challenging the State permit issued for the piling work at Union Pier. The South Carolina Administrative Law Court granted summary judgment in favor of the Ports Authority and dismissed the challenge on April 21, 2014. The case was appealed, and arguments heard on February 15, 2017, by the South Carolina Court of Appeals. On October 18, 2017, the Court of Appeals issued a unanimous opinion affirming the South Carolina Administrative Law Court. This was appealed to the South Carolina Supreme Court, and the Supreme Court accepted a petition for certiorari on August 21, 2018. An opinion was issued on February 19, 2020, by the Supreme Court reversing the prior decision and remanded the case back to the Administrative Law Court for a merits hearing. That case has been stayed. In May 2022, the Ports Authority submitted notice to DHEC advising it that the Authority was withdrawing its permit application that was subject to the contested case proceeding. As a result of the notice, both parties jointly moved that the Court restore the case to the active docket and further stipulate to the dismissal of this contested case. In June 2022, the Court dismissed the case.

On March 17, 2021, the State of South Carolina and the Ports Authority filed unfair labor practice charges against the United States Maritime Alliance, Ltd. (USMX), the International Longshoreman's Association, AFL-CIO, CLC and the International Longshoreman's Association, AFL-CIO, CLC, Local 1422 (together, the ILA) with the National Labor Relations Board (NLRB) for entering into and maintaining an unlawful hot-cargo agreement as contained in Article VII, Section 7 of the USMX-ILA collective-bargaining agreement (Master Agreement) at the Hugh K. Leatherman Terminal (HLT). The NLRB issued a complaint against Respondents (USMX and the ILA). Following issuance of the complaint, in April 2021, the ILA filed a lawsuit in the New Jersey Superior Court (the Lawsuit) against two USMX member-carriers seeking to effectuate the unlawful provision in the Master Agreement. In doing so, the ILA not only reaffirmed the unlawful nature of Article VII, Section 7 of the Master Agreement, it asserted additional unlawful interpretations of the Master Contract. The State of South Carolina and Ports Authority (joined by USMX) filed additional charges against the ILA for these additional unlawful interpretations, and the NLRB issued a second complaint against the ILA. A hearing was held before an Administrative Law Judge on June 9th and 10th, 2021. The Administrative Law Judge ruled in favor of the Ports Authority. The ILA appealed to the full NLRB board and the Ports Authority cross-appealed. The Ports Authority intends to aggressively protect its interests with regard to the ILA. The effect of this labor dispute on the financial position of the Ports Authority related to operations at HLT cannot be determined at this time.

Required Supplemental Information

SOUTH CAROLINA STATE PORTS AUTHORITY
SCHEDULE OF THE PORTS AUTHORITY'S TOTAL OPEB LIABILITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

(in thousands of dollars)	**2022**	**2021**
Total OPEB liability		
Service cost	$ 3,642	$ 2,596
Interest on the total OPEB liability	1,941	1,913
Changes of benefit terms	-	-
Difference between expected and actual experience	41	2,677
Changes in assumptions or other inputs	4,298	12,422
Benefit payments	(2,064)	(1,971)
Net change in total OPEB liability	7,858	17,637
Total OPEB liability - beginning	78,454	60,817
Total OPEB liability - ending	$ 86,312	$ 78,454
Covered employee payroll	$ 56,476	$ 53,575
Total OPEB liability as a percentage of covered employee payroll	152.83%	146.44%

Changes of assumptions: Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

Measurement date, June 30, 2021	1.92%
Measurement date, June 30, 2020	2.45 %
Measurement date, June 30, 2019	3.13 %
Measurement date, June 30, 2018	3.62 %
Measurement date, June 30, 2017	3.56 %
Measurement date, June 30, 2016	2.92 %

*There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

SOUTH CAROLINA STATE PORTS AUTHORITY
SCHEDULE OF THE PORTS AUTHORITY'S OPEB CONTRIBUTIONS
FOR EACH FISCAL YEAR ENDED JUNE 30,

(in thousands of dollars)	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 2,120	$ 2,065	$ 1,971	$ 1,944	$ 1,857
Contributions in relation to the actuarially determined contribution	2,120	2,065	1,971	1,944	1,857
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Ports Authority's covered-employee payroll**	$ 56,476	$ 53,575	$ 51,042	$ 46,051	$ 42,582
Contributions as a percentage of covered-employee payroll**	3.75%	3.85%	3.86%	4.22%	4.36%

**This schedule is intended to present information for 10 years. Years for which information is available will be presented here until a full 10-year trend is compiled.*
***Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan. Contributions to the OPEB plan are not based on a measure of pay.*

SOUTH CAROLINA STATE PORTS AUTHORITY
SCHEDULE OF THE PORTS AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR EACH FISCAL YEAR ENDED JUNE 30,

					SCRS			
(in thousands of dollars)	2022	2021	2020	2019	2018	2017	2016	2015
Ports Authority's proportion of the net pension liability	0.55232%	0.52767%	0.51704%	0.46930%	0.43470%	0.40660%	0.39170%	0.37560%
Ports Authority's proportionate share of the net pension liability	$119,529	$134,830	$118,061	$105,416	$ 98,315	$ 79,430	$ 74,141	$ 64,669
Ports Authority's covered payroll for the measurement period	$ 56,342	$ 53,438	$ 50,906	$ 45,922	$ 42,391	$ 38,198	$ 30,855	$ 29,304
Ports Authority's proportionate share of the net pension liability as a percentage of its covered payroll	212.15%	252.31%	231.92%	229.55%	231.92%	207.94%	240.29%	220.68%
Plan fiduciary net position as a percentage of the total pension liability	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

					PORS			
	2022	2021	2020	2019	2018	2017	2016	2015
Ports Authority's proportion of the net pension liability	0.0089%	0.0091%	0.0094%	0.0093%	0.0096%	0.0093%	0.0071%	0.0079%
Ports Authority's proportionate share of the net pension liability	$ 230	$ 301	$ 268	$ 265	$ 264	$ 235	$ 155	$ 152
Ports Authority's covered payroll for the measurement period	$ 134	$ 137	$ 136	$ 129	$ 130	$ 118	$ 95	$ 85
Ports Authority's proportionate share of the net pension liability as a percentage of its covered payroll	171.64%	219.71%	197.06%	205.43%	203.08%	199.15%	163.16%	178.82%
Plan fiduciary net position as a percentage of the total pension liability	70.37%	58.79%	62.69%	61.70%	60.94%	60.44%	64.57%	67.55%

**This schedule is intended to present information for 10 years. Years for which information is available will be presented here until a full 10-year trend is compiled.*

SOUTH CAROLINA STATE PORTS AUTHORITY
SCHEDULE OF THE PORTS AUTHORITY'S PENSION CONTRIBUTIONS
FOR EACH FISCAL YEAR ENDED JUNE 30,

					SCRS			
(in thousands of dollars)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 14,082	$ 9,303	$ 9,159	$ 7,950	$ 6,183	$ 5,102	$ 4,355	$ 3,615
Contributions in relation to the contractually required contribution	14,082	9,303	9,159	7,950	6,183	5,102	4,355	3,615
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ports Authority's covered payroll	$ 79,189	$ 56,342	$ 53,438	$ 50,906	$ 45,922	$ 42,391	$ 38,198	$ 30,855
Contributions as a percentage of covered payroll	17.78%	16.51%	17.14%	15.62%	13.46%	12.04%	11.40%	11.72%

					PORS			
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 19	$ 26	$ 25	$ 23	$ 18	$ 16	$ 12	$ 12
Contributions in relation to the contractually required contribution	19	26	25	23	18	16	12	12
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ports Authority's covered payroll	$ 105	$ 134	$ 137	$ 136	$ 129	$ 130	$ 118	$ 95
Contributions as a percentage of covered payroll	18.10%	19.40%	18.25%	16.91%	13.95%	12.31%	10.17%	12.63%

**This schedule is intended to present information for 10 years. Years for which information is available will be presented here until a full 10-year trend is compiled.*

