ANNUAL COMPREHENSIVE

Financial Report

For fiscal years ended
June 30, 2025 and 2024

SOUTH CAROLINA PORTS
WE DELIVER

A Component Unit
of the State of
South Carolina

Prepared by SC Ports
Finance Department

South Carolina State Ports Authority
Annual Comprehensive Financial Report
For Fiscal Years Ended June 30, 2025 and 2024

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SOUTH CAROLINA PORTS

200 Ports Authority Drive
Mount Pleasant, SC 29464

www.scspa.com

December 04, 2025

Dear Board Members, Customers, and Port Partners:

The Southeast market is growing, and South Carolina's port system is perfectly positioned to support this growth with a high-performing port, solutions-oriented service and 8 million TEUs of capacity on the horizon — an unmatched asset in the Southeast port market.

South Carolina is among the fastest growing states for population, GDP and employment growth. The influx of residents and company investments will continue to drive demand for a well-run port. The infrastructure we are building today will keep SC Ports competitive for decades to come, ensuring we can support our customers' growth for the long-term.

Our two rail-served inland ports in Greer and Dillon are a tremendous benefit for our state's manufacturers, retailers and agricultural producers. Inland Port Greer's cargo capacity recently doubled, and we are enhancing rail connectivity in the Charleston port market.

At the Port of Charleston, Wando Welch Terminal has been successfully modernized; Leatherman Terminal is being expanded; and an enhanced North Charleston Terminal will bring significant capacity to our port in the future. Columbus Street Terminal remains a robust terminal for our state's automotive sector.

South Carolina already has the deepest harbor on the U.S. East Coast at 52 feet, and our highly productive port terminals are designed to speed goods to market. South Carolina's maritime community delivers operational excellence, with fast crane moves, quick turn times, instant access to imports and nearby rail connections.

Companies and communities depend on us every day to export SC-made products to international customers and import goods to keep production lines running and stores fully stocked. We offer 29 weekly services and key first-in-calls from Asia and Europe to swiftly move goods between the U.S. Southeast and key international markets.

And while fiscal year 2025 brought challenges and global trade uncertainty, we grew container volumes and handled record rail moves.

We are aggressively working to grow our market share and port competitiveness. This is a region where one can engineer above-market growth, and that is exactly what we intend to do.

With one in nine jobs in our state connected to the port, we know every container moved and infrastructure dollar invested drives a big impact. With the support of our Board of Directors, Governor Henry McMaster, our House and Senate leadership, and many elected leaders, we will continue to make an $87 billion annual economic impact on our state.

We remain steadfastly committed to delivering excellent port service and solutions for our customers' supply chains, as we work together to build a brighter future for South Carolina.

Regards,

Micah Mallace
President & CEO

December 12, 2025

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

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, 2025. 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 fiscal years ended June 30, 2025 and 2024. 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 three regions within the state: Charleston, Greer, and Dillon. The facilities within these regions are owner-operated terminals, meaning the SCSPA owns and operates the terminals, container cranes, handling equipment, and 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 six 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 nine jobs statewide, and port-supported jobs pay nearly 23 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 six ocean terminals handling import and export containerized, breakbulk, roll-on/roll-off ("Ro-Ro"), and bulk cargo. The Authority also owns and operates two inland port facilities in Greer and Dillon.

Wando Welch Terminal
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.

Hugh K. Leatherman Terminal
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.

North Charleston Terminal
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 2,500 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.

Columbus Street Terminal
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 3,900 continuous feet of berth, an on-terminal rail yard served by Norfolk Southern and CSX and three warehouses encompassing 360,000 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 but also is home to the Ports Authority's cruise terminal. 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. During the fiscal year 2024, the SCSPA entered into a contract for the sale of the property to a local developer for redevelopment.

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.

Inland Port Greer

Located over 200 miles from Charleston, Inland Port Greer is an intermodal facility that transfers import and export containers via rail between Charleston and Greer, South Carolina. This facility operates 24 hours a day, seven days a week and provides overnight double-stack rail service. Improving the efficiency of freight movements between the marine terminals and the upstate manufacturing region. Inland Port Greer promotes economic development and rail efficiency in the state of South Carolina.

Inland Port Dillon

SCSPA's second inland port is 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 242-acre terminal has a double stack rail shuttle to and from Charleston. 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 has a one-million square foot distribution center in Dillon and 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 1.92 million in fiscal year 2015 to 2.57 million in fiscal year 2025, a compound annual growth rate of 3.0%. The Ports Authority's investment in capital assets was $2.4 billion as of June 30, 2025, representing a 6.3% increase over June 30, 2024, and a 17.1% increase over 2023. SCSPA is realizing major infrastructure projects at the right time, most notably the deepening of the Charleston Harbor to 52 feet, the completion of phase one of the Hugh K. Leatherman Terminal, the formation of the SMART Pool™, the purchase of an approximate 280-acre property adjacent to the North Charleston Terminal, and the construction of the dual-served, Navy Base Intermodal Facility.

Major Initiatives

In FY25, SCSPA completed several key infrastructure initiatives to increase capacity and improve service. The significant expansion of Inland Port Greer was completed, which doubled the terminal's cargo capacity and upgraded the facilities, in order to support future demand. Additionally, the Authority finished a critical project at the Wando Welch Terminal of constructing a reinforced toe wall along the wharf. Finally, SCSPA reopened the Hugh K. Leatherman Terminal, bringing essential capacity back online, and SCSPA is constructing an additional 1,600 linear feet of berth space to be completed in 2027.

During fiscal year 2024, the Authority purchased an approximate 280-acre industrial site adjacent to its North Charleston Terminal. The additional acreage will allow for the master planning of a modernized North Charleston Terminal that could provide 5,000 feet of linear berth space for vessels, 5 million TEUs of capacity, 52-feet of harbor depth and a raised Don Holt Bridge to remove the height restrictions vessels currently face to call at North Charleston.

With the completion of the deepening of the Charleston Harbor to 52 feet, SCSPA continues to host the deepest harbor on the east coast and can more efficiently handle larger containerships already calling US East Coast ports, including Charleston. During fiscal year 2023, the $563 million project was completed, and activities have shifted to minor dike construction for the dredge disposal areas and post-construction monitoring as required as part of the project permit.

To ensure the efficient movement of goods in the supply chain as the SCSPA has grown, a near-dock rail infrastructure plan was developed to support long-term cargo growth and operational efficiency. The South Carolina General Assembly and Governor Henry McMaster recognized this need by appropriating $550 million for SCSPA's Navy Base Intermodal Facility. Served by both CSX and Norfolk Southern railroads, the Navy Base Intermodal Facility is being developed as a modern intermodal container transfer facility connected to the Hugh K. Leatherman Terminal via a one-mile private drayage road. Construction of the facility commenced in fiscal year 2022, including the delivery and erection of six rail-mounted gantry cranes. The facility will be brought online in alignment with operational readiness and market conditions.