STATISTICAL SECTION

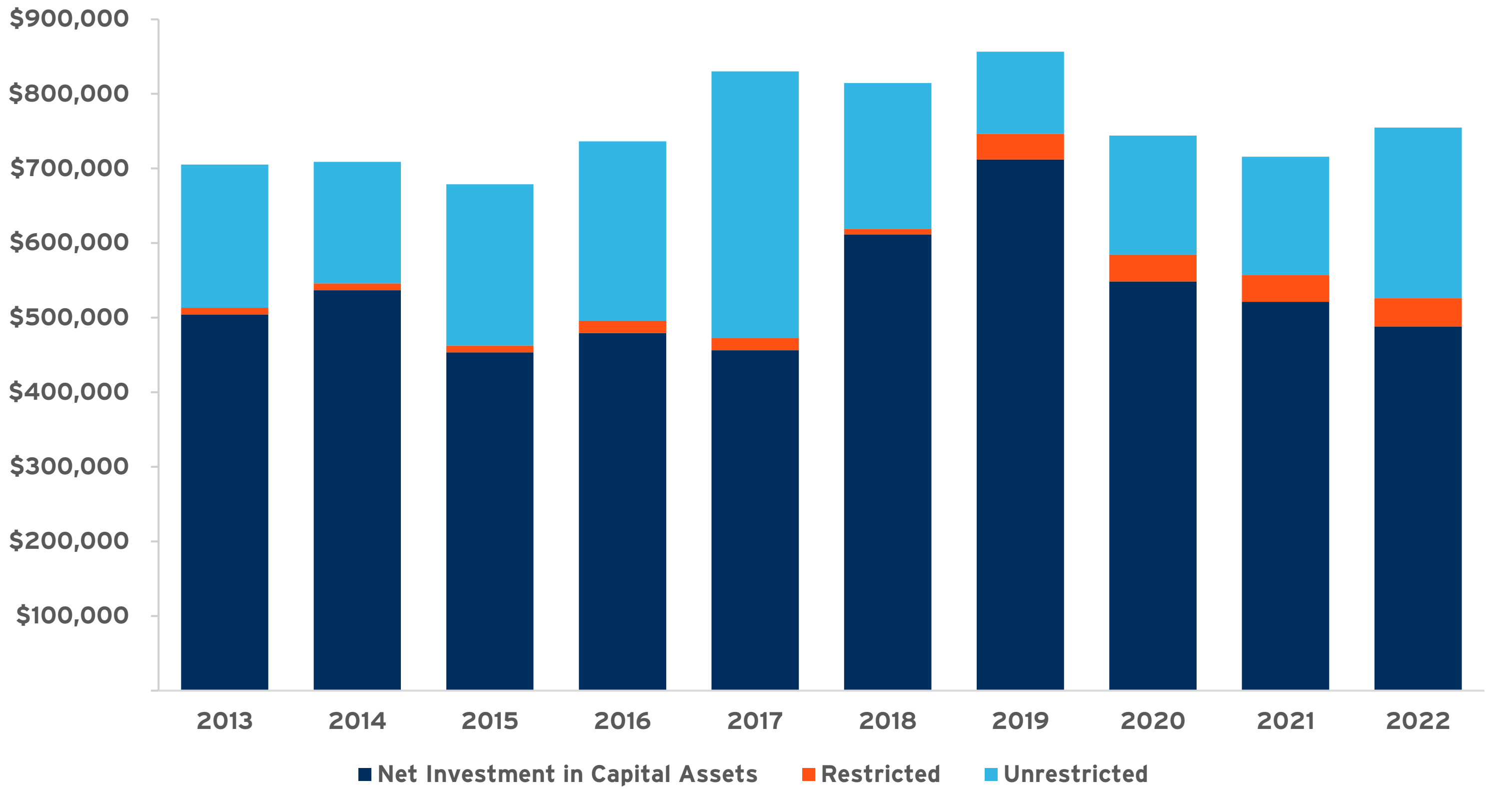
(IN THOUSANDS)

Assets	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Current assets (1)	$224,363	$194,623	$313,883	$501,311	$471,906	$610,497	$586,714	$705,959	$483,905	$577,557
Investments, restricted (2)	-	-	-	-	-	-	-	-	4,151	4,036
Held by trustee for debt service	15,642	15,733	15,827	36,196	36,241	20,007	34,160	31,518	31,623	33,759
Capital assets, net	693,792	737,770	751,871	846,551	1,016,564	1,201,467	1,388,022	1,599,623	1,785,667	1,905,818
Other assets	2,453	2,417	2,383	561	1,165	1,254	1,334	1,553	8,837	10,003
Total assets	936,250	950,543	1,083,964	1,384,619	1,525,876	1,833,225	2,010,230	2,338,653	2,314,183	2,531,173
Deferred outflows of resources (3)	-	-	6,003	10,602	11,943	25,783	27,202	60,007	74,615	76,216
Total assets and deferred outflows of resources	**$936,250**	**$950,543**	**$1,089,967**	**$1,395,221**	**$1,537,819**	**$1,859,008**	**$2,037,432**	**$2,398,660**	**$2,388,798**	**$2,607,389**
Liabilities										
Current liabilities	$47,703	$43,494	$40,606	$64,721	$68,716	$49,485	$81,042	$112,466	$94,768	$94,046
Post-employment benefit obligation, long-term	5,985	7,230	8,699	10,112	13,279	52,907	54,530	60,817	78,454	86,312
Net pension liability	-	-	64,821	74,296	79,665	98,579	105,681	118,329	135,131	119,759
Harbor deepening obligation, long-term	-	-	4,326	4,219	4,110	3,997	3,881	3,762	3,638	3,511
Long-term debt, net of current maturities	177,384	190,920	287,247	505,405	541,842	834,851	930,377	1,354,567	1,337,493	1,481,376
Other non-current liabilities (4)	-	-	-	-	-	-	-	-	8,675	35,983
Total liabilities	231,072	241,644	405,699	658,753	707,612	1,039,819	1,175,511	1,649,941	1,658,159	1,820,987
Deferred inflows of resources	-	-	5,470	144	119	4,777	5,420	4,757	14,997	31,648
Net position	705,178	708,899	678,798	736,324	830,088	814,412	856,501	743,962	715,642	754,754
Total liabilities, deferred inflows and net position	**$936,250**	**$950,543**	**$1,089,967**	**$1,395,221**	**$1,537,819**	**$1,859,008**	**$2,037,432**	**$2,398,660**	**$2,388,798**	**$2,607,389**

(1) Includes Internally Designated Assets for Construction.
(2) Investments, restricted classified as noncurrent assets as of fiscal year 2021 Audited Financial Statements.
(3) Goodwill included in Deferred Outflows of Resources as of fiscal year 2018 Audited Financial Statements.
(4) Liabilities reclassified as non-current liabilities as of fiscal year 2021 Audited Financial Statements.

(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Investment in Capital Assets	$504,276	$536,757	$453,477	$479,309	$456,215	$611,645	$712,008	$548,444	$521,168	$488,248
Restricted for Debt Service, Net of Debt	9,009	9,100	9,194	16,672	16,805	7,344	34,161	36,173	35,774	37,795
Unrestricted	191,893	163,042	216,127	240,343	357,068	195,423	110,332	159,345	158,700	228,711
Total Net Position	**$705,178**	**$708,899**	**$678,798**	**$736,324**	**$830,088**	**$814,412**	**$856,501**	**$743,962**	**$715,642**	**$754,754**



HISTORICAL REVENUES, EXPENSES & CHANGES IN NET POSITION

(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues										
Direct Operating Revenues	$ 140,388	$ 164,143	$ 196,759	$ 211,166	$ 233,648	$ 251,820	$ 288,326	$ 292,256	$ 312,772	$ 443,102
Gain on Property Damage, Including Insurance Recovery (1)	3,706	350	121	7,618	2,141	193	6,000	-	-	-
Total Operating Revenues	**144,094**	**164,493**	**196,880**	**218,784**	**235,789**	**252,013**	**294,326**	**292,256**	**312,772**	**443,102**
Operating Expenses										
Direct Operating Expenses	75,625	91,622	106,100	117,476	123,876	137,861	162,364	167,412	162,220	223,818
Administrative Expenses	23,440	26,163	26,313	28,920	36,704	36,863	42,166	42,370	52,556	44,451
Depreciation Expense	28,702	32,415	33,753	33,687	37,233	41,523	47,553	55,059	60,954	76,281
Total Operating Expenses	127,767	150,200	166,166	180,083	197,813	216,247	252,083	264,841	275,730	344,550
Operating Income	**16,327**	**14,293**	**30,714**	**38,701**	**37,976**	**35,766**	**42,243**	**27,415**	**37,042**	**98,552**
Non-Operating Revenues (Expenses)										
Interest Income	3,283	2,163	2,520	5,452	5,717	5,230	11,088	11,943	8,858	5,968
Other (Expense) Income, Net (2)	(430)	(382)	(6,135)	(2,330)	(1,386)	(9,589)	22,875	(6,485)	274	2,043
Gain (Loss) on Sale of Property and Equipment, Net	62	(54)	2,650	(951)	37,063	8,832	(4,253)	(5,391)	(3,786)	(3,406)
Interest Expense (3)	(1,748)	(849)	(3,163)	(2,043)	(1,418)	(1,580)	(8,679)	(45,411)	(49,196)	(50,721)
Interest Expense on Financing Lease	-	-	-	-	-	-	-	-	(37)	(25)
Unrealized Gain (Loss) on Interest Rate Exchange Agreements	610	436	896	(111)	196	337	250	-	-	-
Unrealized Gain (Loss) on Investments, Net (2)	-	-	-	-	-	-	-	28,183	(21,752)	(22,563)
Contribution to State of SC - Cooper River Bridge	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Contribution to Department of Transportation for Infrastructure Improvement	-	-	-	-	-	(12,600)	(23,000)	(100,000)	-	(7,500)
Contribution to CSX for Infrastructure Improvements	-	-	-	-	-	(709)	-	-	-	-
Contribution to Army Corps of Engineers for Harbor Deepening	-	-	-	-	-	(299,043)	(3,933)	(33,294)	-	-
Contribution from Army Corps of Engineers for Harbor Deepening	-	-	-	-	-	275	-	-	-	-
Contribution from State of SC for Harbor Deepening	-	-	-	6,185	137	299,043	3,894	6,037	10	-
Other Contribution Related to Harbor Deepening	-	-	-	-	-	-	-	-	(4)	-
Contribution to Berkeley County - Highway Interchange	(8,000)	-	-	-	-	-	-	-	-	-
Contribution to Aiken County - Infrastructure Improvements	(1,093)	(1,315)	(74)	-	-	-	-	-	-	-
Contribution to Sumter County - Infrastructure Improvements	-	(2,886)	(425)	(1,383)	-	-	-	-	-	-
Contribution to Georgetown County - Steel Mill Study	-	-	-	-	(15)	-	-	-	-	-
Contribution to Cherokee County - Economic Improvements	-	-	-	-	(500)	-	-	-	-	-
Contribution to Spartanburg County - Infrastructure Improvements	-	-	-	-	-	-	-	-	(250)	-
Contribution to Department of Commerce - Infrastructure Improvements	-	-	-	-	-	-	-	-	(500)	-
Contribution from the State of SC – Navy Base Intermodal Facility	-	-	-	-	-	-	-	-	-	13,667
Contribution from the State of SC - Jasper Ocean Terminal	-	-	1,050	1,000	1,875	275	600	5,300	400	242
Contribution from the State of SC - Land Trust	-	-	5,000	-	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	(8,316)	(3,887)	1,319	4,819	40,669	(10,529)	(2,158)	(140,118)	(66,983)	(63,295)
Excess Revenues over/(under) Expenses (Before Capital Contributions, Grants, and Special Items)	**8,011**	**10,406**	**32,033**	**43,520**	**78,645**	**25,237**	**40,085**	**(112,703)**	**(29,941)**	**35,257**
Contribution (other) for Harbor Deepening	-	-	-	(6,185)	-	-	-	-	-	-
Grant from the SC Department of Public Safety	-	-	-	-	34	-	-	-	-	-
Capital Contribution - Charleston Naval Complex Redevelopment Authority	-	-	-	-	-	-	-	-	-	-
Capital Grants from Federal Government	1,517	143	361	5,156	5,681	762	2,004	164	1,490	3,855
Contribution from Spartanburg County for BMW Land/Facility	-	-	281	15,035	7,095	-	-	-	-	-
Contribution of Land from Dillon County for Inland Port	-	-	-	-	2,309	-	-	-	-	-
Contribution from Norfolk Southern Railway Company	-	1,103	1,134	-	-	-	-	-	-	-
Condemnation of Leasehold Rights	(2,200)	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	**$ 7,328**	**$ 11,652**	**$ 33,809**	**$ 57,526**	**$ 93,764**	**$ 25,999**	**$ 42,089**	**$(112,539)**	**$ (28,451)**	**$ 39,112**
Total Net Position										
Beginning of Year	697,850	705,178	708,899	678,798	736,324	830,088	814,412	856,501	743,962	715,642
Adoption of GASB 68	-	-	(63,910)	-	-	-	-	-	-	-
Adoption of GASB 75	-	-	-	-	-	(41,675)	-	-	-	-
Adoption of GASB 87	-	-	-	-	-	-	-	-	131	-
Harbor Deepening Restatement	-	(7,931)	-	-	-	-	-	-	-	-
End of Year	**$ 705,178**	**$ 708,899**	**$ 678,798**	**$ 736,324**	**$ 830,088**	**$ 814,412**	**$ 856,501**	**$ 743,962**	**$ 715,642**	**$ 754,754**