During fiscal year 2022, the SCSPA made the decision to transition away from a home port cruise operations and utilize the current cruise facility for port-of-calls. With this transition, the SCSPA has entered a contract for the sale of the property to a local developer for 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 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, 2024. This was the eighth 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 comprehensive annual 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 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, 2024

Christopher P. Morrill

Executive Director/CEO

SC PORTS BOARD OF DIRECTORS

SC PORTS LEADERSHIP

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President & CEO

PHIL PADGETT
Chief Financial Officer

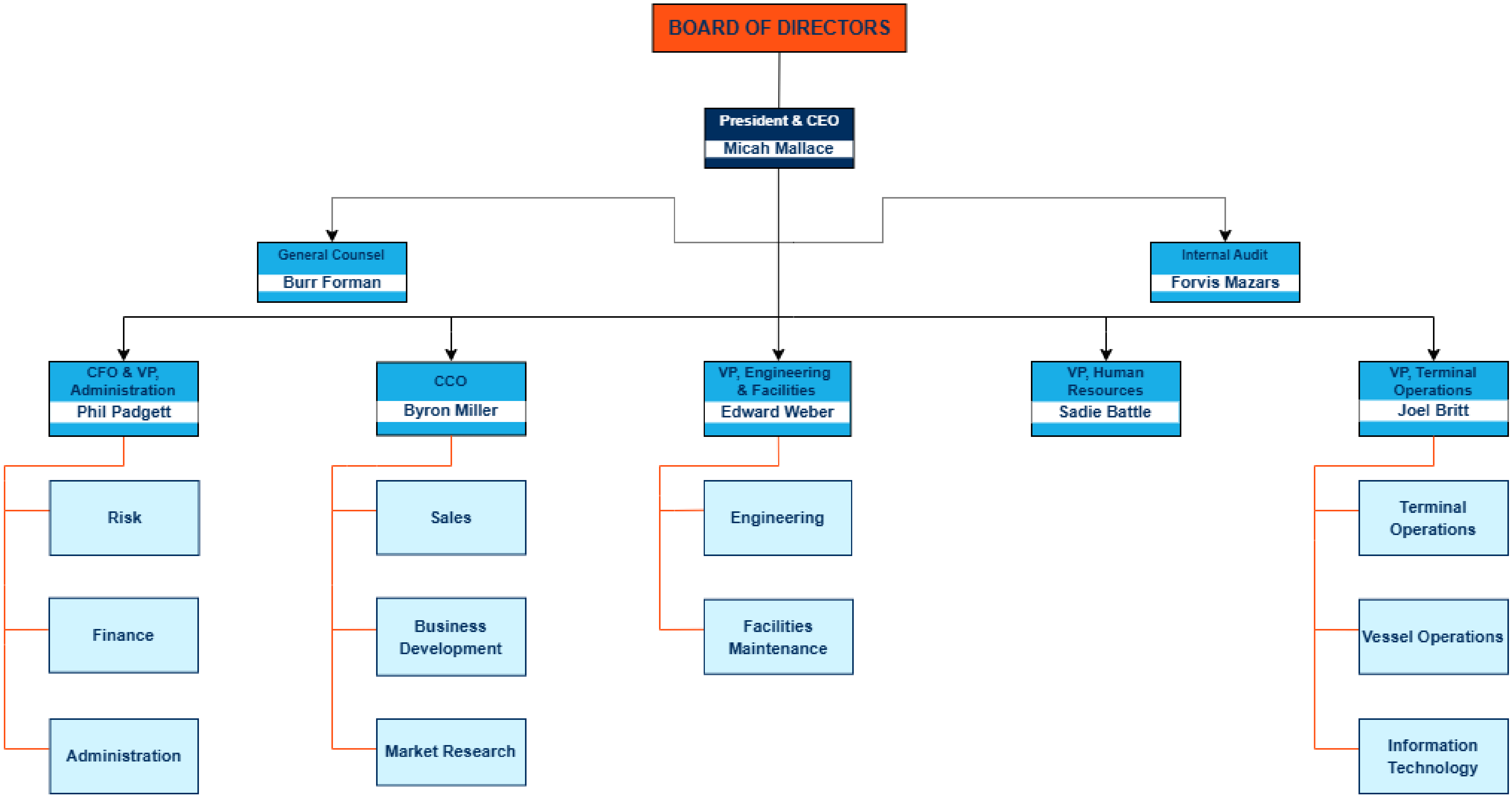
BYRON MILLER
Chief Commercial Officer

BUTCH WEBER
VP Engineering & Facilities

SADIE BATTLE
VP Human Resources

JOEL BRITT
VP Terminal Operations

As of 12/01/2025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Phil Padgett
CCO
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Joel Britt
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Facilities Maintenance
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Vessel Operations
Information Technology

FINANCIAL SECTION

South Carolina State Ports Authority

Report on Financial Statements and
Required Supplementary Information

For the fiscal years ended June 30, 2025 and 2024

South Carolina State Ports Authority

Index

elliott davis

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

Report on the Audit of the Financial Statements

Opinion

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, 2025 and 2024, 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, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

"Elliott Davis" is the brand name under which Elliott Davis, LLC (doing business in North Carolina and D.C. as Elliott Davis, PLLC) and Elliott Davis Advisory, LLC and its subsidiary entities provide professional services. Elliott Davis, LLC and Elliott Davis Advisory, LLC and its subsidiary entities practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Elliott Davis, LLC is a licensed independent CPA firm that provides attest services to its customers. Elliott Davis Advisory, LLC and its subsidiary entities provide tax and business consulting services to their customers. Elliott Davis Advisory, LLC and its subsidiary entities are not licensed CPA firms. The entities falling under the Elliott Davis brand are each individual firms that are separate legal and independently owned entities and are not responsible or liable for the services and/or products provided by any other entity providing services and/or products under the Elliott Davis brand. Our use of the terms "our firm" and "we" and "us" and terms of similar import, denote the alternative practice structure conducted by Elliott Davis, LLC and Elliott Davis Advisory, LLC.

Auditor's Responsibilities 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 opinion. 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 Supplementary 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 the 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025, 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 Ports Authority's 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 in our report.

Elliott Davis, LLC

Charleston, South Carolina
September 16, 2025

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, 2025 and 2024. Management's discussion and analysis should be read in conjunction with the Ports 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 six ocean terminals at the ports of Charleston, as well as inland port facilities in Greer and Dillon. These facilities primarily handle import and export containerized, breakbulk, and bulk cargoes.