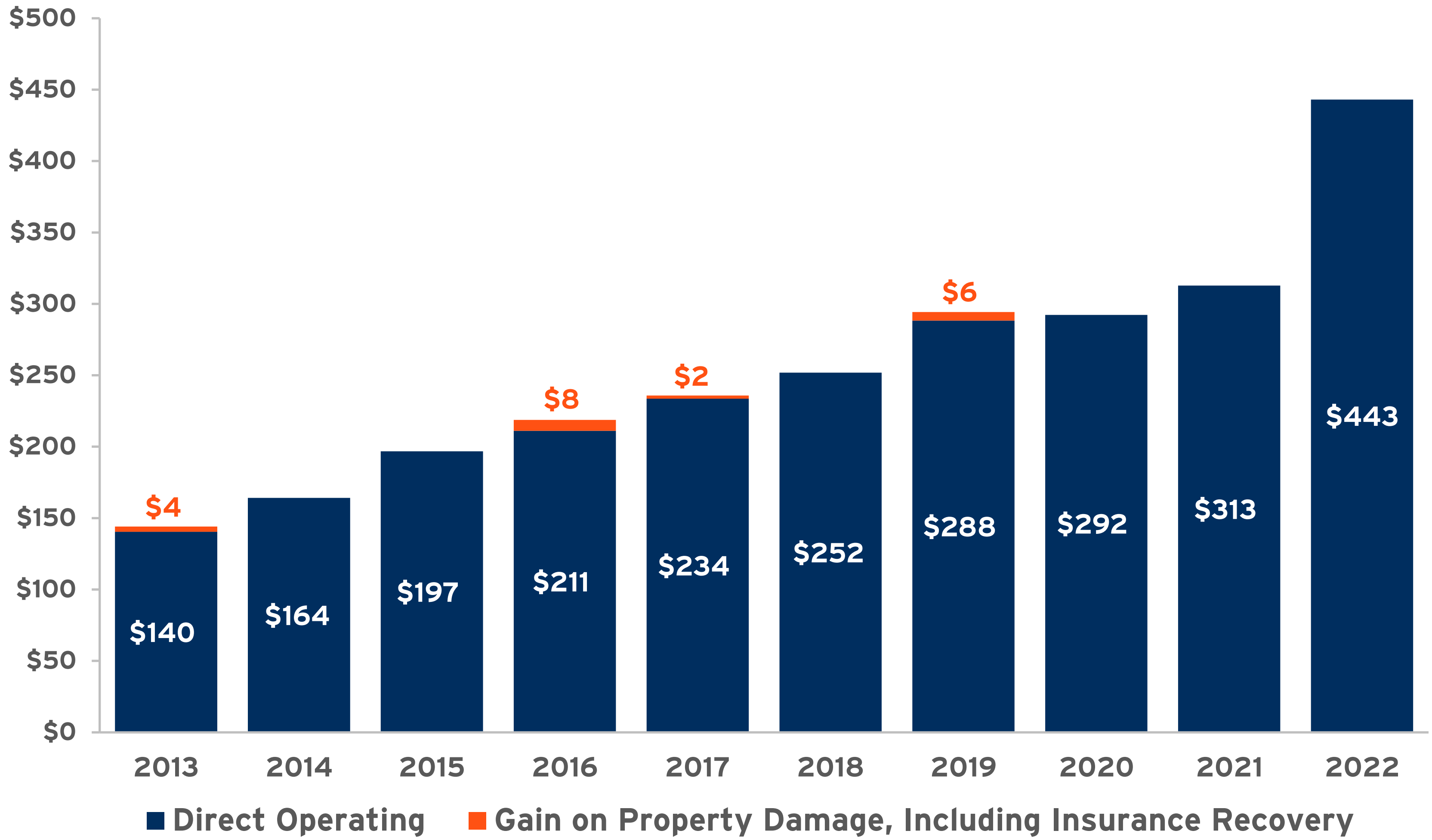
(1) As of fiscal year 2018 Audited Financial Statements included in Operating Revenues.

(2) As of fiscal year 2020 Audited Financial Statements Unrealized Gain on Investments, Net separated out from Other (Expense) Income, Net.

(3) As of fiscal year 2020 Audited Financial Statements Interest Expense is no longer capitalized per the adoption of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.*

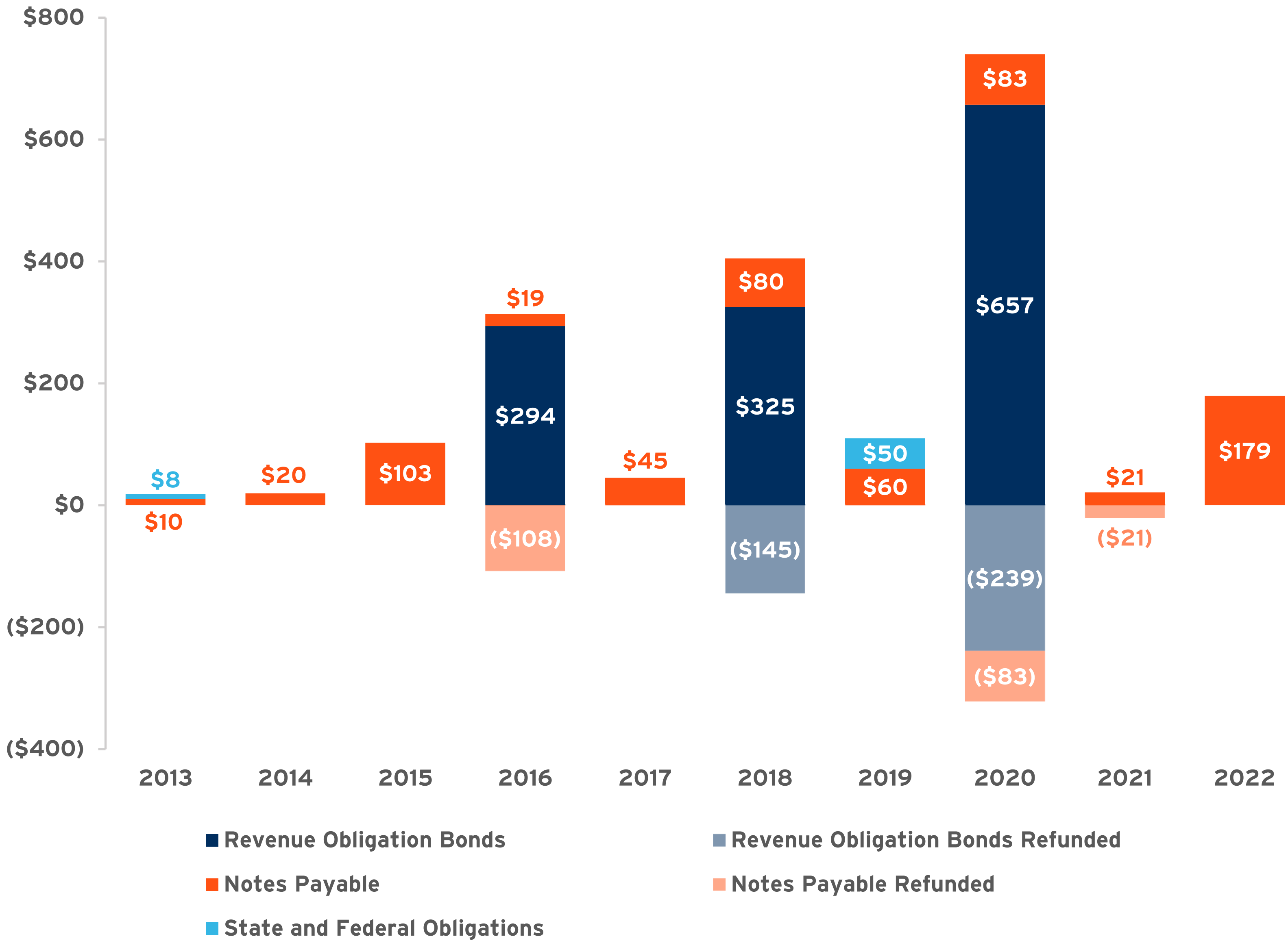
OPERATING REVENUES

(IN MILLIONS)



HISTORICAL DEBT ISSUANCES

(IN MILLIONS)



RATIO OF OUTSTANDING DEBT TO OPERATING REVENUES

(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue Bonds - Series 2010	$ 170,000	$ 165,340	$ 160,495	$ 155,460	$ 150,190	$ -	$ -	$ -	$ -	$ -
Revenue Bonds - Series 2015	-	-	-	294,025	294,025	294,025	294,025	55,300	55,300	55,300
Revenue Bonds - Series 2018	-	-	-	-	-	325,000	325,000	318,970	312,645	305,995
Revenue Bonds - Series 2019A	-	-	-	-	-	-	-	121,910	121,910	121,910
Revenue Bonds - Series 2019B	-	-	-	-	-	-	-	258,420	258,420	258,420
Revenue Bonds - Series 2019C	-	-	-	-	-	-	-	125,000	125,000	125,000
Revenue Bonds - Series 2019D	-	-	-	-	-	-	-	151,580	151,580	151,580
Unamortized Premium on Revenue Bonds (1)	-	-	-	21,942	21,517	59,587	57,845	77,654	75,119	72,540
Notes Payable	10,343	29,458	130,977	41,056	84,808	161,658	267,980	261,359	252,607	418,674
Harbor Deepening Obligation	-	4,289	4,429	4,325	4,219	4,110	3,997	3,881	3,761	3,638
Total	**$ 180,343**	**$ 199,087**	**$ 295,901**	**$ 516,808**	**$ 554,759**	**$ 844,380**	**$ 948,847**	**$1,374,074**	**$1,356,342**	**$1,513,057**
Operating Revenues (2)	$ 140,388	$ 164,143	$ 196,759	$ 211,166	$ 233,648	$ 251,820	$ 288,326	$ 292,256	$ 312,772	$ 443,102
Ratio - Total Debt/Operating Revenues	1.28	1.21	1.50	2.45	2.37	3.35	3.29	4.70	4.34	3.41

(1) Includes Series 2010, 2015, 2018, 2019A, and 2019B Revenue Bonds.
(2) Operating Revenues Excludes Gain on Property Damage, Including Insurance Recovery.

DEBT SERVICE REQUIREMENTS
SENIOR LIEN BONDS

(IN THOUSANDS)

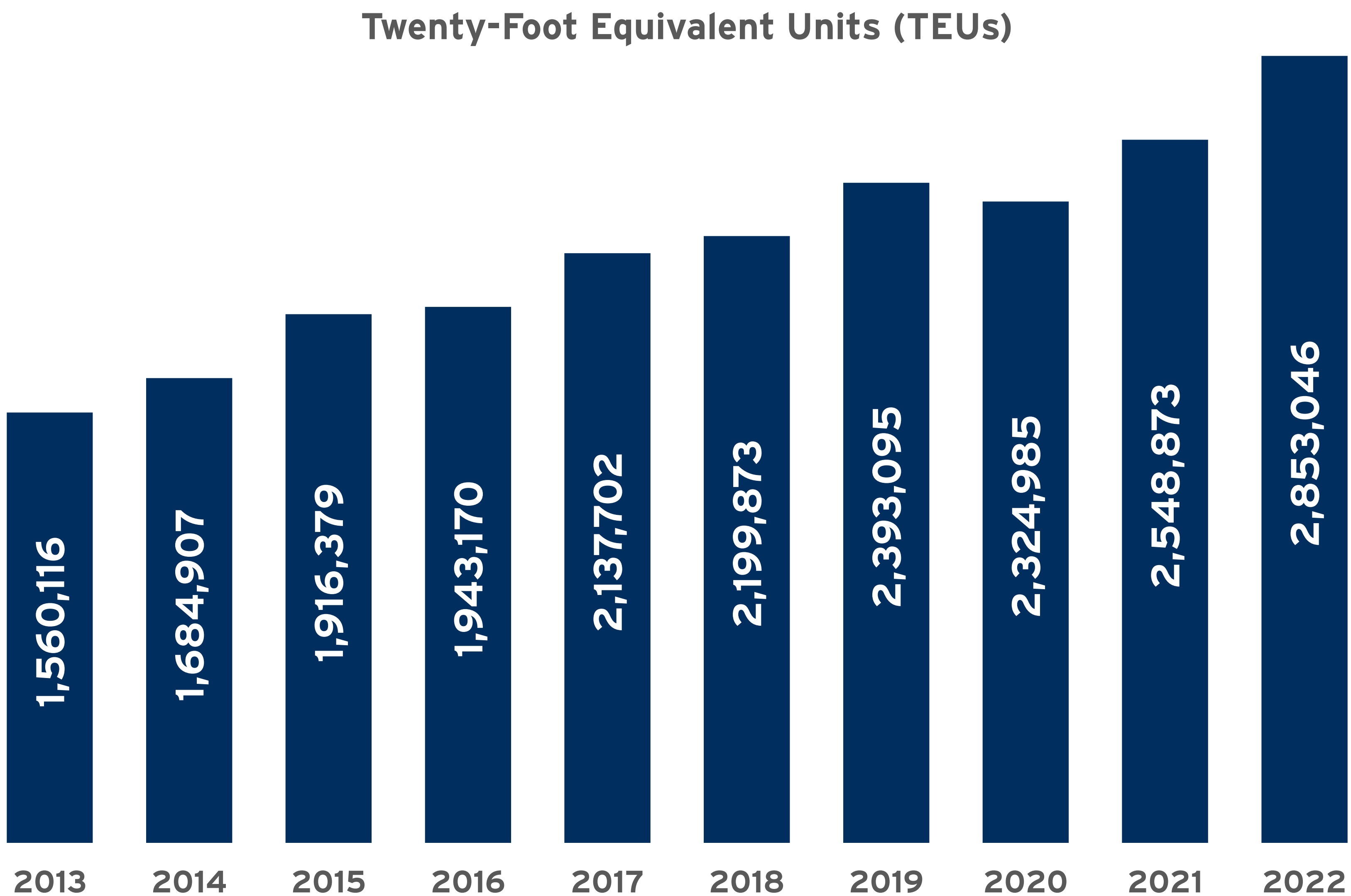
	Series 2015			Series 2018			Series 2019A			Series 2019B			Series 2019C			Series 2019D			
Fiscal Year Ending June 30,	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Total Debt Service
2023	-	2,268	2,268	6,980	14,775	21,755	750	5,124	5,874	1,250	11,065	12,315	-	4,505	4,505	-	5,697	5,697	52,413
2024	-	2,268	2,268	7,325	14,418	21,743	1,255	5,074	6,329	2,695	10,966	13,661	-	4,505	4,505	-	5,697	5,697	54,202
2025	-	2,268	2,268	7,685	14,042	21,727	1,320	5,009	6,329	2,835	10,828	13,663	-	4,505	4,505	-	5,697	5,697	54,189
2026	-	2,268	2,268	8,070	13,649	21,719	1,390	4,942	6,332	2,980	10,683	13,663	-	4,505	4,505	-	5,697	5,697	54,182
2027	1,655	2,227	3,882	6,905	13,274	20,179	1,460	4,870	6,330	3,130	10,530	13,660	-	4,505	4,505	-	5,697	5,697	54,252
2028	1,740	2,142	3,882	7,260	12,920	20,180	1,535	4,795	6,330	3,290	10,369	13,659	-	4,505	4,505	-	5,697	5,697	54,253
2029	1,830	2,052	3,882	7,635	12,548	20,183	1,615	4,717	6,332	3,460	10,201	13,661	-	4,505	4,505	-	5,697	5,697	54,258
2030	1,925	1,959	3,884	8,025	12,156	20,181	1,695	4,634	6,329	3,640	10,023	13,663	-	4,505	4,505	-	5,697	5,697	54,258
2031	2,010	1,875	3,885	8,430	11,745	20,175	1,780	4,547	6,327	3,825	9,836	13,661	-	4,505	4,505	-	5,697	5,697	54,250
2032	-	1,840	1,840	8,860	11,313	20,173	1,875	4,456	6,331	4,020	9,640	13,660	650	4,495	5,145	2,080	5,666	7,746	54,895
2033	2,185	1,799	3,984	9,325	10,858	20,183	1,970	4,360	6,330	4,225	9,434	13,659	935	4,472	5,407	235	5,632	5,867	55,430
2034	-	1,758	1,758	9,800	10,380	20,180	2,070	4,259	6,329	4,445	9,217	13,662	965	4,444	5,409	3,355	5,575	8,930	56,268
2035	2,395	1,710	4,105	10,300	9,877	20,177	2,175	4,152	6,327	4,670	8,990	13,660	995	4,413	5,408	1,085	5,504	6,589	56,267
2036	2,490	1,613	4,103	10,830	9,349	20,179	2,290	4,041	6,331	4,885	8,775	13,660	1,025	4,380	5,405	1,120	5,467	6,587	56,264
2037	2,595	1,511	4,106	11,380	8,794	20,174	2,405	3,923	6,328	5,085	8,576	13,661	1,065	4,344	5,409	1,165	5,426	6,591	56,269
2038	2,700	1,405	4,105	11,965	8,210	20,175	2,515	3,813	6,328	5,290	8,368	13,658	1,100	4,306	5,406	1,205	5,384	6,589	56,261
2039	2,810	1,295	4,105	12,580	7,597	20,177	2,630	3,697	6,327	5,510	8,152	13,662	1,140	4,267	5,407	1,250	5,340	6,590	56,268
2040	2,925	1,180	4,105	13,225	6,951	20,176	2,755	3,576	6,331	5,735	7,927	13,662	1,180	4,227	5,407	1,295	5,295	6,590	56,272
2041	3,040	1,061	4,101	13,910	6,273	20,183	2,880	3,449	6,329	6,000	7,663	13,663	1,225	4,184	5,409	1,340	5,248	6,588	56,272
2042	4,610	908	5,518	5,820	5,780	11,600	3,030	3,301	6,331	6,305	7,355	13,660	1,270	4,139	5,409	8,690	5,064	13,754	56,272
2043	4,795	720	5,515	6,115	5,481	11,596	3,185	3,146	6,331	6,630	7,032	13,662	1,315	4,092	5,407	9,020	4,741	13,761	56,271
2044	4,990	524	5,514	6,430	5,168	11,598	3,345	2,983	6,328	6,970	6,692	13,662	1,365	4,044	5,409	9,350	4,405	13,755	56,265
2045	5,195	320	5,515	6,760	4,838	11,598	3,520	2,811	6,331	7,325	6,334	13,659	1,415	3,993	5,408	9,700	4,057	13,757	56,268
2046	5,410	108	5,518	7,110	4,491	11,601	3,660	2,668	6,328	7,665	5,998	13,663	1,465	3,941	5,406	10,055	3,696	13,751	56,267
2047	-	-	-	7,475	4,127	11,602	3,770	2,557	6,327	7,975	5,685	13,660	16,510	3,615	20,125	1,060	3,492	4,552	56,265
2048	-	-	-	7,855	3,743	11,598	3,885	2,442	6,327	8,300	5,360	13,660	17,120	3,005	20,125	1,105	3,450	4,555	56,264
2049	-	-	-	8,260	3,341	11,601	4,005	2,323	6,328	8,640	5,021	13,661	17,755	2,372	20,127	1,145	3,406	4,551	56,268
2050	-	-	-	8,660	2,939	11,599	4,130	2,201	6,331	8,995	4,668	13,663	18,410	1,716	20,126	1,190	3,361	4,551	56,270
2051	-	-	-	9,065	2,539	11,604	4,295	2,032	6,327	9,360	4,302	13,662	19,085	1,036	20,121	1,240	3,314	4,554	56,268
2052	-	-	-	9,475	2,122	11,597	4,515	1,812	6,327	9,735	3,924	13,659	19,010	345	19,355	2,080	3,249	5,329	56,267
2053	-	-	-	9,915	1,685	11,600	4,750	1,580	6,330	10,130	3,530	13,660	-	-	-	21,895	2,785	24,680	56,271
2054	-	-	-	10,370	1,229	11,599	4,990	1,337	6,327	10,540	3,120	13,660	-	-	-	22,760	1,920	24,680	56,266
2055	-	-	-	10,850	753	11,603	5,250	1,081	6,331	10,965	2,694	13,659	-	-	-	23,660	1,020	24,680	56,273
2056	-	-	-	11,345	255	11,600	5,470	861	6,331	11,410	2,248	13,658	-	-	-	14,500	281	14,781	46,369
2057	-	-	-	-	-	-	5,650	680	6,330	11,880	1,783	13,663	-	-	-	-	-	-	19,993
2058	-	-	-	-	-	-	5,835	493	6,328	12,365	1,298	13,663	-	-	-	-	-	-	19,991
2059	-	-	-	-	-	-	6,030	300	6,330	12,865	793	13,658	-	-	-	-	-	-	19,989
2060	-	-	-	-	-	-	6,230	101	6,331	13,395	268	13,663	-	-	-	-	-	-	19,993
2061	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2062	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