Operational Highlights

- The Ports Authority experienced record rail moves at Inland Port Greer during fiscal year 2025 with 205,523 rail moves, an increase of 9.5% over fiscal year 2024 and 40.0% over fiscal year 2023.
- The Ports Authority's SMART Pool™ generated $45.8 million in operating revenue in its third full year of operations, an increase of 7.5% above fiscal year 2024.
- During fiscal year 2025, the Ports Authority handled 2,566,764 twenty-foot equivalent units (TEUs), an increase of 2.8% from fiscal year 2024 and a 0.6% decrease from fiscal year 2023 as uncertainty surrounding tariffs tempered growth.
- After being closed in April 2021, the Hugh K. Leatherman Terminal (HLT) reopened in late September 2024 and handled 135,748 TEUs in fiscal year 2025.
- Inland Port Greer completed a $64 million expansion project in March 2025. The expansion doubles the port's capacity through the addition of 18 acres of container yard storage, 9,000 feet of new rail to quickly handle longer trains, an expanded chassis lot, two rubber-tired gantry cranes, and new terminal operations and maintenance buildings. With these enhancements, Inland Port Greer can handle 300,000 rail lifts annually and meet projected customer demand through 2040.
- Toe wall construction was completed in April 2025 at the Wando Welch Terminal, restoring the ability to handle three mega container ships simultaneously at any tide. The newly completed toe wall enhances the terminal's capability to manage larger vessels and maintain access to Charleston Harbor's industry-leading 52-foot depth.

- Construction of the Navy Base Intermodal Facility (NBIF) continued during fiscal year 2025. The NBIF will be dual served by Norfolk Southern and CSX with a dedicated drayage road from HLT. The facility will allow the Ports Authority to direct rail-intensive shipping services to HLT and enhance the utilization of Inland Ports Greer and Dillon.

Financial Highlights

- The Ports Authority generated operating revenues of $426.5 million for the fiscal year ended June 30, 2025. This represents an increase of 5.6% from fiscal year 2024 and a 4.9% decrease fiscal year 2023.
- The Ports Authority had cash flow from operating activities of $125.4 million in fiscal year 2025, representing a 9.9% increase from fiscal year 2024 and 29.2% decrease from fiscal year 2023.
- The Ports Authority's total net position was $1,297.2 million, $1,014.5 million, and $880.8 million as of June 30, 2025, 2024, and 2023, respectively. The Ports Authority's total net position increased $282.7 million during the current fiscal year and $416.4 million from fiscal year 2023.

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 of dollars)	2025	2024	2023
Total operating revenues	$ 426,473	$ 404,003	$ 448,505
Total TEUs (equivalent number of 20' container units)	2,567	2,497	2,581
Breakbulk pier tonnage	703	845	827
Vessels docked (excluding barges)	1,449	1,561	1,579

Statements of Net Position (Balance Sheets)

The Statements of Net Position present the financial position of the Ports 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 Ports 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)	2025	2024	2023
Assets			
Current assets	$ 661,945	$ 522,949	$ 621,126
Capital assets, net	2,367,408	2,227,330	2,021,346
Other assets	26,909	33,135	21,656
Total assets	3,056,262	2,783,414	2,664,128
Deferred outflows of resources	85,574	85,519	100,016
Total assets and deferred outflows of resources	$ 3,141,836	$ 2,868,933	$ 2,764,144

(in thousands of dollars)	2025	2024	2023
Liabilities			
Current liabilities	$ 132,729	$ 134,542	$ 124,496
Long-term obligations	1,656,956	1,678,635	1,709,979
Total liabilities	1,789,685	1,813,177	1,834,475
Deferred inflows of resources	54,964	41,306	48,855
Net position			
Net investment in capital assets	1,025,034	814,024	584,756
Restricted for debt service and capital projects	51,755	51,910	41,109
Unrestricted	220,398	148,516	254,949
Total net position	1,297,187	1,014,450	880,814
Total liabilities, deferred inflows of resources and net position	$ 3,141,836	$ 2,868,933	$ 2,764,144

ASSETS

Total current assets of the Ports Authority increased $139.0 million during fiscal year 2025, representing an increase from fiscal year 2024 of 26.6%. Drivers of these changes include the following:

- Current cash and investments increased from $390.1 million in fiscal year 2024 to $503.2 million in fiscal year 2025. The 29.0% increase is primarily related to a $50 million reimbursement from the South Carolina general assembly for the purchase of property adjacent to the North Charleston Terminal and $83.3 million in payments for the purchase of Union Pier Terminal. Current cash and investments decreased from $499.2 million in fiscal year 2023 to $390.1 million in fiscal year 2024. The 21.9% decrease is attributable to spending nearly $300 million for the acquisition and construction of capital assets during fiscal year 2024, primarily related to the NBIF and the acquisition of property adjacent to the North Charleston Terminal.
- Accounts receivable (trade) increased $2.5 million in fiscal year 2025 from $46.9 million to $49.4 million, an increase of 5.3%. The slight increase in fiscal year 2025 is related to an increase in revenue during the year along with a reduction in our allowance for uncollectible accounts. In fiscal year 2024, accounts receivable (trade) decreased $1.3 million from $48.2 million to $46.9 million, a decrease of 2.8%.
- Other receivables, Due from State of South Carolina, and Due from Federal government in total increased $26.2 million in fiscal year 2025 to $52.6 million, almost doubling. This was comprised of an increase in outstanding amounts owed for NBIF reimbursement of $4.0 million and $21.3 million related to outstanding amounts owed from the Federal government for harbor deepening reimbursement. Other receivables, Due from State of South Carolina, and Due from Federal government increased $13.8 million in fiscal year 2024 to $26.4 million, primarily related to outstanding amounts owed for NBIF and grant expense reimbursement and for closing on the North Island property sale to Berkeley County.
- Prepaid expenses and other current assets decreased from $9.8 million to $8.6 million in fiscal year 2025, relating primarily to a decrease in prepaid insurance costs and the timing of a PEBA insurance advance payment. Prepaid expenses and other current assets increased from $9.3 million to $9.8 million in fiscal year 2024.

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. During fiscal year 2025, funds held by trustee for debt service increased by $43 thousand from $36.2 million to $36.3 million. From fiscal year 2023 to fiscal year 2025, the total increase was $481 thousand.

The capital assets of the Ports Authority continued to grow in fiscal year 2025 as they increased $140.1 million or 6.3%. During fiscal year 2025, the Ports Authority invested approximately $259 million in capital assets to improve infrastructure and equipment at existing facilities and the Navy Base Intermodal Facility. From fiscal year 2023 to fiscal year 2024, capital assets increased by $206.0 million or 10.2% since fiscal year 2023.

Other noncurrent assets and receivables decreased $5.8 million in fiscal year 2025 from $14.4 million to $8.6 million. In fiscal year 2025, two GASB 87 lease agreements were terminated reducing lease receivables in the amount of $7.8 million. This reduction was offset by $2.0 million invested in the Jasper Ocean Terminal in fiscal year 2025. During fiscal year 2024, noncurrent assets and receivables increased by $11.5 million.

Deferred outflows of resources increased $55 thousand during the year and is attributed to the difference between actual and expected pension experience, projected and actual investment earnings, assumption changes, changes in proportionate share and contributions to pension and other post-employment benefit plans paid subsequent to both plans' measurement date of June 30, 2024. Amortization related to revenue bond refunding (2019C & 2019D) done in fiscal year 2020 offset some of this increase. During fiscal 2024, Deferred Outflows of Resources decreased by $14.5 million.

LIABILITIES

The Ports Authority's current liabilities decreased during fiscal year 2025 from $134.5 million to $132.7 million, a decrease of approximately 1.3%. Items to consider relating to these changes are the following:

- Current maturities of long-term debt increased by $1.1 million in fiscal year 2025. Current maturities of long-term debt increased $0.5 million in fiscal year 2024. Primary driver of this increase is related to increased principal payments for 2018, 2019A and 2019B revenue bonds.
- Accounts payable (including construction) totaled $63.6 million in fiscal year 2025. This represents a decrease of $1.2 million or 1.9% from fiscal year 2024. In fiscal year 2025, the Ports Authority made a final payment to the City of North Charleston for a rail overpass. This decrease was offset by the current portion of a payable to the City of Charleston for mitigation related to the NBIF becoming due, along with increases in retainage and construction payables.
- Accrued liabilities totaled $31.7 million in fiscal year 2025 and primarily reflect accrued interest and accrued payroll and related expenses. The increase of $2.9 million from fiscal year 2024 is primarily related to the change in payroll accruals.

During fiscal year 2025, the Ports Authority's long-term obligations decreased $21.6 million or 1.3%. Long-term obligations decreased by $31.4 million or 1.8% during fiscal year 2024. Drivers of these changes include the following:

- The Ports Authority's noncurrent total OPEB liability is $78.3 million in fiscal year 2025. This reflects an increase of $19.3 million from fiscal year 2024. Primary drivers of the total OPEB liability increase were service costs, interest on the OPEB liability, differences in expected and actual experience and assumption changes related to the effective discount rate as it increased from 3.86% to 3.97%. The total OPEB liability increased $1.0 million from fiscal year 2023 to fiscal year 2024 related to the same.
- Net pension liability of the Authority decreased by $31.7 million in fiscal year 2025, a decrease of 17.2%. The change 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 2025. In fiscal year 2024, the net pension liability of the Ports Authority increased by $5.5 million.

- The long-term debt of the Ports Authority decreased from $1,407.8 million in fiscal year 2024 to $1,322.6 million in fiscal year 2025, a decrease of 6.1%. The decrease was directly attributable to no new assumption of debt and regularly scheduled principal payments. In fiscal year 2024, long-term debt decreased from $1,451.3 million in fiscal year 2023 to $1,407.8 million in fiscal year 2024, a decrease of 3.0%. The decrease was directly attributable to no new debt, scheduled principal payments during the year, and the early repayment of a note payable during fiscal year 2024.

Deferred inflows of resources increased $13.7 million in fiscal year 2025. The primary driver of the increase was related to deferred inflows related to defined benefit pension, difference between projected and actual investment earnings and changes in the proportional share. This was offset by a decrease from the termination of leases in fiscal year 2025. In fiscal year 2024, deferred inflows of resources decreased $7.6 million. The primary driver of the Ports Authority's decrease was related to the cancellation of chassis leases during fiscal year 2024.

NET POSITION

The largest portion of the Ports Authority's net position each year (79.0%, 80.2%, and 66.4% at June 30, 2025, 2024 and 2023, 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 (4.0%, 5.1%, and 4.7% at June 30, 2025, 2024 and 2023, respectively) represents resources that are subject to external restrictions. The remaining unrestricted net position (17.0%, 14.7% and 28.9% at June 30, 2025, 2024 and 2023, respectively) may be used to meet any of the Ports Authority's ongoing obligations.

Statements of Revenues, Expenses and Changes in Net Position

The Ports 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 Ports 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)	2025	2024	2023
Operating revenue	$ 426,473	$ 404,003	$ 448,508
Operating expenses	399,798	406,285	397,975
Operating income (loss)	26,675	(2,282)	50,533
(Loss) gain on disposal of property and equipment, net	(11,085)	2,532	3,593
Other nonoperating income (expense), net	(25,657)	(29,660)	(35,692)
Loan forgiveness from State of South Carolina	50,000	-	-
Contributions from State of South Carolina, net	1,060	-	107
Contribution from the federal government	22,514	35,440	-
Contributions to other governments/organizations, net	(17)	(138)	(100)
Total nonoperating revenues (expenses)	36,815	8,174	(32,092)
Revenues in excess of expenses before capital grants, contributions, and extraordinary item	63,490	5,892	18,441
Capital grants from the federal government	10,207	11,433	3,754
Capital contributions from State of South Carolina	209,040	134,873	103,530
Extraordinary item – impairment loss on capital assets	-	(18,562)	-
Change in net position	282,737	133,636	125,725
Net position, beginning	1,014,450	880,814	755,089
Net position, ending	$ 1,297,187	$ 1,014,450	$ 880,814

Total operating revenues in fiscal year 2025 were $426.5 million, an increase of 5.6% from $404.0 million in fiscal year 2024 as the Port Authority experienced 2.8% TEU growth in fiscal year 2025 coupled with elevated demurrage revenue, primarily at Inland Port Greer. Fiscal year 2024 operating revenues of $404.0 million were down 9.9% from fiscal year 2023 as the Ports Authority witnessed depressed container revenue volume coupled with demurrage revenues returning to pre-pandemic levels.

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

(in thousands of dollars)	2025	2024	2023
Operating revenues			
Container	$ 300,687	$ 284,625	$ 328,508
Inland Ports	46,469	30,834	35,936
Chassis	45,794	42,568	38,802
Breakbulk & RoRo Cargo	24,489	30,042	28,590
Cruise	8,468	15,850	15,603
All other	566	84	1,069
Total operating revenues	$ 426,473	$ 404,003	$ 448,508

The container business segment continues to be the primary driver of operating revenue for the Ports Authority, representing 70.5%, 70.5%, and 73.2% of operating revenues in fiscal years 2025, 2024, and 2023, respectively. During fiscal year 2025, the Ports Authority experienced a slight increase in container volumes aided by the increase in capacity at HLT but offset by general trade uncertainty and tariff impacts.