HISTORICAL DEBT SERVICE COVERAGE RATIOS

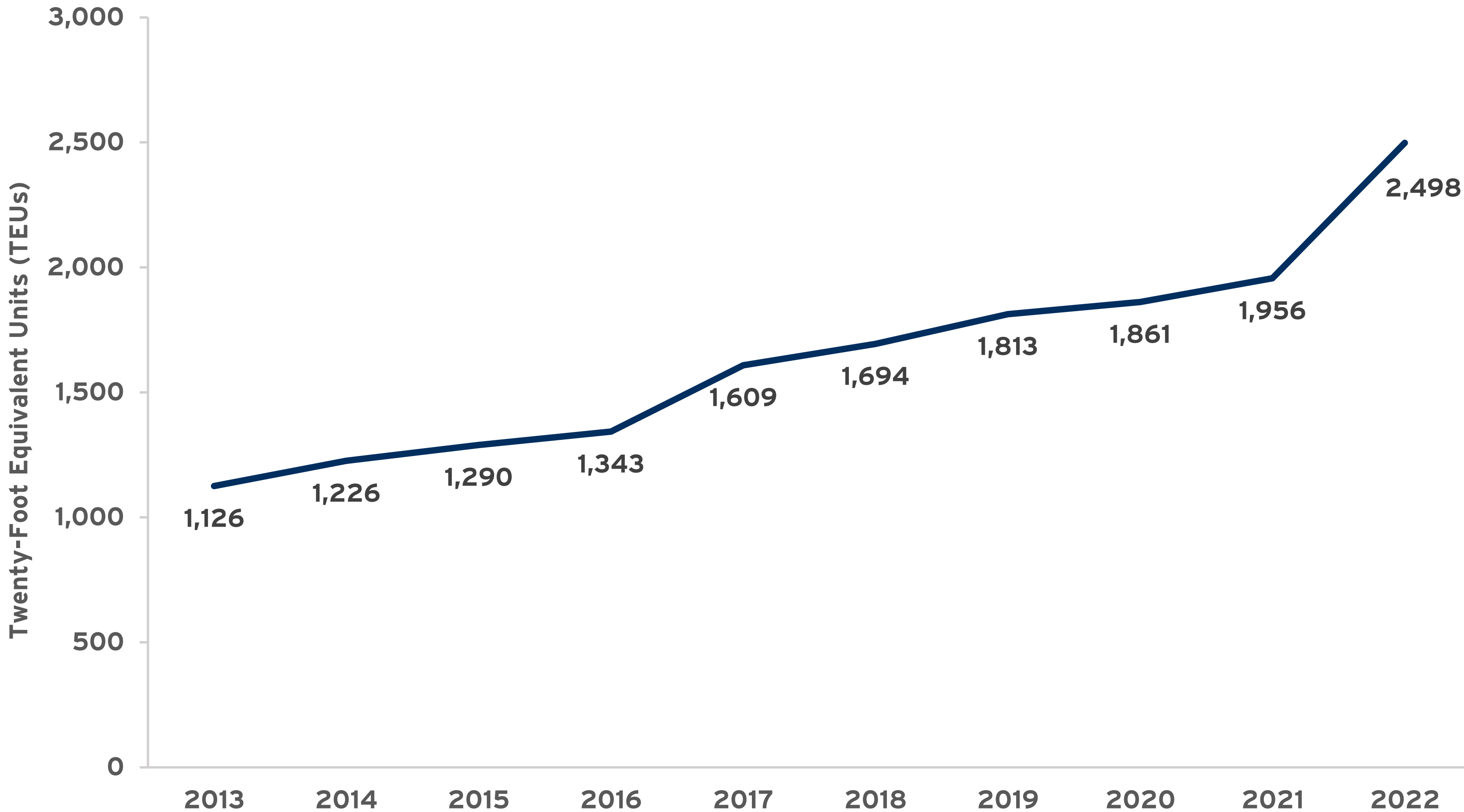
(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues	$140,388	$164,143	$196,759	$211,166	$235,789	$252,013	$294,326	$292,256	$312,772	$443,102
Operating Expenses	124,061	149,850	166,045	172,465	197,813	216,247	252,083	264,841	275,730	344,550
Operating Earnings	**16,327**	**14,293**	**30,714**	**38,701**	**37,976**	**35,766**	**42,243**	**27,415**	**37,042**	**98,552**
Non-Operating Revenues (Expenses), net [1]	1,777	1,314	(3,232)	(1,366)	40,669	(10,529)	(2,158)	(140,118)	(66,983)	(63,295)
Excess Revenues over/(under) Expenses before Capital Contributions, Grants, and Special Items	18,104	15,607	27,482	37,335	78,645	25,237	40,085	(112,703)	(29,941)	35,257
Capital Contributions from/(to) Government Entities and Grants from Federal Government and Special Items	(10,776)	(3,955)	6,327	26,376	15,119	762	2,004	164	1,490	3,855
Excess Revenues over/(under) Expenses after Contributions and Grants	**7,328**	**11,652**	**33,809**	**63,711**	**93,764**	**25,999**	**42,089**	**(112,539)**	**(28,451)**	**39,112**
Adjustments:										
Depreciation and Amortization	28,702	32,415	33,753	33,687	37,233	41,523	47,553	55,059	60,954	76,281
Unrealized (Gains)/Losses [2]	(610)	(436)	(896)	111	(196)	(337)	(250)	(28,183)	21,752	22,563
Interest Expense [3]	1,748	849	3,163	2,043	1,418	1,580	8,679	45,411	49,196	50,721
Net (Gains)/Losses on the Disposal of Assets	(62)	54	(2,650)	951	(37,063)	(8,832)	4,253	5,391	3,786	3,406
Land Contribution from Dillon Co. [4]	-	-	-	-	(2,309)	-	-	-	-	-
Land Contribution from Federal Gov't	-	-	-	-	-	-	(23,335)	-	-	-
Contribution to State for Bridge	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Contribution to Berkeley County, SC	8,000	-	-	-	-	-	-	-	-	-
Contribution to Aiken County, SC	1,093	1,315	74	-	-	-	-	-	-	-
Contribution to Georgetown County, SC	-	-	-	-	15	-	-	-	-	-
Contribution to Cherokee County, SC	-	-	-	-	500	-	-	-	-	-
Contribution to Sumter County, SC	-	2,886	425	1,383	-	-	-	-	-	-
Contribution to Spartanburg County - Infrastructure	-	-	-	-	-	-	-	-	250	-
Contribution to Department of Commerce - Infrastructure	-	-	-	-	-	-	-	-	500	-
Contribution from State - Jasper Ocean Terminal	-	-	(1,050)	(1,000)	(1,875)	(275)	(600)	(5,300)	(400)	(242)
Contribution to Jasper Ocean Terminal	-	-	1,088	1,083	1,875	1,425	500	400	-	100
Contribution (from)/to State - Harbor Deepening	-	-	-	(6,185)	137	299,043	(3,894)	(6,037)	4	-
Contribution from State - Navy Base Intermodal Facility	-	-	-	-	-	-	-	-	-	(13,667)
Capital Grants from Federal Government	(1,517)	(143)	(361)	(5,156)	(5,681)	(762)	(2,004)	(164)	(1,490)	(3,855)
Contribution from Spartanburg for BMW facility	-	-	(281)	(15,035)	(7,095)	-	-	-	-	-
Contribution from SC Dept of Public Safety	-	-	-	-	(34)	-	-	-	-	-
Contribution from Railway Co for Inland Port	-	(1,103)	(1,134)	-	-	-	-	-	-	-
Contribution to Department of Transportation - Infrastructure	-	-	-	-	-	12,600	23,000	100,000	-	7,500
Contribution (from)/to the Army Corps of Engineers for Harbor Deepening	-	-	-	-	-	(299,043)	3,933	33,294	-	-
Contribution to the Army Corps of Engineers for Harbor Deepening	-	-	-	-	-	275	-	-	-	-
Pass through Payments Related to Grants above [5]	135	95	-	796	91	15	-	-	-	-
Pension - GASB 68 [6]	-	-	-	1,542	3,995	6,656	6,740	10,699	12,058	940
OPEB [7]	-	-	-	1,643	1,606	933	1,059	1,636	4,150	5,670
Leases – GASB 87 [8]	-	-	-	-	-	-	-	-	-	(149)
Net Harbormaster Fees	14	33	4	(17)	(227)	(259)	(269)	(246)	(264)	(241)
Loss on Defeasance of Series 2010 Bonds [9]	-	-	-	-	-	6,194	-	-	-	-
Non-Cash Adjustments to Projects	-	-	-	-	-	-	-	3,508	-	-
Cruise Terminal Write-Off	-	-	-	-	-	-	-	-	-	8,909
Bond Issue Costs [10]	50	1,372	60	1,817	-	1,790	65	3,022	-	-
Net Adjustments	38,553	38,337	33,195	18,663	(6,610)	63,526	66,430	219,490	151,496	158,936
Net Revenues Available for Debt Service	**$ 45,881**	**$ 49,989**	**$ 67,004**	**$ 82,374**	**$ 87,154**	**$ 89,525**	**$108,519**	**$106,951**	**$123,045**	**$198,048**
Series 2010 Bonds	13,167	13,264	13,259	13,251	13,254	13,249	-	-	-	-
Series 2015 Bonds	-	-	-	2,326	14,688	14,688	14,688	11,185	2,268	2,268
Series 2018 Bonds	-	-	-	-	-	-	9,054	21,779	21,765	21,766
Series 2019A Bonds	-	-	-	-	-	-	-	1,271	5,143	5,143
Series 2019B Bonds	-	-	-	-	-	-	-	2,743	11,096	11,096
Series 2019C Bonds	-	-	-	-	-	-	-	1,114	4,505	4,505