Breakbulk & RoRo Cargo represent approximately 5.7%, 7.4% and 6.4% of operating revenues of the Ports Authority in fiscal years 2025, 2024, and 2023, respectively. During fiscal year 2025, the Ports Authority moved 165,949 vehicles through the terminal. This represents a decrease of approximately 21.3% from 2024 when the Ports Authority moved 210,817 vehicles as production resumed after the supply chain disruptions experienced during fiscal year 2023. The Ports Authority moved 188,517 vehicles in fiscal year 2023.

Total operating revenue for the inland ports at Greer and Dillon increased $15.6 million or 50.7% in fiscal year 2025. The Ports Authority's inland port network represents approximately 10.9%, 7.6%, and 8.0% of operating revenues for fiscal years 2025, 2024, and 2023, respectively. While rail moves were up 9.5% at Inland Port Greer from 187,638 rail moves in fiscal year 2024 to a record 205,523 rail moves in fiscal year 2025, Inland Port Dillon saw rail moves decrease by 20.9% from 42,769 rail moves in fiscal year 2024 to 33,838 rail moves in fiscal year 2025. Inland Port Greer also experienced increased demurrage revenues during fiscal 2025 because of trade uncertainty during the second half of the fiscal year.

In fiscal year 2025, the Ports Authority handled 158,940 cruise passengers, generating $8.5 million in cruise revenue, representing 2.0% of total operating revenue. Cruise operations for the full fiscal year 2024 generated $15.9 million in cruse revenue. The Ports Authority is in process of selling its Union Pier Terminal and is phasing out cruise operations at this location. In December 2024, home port cruise operations concluded and moving forward the Ports Authority will exclusively host port of call vessels until the sale is finalized.

In its third year of operations, the SMART Chassis Pool produced $45.8 million in operating revenue and represented 10.7% of total operating revenues of the Ports Authority. In fiscal year 2024, the Ports Authority generated $42.6 million in chassis revenue, an increase of 9.8% from fiscal year 2023. Now that the chassis pool is fully operational, this segment follows the trends of the container segment.

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

(in thousands of dollars)	2025	2024	2023
Operating expenses			
Direct operating expenses	$ 260,117	$ 266,571	$ 254,640
Administrative expense	51,421	55,553	59,899
Depreciation expense	88,260	84,161	83,436
Total operating expenses	$ 399,798	$ 406,285	$ 397,975

Operating expenses of the Ports Authority decreased $6.5 million from $406.3 million in fiscal year 2024 to $399.8 million in fiscal year 2025, a decrease of 1.6%. The decrease in operating expenses over the last year primarily relate to reductions in dredging, fuel costs, and chassis lease fees totaling over $11.5 million. These savings are offset by additional operating costs associated with the reopening of HLT. Operating expenses of the Ports Authority increased $8.3 million in fiscal year 2024 from $398.0 million in fiscal year 2023 to $406.3 million, an increase of 2.1%. The increase in operating expenses related to chassis lease fees and maintenance, up approximately $17.5 million from fiscal year 2023. The Ports Authority also incurred a one-time expense of $6.1 million related to a transition of terminal operating system in fiscal year 2024. Fiscal year 2024 wages were down $11.5 million, or 7% from 2023.

Non-operating revenues and capital grants and contributions increased $101.6 million during fiscal year 2025 from $154.5 million in fiscal year 2024 to $256.1 million. Non-operating activity and capital grants and contributions included the following:

- Interest income in fiscal year 2025 was $19.9 million, slightly higher than fiscal year 2024 interest income of $19.7 million, a drop in rates was offset by an increase in interest bearing investments.
- Investment income was $3.4 million in fiscal year 2025 and $14.0 million in fiscal year 2024, both years primarily relate to gains in the state treasurer's investment pool.
- Interest expense was $49.4 million in fiscal year 2025 after incurring $51.3 million in interest expense in fiscal year 2024, representing all interest paid for senior and subordinate debt obligations of the Ports Authority.
- During fiscal year 2025, the Ports Authority received contributions from the State of South Carolina of $156.1 million for the construction of the Navy Base Intermodal Facility, Port Access Road and Jasper Ocean Terminal. An additional $105 million was provided by the State for the purchase of land adjacent to the North Charleston Terminal via $50 million in loan forgiveness and $55 million in cash. The Ports Authority was also awarded $22.5 million from the federal government for harbor deepening. In fiscal year 2024, the Ports Authority received contribution from the State of South Carolina of $135.9 million for the construction of the Navy Base Intermodal Facility and Jasper Ocean Terminal. The Ports Authority also received $35.4 million from the federal government for harbor deepening.
- In fiscal year 2025, the Ports Authority recorded a net loss on disposal of property of $11.1 million primarily related to loss on the sale of chassis equipment. In fiscal year 2024, an extraordinary impairment loss of $18.6 million was recorded on chassis equipment. As of June 30, 2025, all impaired chassis have been sold.
- The Ports Authority made a $9.9 million settlement payment for the development of Union Pier in fiscal year 2024.

Capital Assets and Debt Administration

The Ports Authority's investment in capital assets was $2.4 billion as of June 30, 2025, representing a 6.3% increase over June 30, 2024, and a 17.1% increase over June 30, 2023. The investments include land, land improvements, buildings, equipment, railroad tracks, furniture and fixtures, projects in progress, and intangible lease and subscription assets.

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

- Construction of the NBIF
- Purchase of six rail-mounted-gantry (RMG) cranes for the NBIF
- Construction of the second berth at HLT
- Expansion of Inland Port Greer
- Construction of the Wando Welch Terminal Toe Wall
- Purchase of approximate 280-acre property adjacent to North Charleston Terminal

Additional information on the capital assets and projects of the Ports 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 $986.1 million, $998.0 million, and $1.01 billion as of June 30, 2025, 2024 and 2023, respectively. Additionally, the Ports Authority has direct borrowings outstanding with various third parties totaling $304.4 million, $373.9 million and $403.1 million as of June 30, 2025, 2024, and 2023, respectively. Additional information on the Ports Authority's long-term debt can be found in Note 6 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 S&P Global, 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, 2025 and 2024