Series 2019D Bonds	-	-	-	-	-	-	-	649	5,697	5,697
Principal and Interest Paid on Senior Lien Bonds	13,167	13,264	13,259	15,577	27,942	27,937	23,742	38,741	50,474	50,475
Principal and Interest Paid Second Lien Bonds	-	-	1,925	1,925	1,925	1,925	1,925	1,925	962	-
Principal and Interest Paid on Third Lien Bonds	-	-	3	78	1,042	2,517	6,596	12,509	14,509	21,804
Total Principal and Interest Paid	**13,167**	**13,264**	**15,187**	**17,580**	**30,909**	**32,379**	**32,263**	**53,175**	**65,945**	**72,279**
Debt Service Coverage Ratio - Senior Lien	**3.48x**	**3.77x**	**5.05x**	**5.29x**	**3.12x**	**3.20x**	**4.57x**	**2.76x**	**2.44x**	**3.92x**
Debt Service Coverage Ratio - Senior & Second Lien	**-**	**-**	**4.41x**	**4.71x**	**2.92x**	**3.00x**	**4.23x**	**2.63x**	**2.39x**	**3.92x**
Debt Service Coverage Ratio - All	**-**	**-**	**4.41x**	**4.69x**	**2.82x**	**2.76x**	**3.36x**	**2.01x**	**1.87x**	**2.74x**

(1) Includes interest expense.
(2) As of fiscal year 2020 Audited Financial Statements, unrealized gains on the fair value of invested assets included with fair value of interest rate exchange agreements.
(3) Reflects amounts deducted for capitalized interest expense.
(4) Donated land did not require cash expenditure by the Authority.
(5) Payments reported in Other Income/(Expense), net amount in the Authority's Financial Statements.
(6) Non-Cash Portion of Pension Expense.
(7) Non-Cash Portion of OPEB (Other Post-Employment Benefits) Expense.
(8) Non-Cash Portion of Lease Revenue and Expense.
(9) Book loss.
(10) Bond issue cost transactions recorded pre & post GASB 65.


Twenty-Foot Equivalent Units (TEUs)
1,560,116
1,684,907
1,916,379
1,943,170
2,137,702
2,199,873
2,393,095
2,324,985
2,548,873
2,853,046
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022

AVERAGE TWENTY-FOOT EQUIVALENT UNITS PER VESSEL DOCKED[1]



(1) Vessels Docked includes ships and barges.

Twenty-Foot Equivalent Units

By Terminal

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Columbus Street	-	-	160	27	-	-	-	-	-	-
Hugh Leatherman	-	-	-	-	-	-	-	-	31,073	264,757
North Charleston	570,183	531,177	563,691	648,580	463,935	560,532	539,304	394,011	435,436	517,226
Wando Welch	989,933	1,153,730	1,352,528	1,294,563	1,673,767	1,639,341	1,853,791	1,930,974	2,082,364	2,071,063
Total	**1,560,116**	**1,684,907**	**1,916,379**	**1,943,170**	**2,137,702**	**2,199,873**	**2,393,095**	**2,324,985**	**2,548,873**	**2,853,046**

Pier Container Lifts

By Terminal

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Columbus Street	-	-	80	27	-	-	-	-	-	-
Hugh Leatherman	-	-	-	-	-	-	-	-	16,820	146,408
North Charleston	325,425	303,379	322,483	366,484	262,959	318,375	305,337	222,388	240,444	285,529
Wando Welch	564,365	653,306	772,343	730,295	944,745	932,453	1,058,898	1,094,944	1,161,601	1,151,017
Total	**889,790**	**956,685**	**1,094,906**	**1,096,806**	**1,207,704**	**1,250,828**	**1,364,235**	**1,317,332**	**1,418,865**	**1,582,954**

Non-Containerized Cargo Pier Tons

By Terminal

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Columbus Street	578,702	590,755	721,092	808,630	818,417	733,635	605,805	632,092	799,961	856,737
Georgetown	494,645	553,039	548,933	249,149	7,466	-	-	-	-	-
Hugh Leatherman	-	-	-	-	-	-	-	-	2,050	18,876
North Charleston	35,837	6,386	907	1,626	529	19,607	6,251	2,498	3,377	2,623
Union Pier	77,188	150,823	144,054	90,420	31,245	3,006	11,124	-	-	-
Veterans	429,988	14,228	3,392	-	-	-	-	-	1,177	-
Wando Welch	1,848	1,038	2,469	1,298	1,470	4,253	2,143	1,688	955	1,923
Total	**1,618,208**	**1,316,269**	**1,420,847**	**1,151,123**	**859,127**	**760,501**	**625,323**	**636,278**	**807,520**	**880,159**

Inland Port Rail Moves

By Terminal

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Dillon	-	-	-	-	-	628	29,580	32,453	34,987	26,019
Greer	-	19,512	58,407	91,698	121,761	117,812	143,204	140,155	157,842	151,261
Total	**-**	**19,512**	**58,407**	**91,698**	**121,761**	**118,440**	**172,784**	**172,608**	**192,829**	**177,280**

Other Statistics	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pier Vehicles (Rolling Stock)	200,231	208,874	253,597	274,662	258,804	232,390	194,902	199,825	253,983	219,712
Cruise Passengers	182,131	192,508	189,050	212,286	224,105	225,483	213,081	217,673	-	123,336
Ships Docked (1)	1,839	1,830	1,896	1,900	1,765	1,705	1,696	1,567	1,593	1,465

(1) Self-powered vessels, excluding barges.