(in thousands of dollars)	2025	2024
Assets		
Current assets		
Cash and cash equivalents, unrestricted	$ 408,689	$ 328,844
Cash and cash equivalents, restricted	44,996	55,543
Cash and cash equivalents held by trustee for debt service	33,404	33,162
Investments, unrestricted	49,524	5,687
Accrued interest receivable	1,206	3,534
Accounts receivable trade, net of allowance for uncollectible accounts of $1,978 in 2025 and $2,383 in 2024	49,433	46,889
Other receivables	4,549	4,533
Due from State of SC	15,139	11,123
Due from Federal government	32,899	10,715
Inventories, net	13,545	13,119
Prepaid and other current assets	8,561	9,800
Total current assets	661,945	522,949
Noncurrent assets		
Cash and cash equivalents held by trustee for debt service	2,883	3,082
Investments, restricted	15,468	15,666
Capital assets, net	2,367,408	2,227,330
Other noncurrent assets and receivables	8,558	14,387
Total noncurrent assets	2,394,317	2,260,465
Total assets	3,056,262	2,783,414
Deferred outflows of resources		
Defined benefit plans	36,552	47,773
Post-employment benefit plans	27,541	15,208
Deferred loss on refunding bonds	21,481	22,538
Total deferred outflows of resources	85,574	85,519
Total assets and deferred outflows of resources	$ 3,141,836	$ 2,868,933
Liabilities		
Current liabilities		
Current maturities of total OPEB liability	$ 2,809	$ 2,449
Current maturities of long-term debt	32,490	31,405
Accounts payable	27,253	35,307
Accounts payable, construction	21,285	17,586
Retainage payable	15,048	11,902
Accrued interest	21,842	22,181
Accrued payroll and related expenses	9,848	6,637
Other liabilities	2,154	7,075
Total current liabilities	132,729	134,542
Noncurrent liabilities		
Total OPEB liability, net of current maturities	78,260	58,981
Net pension liability	152,243	183,897
Long-term debt, net of current maturities	1,322,632	1,407,774
Deposits on future sale of capital asset	83,333	-
Other non-current liabilities	20,488	27,983
Total noncurrent liabilities	1,656,956	1,678,635
Total liabilities	1,789,685	1,813,177
Deferred inflows of resources		
Defined benefit plans	27,698	829
Post-employment benefit plans	21,842	25,759
Leases	5,424	14,718
Total deferred inflows of resources	54,964	41,306
Net position		
Net investment in capital assets	1,025,034	814,024
Restricted for		
Debt service	41,755	41,910
Capital projects	10,000	10,000
Unrestricted	220,398	148,516
Total net position	1,297,187	1,014,450
Total liabilities, deferred inflows of resources and net position	$ 3,141,836	$ 2,868,933

The Accompanying Notes to Financial Statements Are An Integral Part of This Statement.

For the fiscal years ended June 30, 2025 and 2024

(in thousands of dollars)	2025	2024
Operating revenues	$ 426,473	$ 404,003
Operating expenses		
Direct operating	260,117	266,571
Administrative	51,421	55,553
Depreciation	88,260	84,161
Total operating expenses	399,798	406,285
Operating income (loss)	26,675	(2,282)
Nonoperating revenues (expenses)		
Interest income	19,870	19,651
Other income (expense), net	430	(11,945)
(Loss) gain on disposal of property and equipment, net	(11,085)	2,532
Interest expense	(49,403)	(51,332)
Investment income	3,446	13,966
Loan forgiveness from the State of SC	50,000	-
Contribution to the State of SC for Arthur Ravenel Jr. Bridge	(1,000)	(1,000)
Contribution to Project Spartan for infrastructure improvements	-	(121)
Contribution to Wards Creek Trail Project	(17)	(17)
Contribution from SC Department of Commerce	35	-
Contribution from Federal Government for harbor deepening	22,514	35,440
Contribution from the State of SC for Jasper Ocean Terminal	2,025	1,000
Total nonoperating revenues (expenses)	36,815	8,174
Revenues in excess of expenses before capital grants, contributions, and extraordinary item	63,490	5,892
Capital grants and contributions		
Capital grants from the federal government	10,207	11,433
Contribution from the State of SC for Navy Base Intermodal Facility	149,811	134,873
Contribution from the State of SC for Port Access Road	4,229	-
Contribution from the State of SC for acquisition of property	55,000	-
Total capital grants and contributions	219,247	146,306
Extraordinary item – impairment loss on capital assets	-	(18,562)
Increase in net position	282,737	133,636
Total net position		
Beginning of year	1,014,450	880,814
End of year	$ 1,297,187	$ 1,014,450

The Accompanying Notes to Financial Statements Are An Integral Part of This Statement.

For the fiscal years ended June 30, 2025 and 2024
(in thousands of dollars)

	2025	2024
Cash flows from operating activities		
Cash received from customers	$ 423,931	$ 405,359
Cash paid to suppliers	(150,237)	(143,336)
Cash paid for employees	(148,274)	(147,903)
Net cash provided by operating activities	125,420	114,120
Cash flows from investing activities		
Change in unrealized gain on investments	3,446	13,966
Interest on investments	21,773	19,607
Net cash provided by investing activities	25,219	33,573
Cash flows from noncapital financing activities		
Proceeds from dredging	2	168
Proceeds from scrap steel sales	78	41
Proceeds from vending income	23	-
Proceeds from State of SC for tax refunds	-	257
Proceeds from (payment to) captive insurance company	30	(30)
Payment for Union Pier settlement	-	(9,900)
Payment to refund BUILD Grant	-	(573)
Contribution to Spartan Project	-	(121)
Contribution to the State of SC for Arthur Ravenel Jr. Bridge	(1,000)	(1,000)
Contribution to Wards Creek Trail Project	(17)	(17)
Contribution to DERA Grant Subrecipient	-	(997)
Contribution from Federal government for Harbor Deepening	1,233	35,440
Contribution from EPA Grant	165	35
Contribution from Port Security Grant	256	448
Contribution from PEBA for pension true-up	413	413
Net cash provided by noncapital financing activities	1,183	24,164
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(257,808)	(306,600)
Proceeds from sales of capital assets	10,332	7,107
Proceeds from future sale of capital asset	83,333	-
Lease payments	(4,734)	(4,186)
SBITA payments	(2,183)	(1,218)
Principal paid on revenue bonds	(11,840)	(11,275)
Principal paid on other debt	(19,565)	(29,174)
Interest paid on revenue bonds	(42,349)	(42,927)
Interest paid on other debt	(7,959)	(10,025)
Contribution from DERA Grant	166	831
Contribution from PDIP Grant	8,741	152
Contribution from BUILD Grant	-	134
Contribution from the State of SC for the Navy Base Intermodal Facility	145,795	127,012
Contribution from the State of SC for Port Access Road	4,229	-
Contribution from the State of SC for acquisition of property	55,000	-
Net cash used in capital and related financing activities	(38,842)	(270,169)
Net increase (decrease) in cash and cash equivalents	112,980	(98,312)
Cash and cash equivalents		
Beginning of year	441,984	540,296
End of year	$ 554,964	$ 441,984

(Continued)

The Accompanying Notes to Financial Statements Are An Integral Part of This Statement.

For the fiscal years ended June 30, 2025 and 2024

(in thousands of dollars)

	2025	2024
Reconciliation of cash and cash equivalents to financial statements		
Cash and cash equivalents	$ 489,972	$ 417,549
Investments	64,992	24,435
Total cash and cash equivalents	$ 554,964	$ 441,984
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	$ 26,675	$ (2,282)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	88,260	84,161
Amortization	8,748	8,858
Provision for uncollectible accounts	(405)	131
Lease revenue	(1,286)	(3,489)
Expense reclasses	528	6,316
Changes in operating assets and liabilities		
Accounts receivable trade	(5,820)	1,252
Other receivables	57	(85)
Inventories, net	(426)	(1,382)
Prepaid and other current assets	1,002	(790)
Accounts payable and other liabilities	(4,798)	8,326
Payroll related liabilities	3,135	(3,887)
Total OPEB liability	3,390	916
Net pension liability	6,435	16,438
Other liabilities	(75)	(363)
Net cash provided by operating activities	$ 125,420	$ 114,120

Noncash Investing, Capital and Financing Activities

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

	2025	2024
Capital assets included in accounts payable	$ 2,559	$ 9
Unrealized gain on investments	3,446	13,966
Interest income included in interest receivable	(2,328)	(672)
Loan forgiveness from State of SC	50,000	-
Noncash other capital activities	(4,672)	(17,372)
Lease assets	8,435	1,185
Lease liabilities	307	(4)
SBITA assets	(1,371)	(15,994)
SBITA liabilities	1,371	15,994

The Accompanying Notes to Financial Statements Are An Integral Part of This Statement.

Note 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 six ocean terminals at the port of Charleston, 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.

Note 1. Summary of Significant Accounting Policies, Continued

Components of net investment in capital assets are as follows:

(in thousands of dollars)

	2025	2024
Capital assets, net	$ 2,367,408	$ 2,227,330
Unspent loan proceeds	44,985	55,533
Bonds payable	(986,110)	(997,950)
Unamortized bond premiums	(64,630)	(67,282)
Deferred loss on refunding bonds	21,481	22,538
Notes payable	(304,382)	(373,947)
Lease liabilities	(689)	(6,102)
Subscription liabilities	(16,696)	(16,608)
Construction related payables and retainage	(36,333)	(29,488)
	$ 1,025,034	$ 814,024

- *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 September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement is to provide the users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussions and Analysis for State and Local Governments*. This statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the fiscal years beginning after June 15, 2025. The Ports Authority is evaluating this requirement with plans for adoption in the fiscal year ending June 30, 2026.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The Ports Authority is evaluating this requirement with plans for adoption in the fiscal year ending June 30, 2026.

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 and the Ports Authority has adopted this pronouncement, and there was no impact to the financial statements.

Note 1. Summary of Significant Accounting Policies, Continued

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 and the Ports Authority adopted this pronouncement, and there was no significant impact to the 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, Standard & Poor's, and Fitch Ratings, Inc. 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 the trustee received credit ratings from Moody's Investors Service of Aaa and Fitch Ratings, Inc. of AA+ as of June 30, 2025 and 2024. Investments include money market funds, U.S. Government securities and interest-bearing accounts with credit ratings from Moody's Investors Service of Aaa and Fitch Ratings of AA+ as of June 30, 2025 and 2024. 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.

Note 1. Summary of Significant Accounting Policies, Continued

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, mutual funds, US Government securities, and interest-bearing accounts, which totaled approximately $64,992,000 and $21,353,000 as of June 30, 2025 and 2024, respectively. Investments are fully collateralized as of June 30, 2025 and 2024.

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)

Investment Type	Maturity	2025	2024
Mutual funds	Less than one year	$ 5,468	$ 5,666
Certificate of deposit	Less than one year	10,063	10,080
U.S. Government agency securities	Less than one year	-	1,661
U.S. Government agency securities	One to five years	49,461	3,688
U.S. Treasury bills	Less than one year	-	258

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 $10,000 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.

Note 1. Summary of Significant Accounting Policies, Continued

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
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.

Subscription liabilities:

Under GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs), subscription liabilities are measured at the present value of expected SBITA payments over the subscription term. An intangible right-to-use subscription asset is recorded to offset the subscription liability. The intangible right-to-use subscription asset is measured at the value of the subscription liability plus any initial implementation costs and prepayments, less any incentives received. The intangible right-to-use subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets. Subscription liabilities are included in other current and non-current liabilities in the Statements of Net Position.

Note 1. Summary of Significant Accounting Policies, Continued

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 total OPEB liabilities – decreases in net pension and total 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 total 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.

Note 1. Summary of Significant Accounting Policies, Continued

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, 2025, 2024, and 2023.

Concentration of credit risk:

The Ports Authority provides services and facilities usage for companies located throughout the world. During the years ended June 30, 2025 and 2024, three customers accounted for the following revenue and accounts receivable percentages:

	2025		2024	
	Revenue	Accounts Receivable	Revenue	Accounts Receivable
Customer 1	18%	10%	14%	13%
Customer 2	16	18	14	14
Customer 3	13	21	12	15
	47%	49%	40%	42%

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.

Compensated absences:

The Port Authority's policies permit employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, for vacation leave only, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Employees earn vacation leave 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 vacation leave is accrued at its accumulated value for the current year plus the respective maximum in the accompanying financial statements.

Employees earn sick leave at a rate of 12 days per year and may accumulate up to a maximum of 180 days. Use of sick leave is restricted to specific qualifying events such as personal illness or care for an immediate family member. Sick leave is not paid out upon separation from employment. Based on historical usage trends, the liability for sick leave was determined to be immaterial to the financial statements.

Note 1. Summary of Significant Accounting Policies, Continued

The Port Authority's total compensated absence liability is approximately $2,065,000 and $2,471,000 as of June 30, 2025 and 2024, 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.

Reclassification:

Certain reclassifications have been made to prior years' financial statements in order to conform with the current year presentation.

Subsequent events:

In preparing these financial statements, the Ports Authority has evaluated events and transactions for potential recognition or disclosure through September 16, 2025, the date the financial statements were available to be issued.

Note 2. Cash and Investments

The Ports Authority's total cash and cash equivalents and investments at June 30, 2025 and 2024 was approximately $554,964,000 and $441,984,000, 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, 2025 and 2024.

At times, 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.

Note 2. Cash and Investments, Continued

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, 2025 and 2024, approximately $221,000 of the

$32,948,000 and $(1,230,000) of the $76,095,000, respectively, identified in the schedule below as "Deposits held by State Treasurer" is attributable to unrealized gains (losses).

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

The Port's Authority holds a foreign currency-denominated deposit. This deposit is subject to foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment. For the fiscal year ended June 30, 2025 and 2024, the foreign currency balance at fair value USD was approximately $10,133,000 and $12,744,000, respectively. Foreign currency risk is measured by the currency's exchange rate at the balance sheet date. Gains or losses resulting from fluctuations in these exchange rates are reported in the Statements of Revenues, Expenses, and Changes in Net Position.