Facilities

DESCRIPTION	WANDO WELCH	NORTH CHARLESTON	HUGH LEATHERMAN (1)	COLUMBUS STREET	UNION PIER	VETERANS TERMINAL (2)	GEORGETOWN	INLAND PORT DILLON	INLAND PORT GREER
Terminal Area (Acres)	689	201	286	155	71	23	45	110	97
Developed Terminal Area (Acres)	399	198	134	135	65	23	37	37	42
Channel Width Min (Feet)	400	500	500	500	500	500	N/A	N/A	N/A
Channel Width Max (Feet)	1,400	1,400	1,400	1,400	1,400	1,000	N/A	N/A	N/A
Channel Project Depth (Feet)	52	45	52	45	35	25	15	N/A	N/A
Berth/Working Trackage (Linear Feet)	3,800	2,500	1,400	3,500	2,500	2,400	N/A	10,080	5,200
Cargo Handled (Type)	Container Breakbulk	Container Breakbulk	Container Breakbulk	Rolling Stock Breakbulk	Breakbulk Cruise	Breakbulk	Breakbulk	Container	Container
Container Crane Class									
Post-Panamax	-	3	-	-	-	-	-	-	-
Super Post Panamax	15	2	5	-	-	-	-	-	-
Total	15	5	5	-	-	-	-	-	-
Container Handlers									
Empty Toplifter	30	2	6	-	-	-	-	2	5
Toplifter	5	16	3	1	-	-	-	-	2
RTG	65	10	25	-	-	-	-	2	7
Total	100	28	34	1	-	-	-	4	14
Warehouse Sq. Ft.	187,680	-	-	359,149	334,000	-	103,000	-	-

(1) Hugh Leatherman Terminal details reflect the currently completed Phase 1. At full buildout, the terminal is projected to have a developed terminal area of 266 acres, berth length of 3,510 feet, 15 ship-to-shore cranes, and 70 RTGs.
(2) In February 2021, SCSPA exchanged 76 acres of Veteran's Terminal with the US Coast Guard for 90 acres of property on the old Charleston Navy Base.

Employees

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative	96	100	104	98	99	97	97	94	95	89
Operations	389	383	382	403	454	501	596	641	663	833
Grand Total	**485**	**483**	**486**	**501**	**553**	**598**	**693**	**735**	**758**	**922**

(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Capital Projects in Progress	$ 207,602	$ 227,910	$ 249,411	$ 342,330	$ 463,281	$ 403,960	$ 520,588	$ 615,601	$ 72,833	$ 75,065
Land	199,906	201,675	203,281	202,613	206,197	352,532	374,214	374,341	696,208	716,971
Land Improvements	275,621	303,764	317,416	327,916	370,336	408,479	401,974	443,703	669,184	709,541
Buildings and Structures	337,817	339,654	340,354	335,364	347,312	413,221	449,776	498,134	669,842	694,476
Railroad Tracks	8,869	16,826	16,962	16,990	16,990	19,418	19,677	19,774	19,774	23,844
Terminal Equipment	136,133	141,368	146,945	155,534	163,900	189,522	182,911	256,553	311,383	395,199
Furniture & Fixtures	24,659	29,117	27,220	29,303	35,993	36,881	39,147	40,132	41,111	41,517
Intangible Assets	-	-	-	157	355	87	52	27	623	369
Total Capital Assets	**1,190,607**	**1,260,314**	**1,301,589**	**1,410,207**	**1,604,364**	**1,824,100**	**1,988,339**	**2,248,265**	**2,480,958**	**2,656,982**
Depreciation (Accumulated)	(496,815)	(522,544)	(549,718)	(563,656)	(587,800)	(622,633)	(600,317)	(648,642)	(695,291)	(751,164)
Capital Assets, net	**$ 693,792**	**$ 737,770**	**$ 751,871**	**$ 846,551**	**$1,016,564**	**$1,201,467**	**$1,388,022**	**$1,599,623**	**$1,785,667**	**$ 1,905,818**

Description	Charleston Region[1]	State
Population	813,052	5,190,705
Total Personal Income	$49,396,158,226	$277,241,000,000
Per Capita Personal Income	$60,754	$53,411
Unemployment Rate	2.80	3.10

Source: www.charlestonregionaldata.com, www.census.gov, www.bls.gov, www.bea.gov

Top Ten Employers[2]

Charleston Region	South Carolina
Roper St. Francis Healthcare	Walmart Inc.
The Boeing Company	Prisma Health
Trident Health System	BMW Manufacturing
Walmart Inc.	Blue Cross Blue Shield
Robert Bosch LLC	Michelin North America
Volvo Car USA LLC	Roper St. Francis Healthcare
Mercedes-Benz Vans, LLC	The Boeing Company
Blackbaud, Inc.	Amazon Fulfillment Center
BenefitFocus	Duke Energy
Publix Supermarkets	GE Power
Source: www.crda.org	Source: Regional data, news, and company websites

(1) Charleston Region includes Berkeley, Charleston, and Dorchester Counties.
(2) Excludes State and Federal Entities.

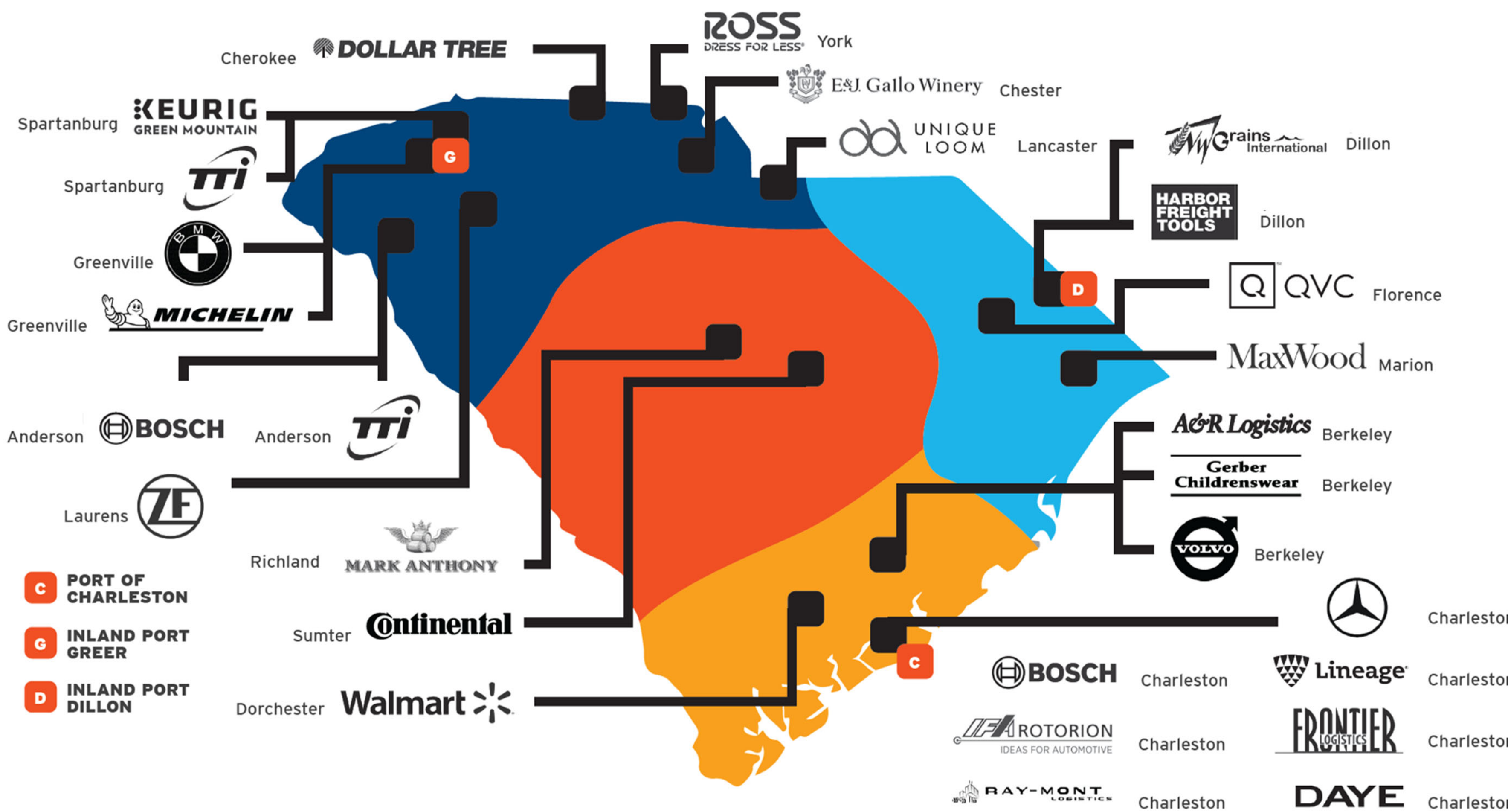
SOUTH CAROLINA
$63.4 billion annual economic impact
1 in 10 SC jobs created by SC Ports
$1.1 billion in annual tax revenue

UPSTATE
Economic Impact: $32.8 billion
Total Jobs: 116,561
Labor Income: $6.6 billion
Percentage of Total Impact: 51.8%

PEE DEE
Economic Impact: $7.1 billion
Total Jobs: 25,275
Labor Income: $1.4 billion
Percentage of Total Impact: 11.3%

MIDLANDS
Economic Impact: $15.5 billion
Total Jobs: 55,346
Labor Income: $3.1 billion
Percentage of Total Impact: 24.6%

LOWCOUNTRY
Economic Impact: $7.8 billion
Total Jobs: 27,781
Labor Income: $1.5 billion
Percentage of Total Impact: 12.3%



Source: Moore School of Business, University of South Carolina, August 2019.

	Customer [1]	Percentage of Revenues	Customer Type	Years at SCSPA [2]
1)	Maersk / Hamburg Sud	16%	Steamship Line (Cargo)	33
2)	Mediterranean	15%	Steamship Line (Cargo)	31
3)	Hapag-Lloyd	15%	Steamship Line (Cargo)	30
4)	CMA-CGM / APL	11%	Steamship Line (Cargo)	33
5)	ONE	7%	Steamship Line (Cargo)	33
6)	COSCO / OOCL	6%	Steamship Line (Cargo)	33
7)	Zim	3%	Steamship Line (Cargo)	33
8)	Evergreen	3%	Steamship Line (Cargo)	33
9)	BMW	3%	Beneficial Cargo Owner	29
10)	Yang Ming	2%	Steamship Line (Cargo)	32
	All Other	19%		
		100%		

[1] Includes subsidiaries.
[2] Records go back 33 years. If customer merged with another customer, represents maximum number of combined years.

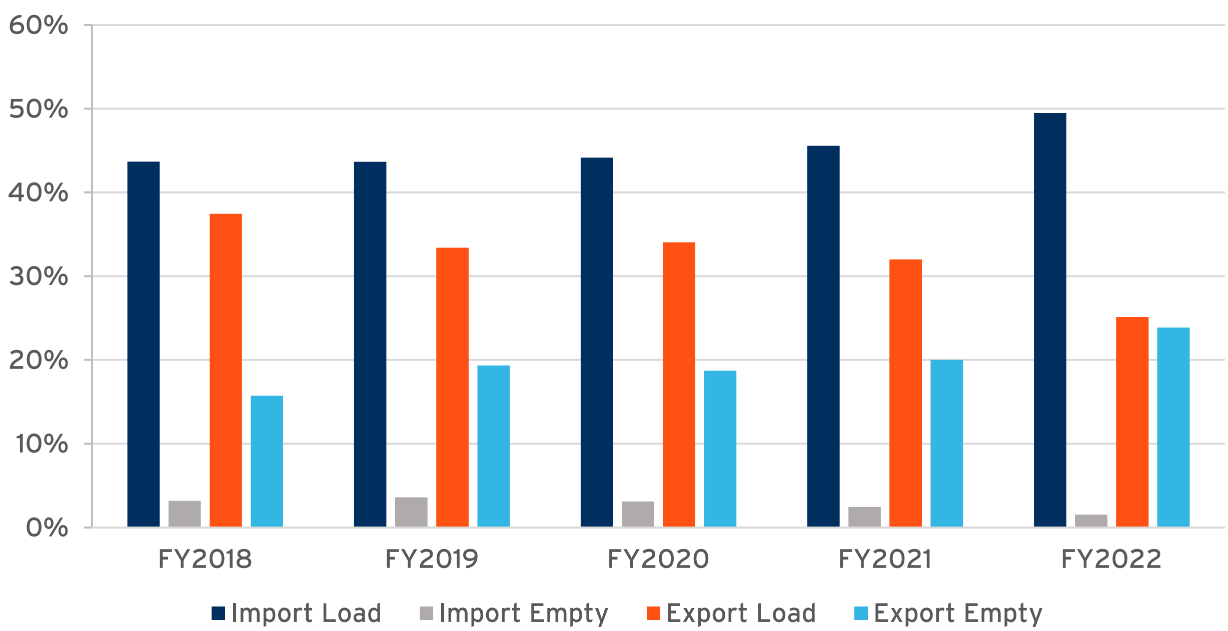
	Fiscal Years Ending June 30				
	2018	2019	2020	2021	2022
Pier Containers	1,250,828	1,364,235	1,317,332	1,418,865	1,582,954
TEUs	2,199,873	2,393,095	2,324,985	2,548,873	2,853,046
Breakbulk and Bulk Pier Tons (1)	760,501	625,323	636,278	807,520	880,159
Pier Vehicles	232,390	194,902	199,825	253,983	219,712
Ships Docked (2)	1,705	1,696	1,567	1,593	1,465

(1) Includes net tonnage for Pier Vehicles.

(2) Self-powered vessels, excluding barges.

	Annual TEUs			
Fiscal Year	Import	Export	Empty	Total
FY2018	960,610	823,588	415,675	2,199,873
FY2019	1,044,858	799,393	548,844	2,393,095
FY2020	1,026,514	791,569	506,902	2,324,985
FY2021	1,161,407	815,504	571,962	2,548,873
FY2022	1,411,993	716,540	724,513	2,853,046

Annual TEUs By Percent Contribution

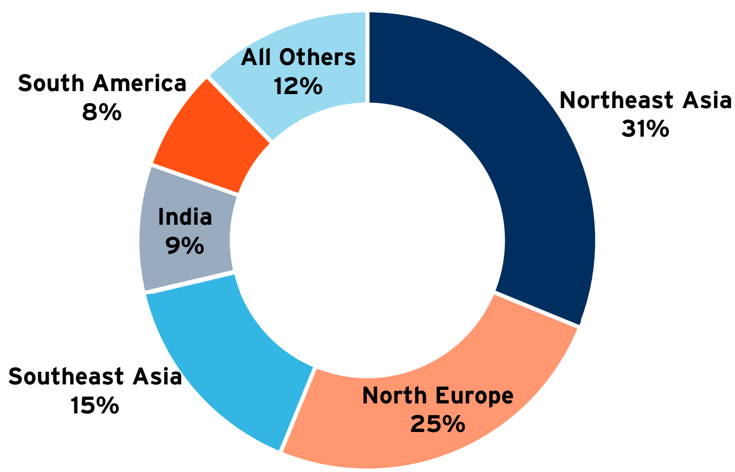


(LOADED TEUs)

EXPORTS		Contribution
1)	FOREST PRODUCTS	22%
2)	CHEMICALS	21%
3)	VEHICLES BOATS AIRCRAFT	14%
4)	FOODSTUFFS AND BASIC AGRICULTURAL MATERIALS	12%
5)	YARNS FIBRES TEXTILES APPAREL	6%
6)	MACHINERY PARTS	5%
7)	TIRES UNFINISHED RUBBER PLASTIC PRODUCTS	4%
8)	MISCELLANEOUS	3%
9)	METALS INCLUDING PRIMARY SHAPES	3%
10)	MINERAL PRODUCTS INCL COAL TILES GLASS	3%
11)	HARDWARE LIGHTING MISC METALWARE	2%
12)	FURNITURE SPORTING GOODS TOYS	1%
13)	ORES CONCENTRATES	1%
14)	PLASTIC FILMS SHEETS FOAM SPONGES	1%
15)	ELECTRIC AND ELECTRIC GOODS	1%
	ALL OTHER	1%
	Total Exports	**100%**

IMPORTS		Contribution
1)	FURNITURE SPORTING GOODS TOYS	14%
2)	MACHINERY PARTS	13%
3)	YARNS FIBRES TEXTILES APPAREL	11%
4)	CHEMICALS	9%
5)	TIRES UNFINISHED RUBBER PLASTIC PRODUCTS	9%
6)	VEHICLES BOATS AIRCRAFT	8%
7)	HARDWARE LIGHTING MISC METALWARE	7%
8)	FOREST PRODUCTS	5%
9)	FOODSTUFFS AND BASIC AGRICULTURAL MATERIALS	5%
10)	MINERAL PRODUCTS INCL COAL TILES GLASS	4%
11)	ELECTRIC AND ELECTRIC GOODS	3%
12)	FOOTWARE GLOVES BAGS	2%
13)	METALS INCLUDING PRIMARY SHAPES	2%
14)	MISC ITEMS JEWELRY COMBS ARTS CRAFTS	1%
15)	PLASTIC FILMS SHEETS FOAM SPONGES	1%
	ALL OTHER	6%
	Total Imports	**100%**

Fiscal Year 2022 Trade Lanes



(1) Source: PIERS

2,853,046 CONTAINER TEUs (TWENTY-FOOT EQUIVALENT UNITS)

177,280 RAIL LIFTS AT INLAND PORTS GREER & DILLON

219,712 FINISHED VEHICLES

123,336 CRUISE PASSENGERS

SOUTH CAROLINA PORTS

PHOTOGRAPH BY WALTER LAGARENNE, SCSPA

COVER DESIGN BY CHERNOFF NEWMAN