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

(in thousands of dollars)

	2025	2024
Statements of Net Position		
Current assets		
Cash and cash equivalents, unrestricted	$ 408,689	$ 328,844
Cash and cash equivalents, restricted	44,996	55,543
Cash and cash equivalents held by trustee for debt service	33,404	33,162
Investments, unrestricted	49,524	5,687
Noncurrent assets		
Cash and cash investments held by trustee for debt service	2,883	3,082
Investments, restricted	15,468	15,666
	$ 554,964	$ 441,984
Deposits and Investments		
Deposits insured (FDIC) or collateralized by securities held by the pledging financial institution's agent in the Ports Authority's name	$ 420,737	$ 308,292
Deposits held by the State Treasurer's Office	32,948	76,095
Investments held by third party banks	64,992	21,353
Deposits held by trustee	36,287	36,244
	$ 554,964	$ 441,984

Note 2. Cash and Investments, Continued

General provision regarding these funds are as follows:

Restricted cash and investments are held for a specific purpose and therefore not available to the Ports Authority for general business use. Current restricted funds include funds related to escrow deposits for specific equipment purchases and future environmental remediation.

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 6). 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.

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Securities classified in Level 3 are valued using discounted cash flow techniques.

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 and 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.

Note 2. Cash and Investments, Continued

The cost, gross unrealized gain, gross unrealized loss, and fair values of fixed maturity securities as of and for the years ended June 30, 2025 and 2024 are as follows:

(in thousands of dollars)	**2025**			
	Cost	**Unrealized Gain**	**Unrealized Loss**	**Fair Market Value**
Mutual funds	$ 5,468	$ -	$ -	$ 5,468
Certificate of deposit	10,063	-	-	10,063
U.S. Government securities	49,146	315	-	49,461
	$ 64,677	$ 315	$ -	$ 64,992

(in thousands of dollars)	**2024**			
	Cost	**Unrealized Gain**	**Unrealized Loss**	**Fair Market Value**
Mutual funds	$ 5,666	$ -	$ -	$ 5,666
Certificate of deposit	10,080	-	-	10,080
U.S. Treasury bills	258	-	-	258
U.S. Government securities	5,478	29	(158)	5,349
	$ 21,482	$ 29	$ (158)	$ 21,353

For the fiscal year ended June 30, 2025, investment income as reported on the Statements of Revenues, Expenses and Changes in Net Position of $3,446,000 included unrealized gains on investments of $1,995,000 and unrealized gains on deposits held by state treasurer of $1,451,000. Investment income as reported on the Statements of Revenues, Expenses and Changes in Net Position of $13,966,000 for the year ended June 30, 2024, includes unrealized gains on investments of $80,000 and unrealized gain on deposits held by state treasurer of $13,886,000.

The investment balances in the tables above and below are included in the Statements of Net Position as investments (approximately $64,992,000 and $21,353,000 as of June 30, 2025 and 2024, respectively). There were no securities in an unrealized loss position at June 30, 2025. There were 10 securities in an unrealized loss position at June 30, 2024, 9 of which were in a loss position for greater than 12 months.

Note 2. Cash and Investments, Continued

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)	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 5,468	$ -	$ -	$ 5,468
Certificate of deposit	10,063	-	-	10,063
U.S. Government securities	-	49,461	-	49,461
	$ 15,531	$ 49,461	$ -	$ 64,992

(in thousands of dollars)	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 5,666	$ -	$ -	$ 5,666
Certificate of deposit	10,080	-	-	10,080
U.S. Treasury bills	258	-	-	258
U.S. Government securities	-	5,349	-	5,349
	$ 16,004	$ 5,349	$ -	$ 21,353

Note 3. Capital Assets

Capital assets consist of the following amounts:

(in thousands of dollars)	Balance at June 30, 2024	Additions	Disposals	Transfers	Balance at June 30, 2025
Capital assets not depreciated:					
Land	$ 882,650	$ 35	$ (21)	$ 4,739	$ 887,403
Capital projects in progress	267,615	256,591	(21,288)	(102,672)	400,246
Total capital assets not depreciated	1,150,265	256,626	(21,309)	(97,933)	1,287,649
Depreciable capital assets:					
Land improvements	759,572	-	-	27,240	786,812
Buildings and structures	702,056	-	-	19,745	721,801
Railroad tracks	23,508	-	-	-	23,508
Equipment	427,263	30	(455)	50,580	477,418
Furniture and fixtures	42,641	-	(61)	368	42,948
Intangible lease assets - buildings	388	-	(388)	-	-
Intangible lease assets - equipment	14,272	408	(14,243)	-	437
Intangible subscription assets	19,634	1,609	(1,874)	-	19,369
Total depreciable capital assets	1,989,334	2,047	(17,021)	97,933	2,072,293
Less: Accumulated depreciation and amortization					
Land improvements	375,760	36,856	-	(8)	412,608
Buildings and structures	277,025	23,258	-	8	300,291
Railroad tracks	12,615	992	-	-	13,607
Equipment	197,413	26,127	(399)	-	223,141
Furniture and fixtures	38,597	1,027	(34)	-	39,590
Total accumulated depreciation	901,410	88,260	(433)	-	989,237
Intangible lease assets - buildings	262	126	(388)	-	-
Intangible lease assets - equipment	8,454	5,636	(14,047)	-	43
Intangible subscription assets	2,143	2,986	(1,875)	-	3,254
Total accumulated amortization	10,859	8,748	(16,310)	-	3,297
Depreciable capital assets, net	1,077,065	(94,961)	(278)	97,933	1,079,759
Capital assets, net	$ 2,227,330	$ 161,665	$ (21,587)	$ -	$ 2,367,408

Note 3. Capital Assets, Continued

(in thousands of dollars)	Balance at June 30, 2023	Additions	Disposals	Transfers	Balance at June 30, 2024
Capital assets not depreciated:					
Land	$ 777,861	$ -	$ (3,039)	$ 107,828	$ 882,650
Capital projects in progress	148,700	310,821	(24,953)	(166,953)	267,615
Total capital assets not depreciated	926,561	310,821	(27,992)	(59,125)	1,150,265
Depreciable capital assets:					
Land improvements	713,547	-	(73)	46,098	759,572
Buildings and structures	700,928	-	-	1,128	702,056
Railroad tracks	23,508	-	-	-	23,508
Equipment	418,395	-	(2,656)	11,524	427,263
Furniture and fixtures	42,266	-	-	375	42,641
Intangible lease assets - buildings	388	-	-	-	388
Intangible lease assets - equipment	14,272	-	-	-	14,272
Intangible subscription assets	3,325	16,313	(4)	-	19,634
Total depreciable capital assets	1,916,629	16,313	(2,733)	59,125	1,989,334
Less: Accumulated depreciation and amortization					
Land improvements	340,684	35,076	(5)	5	375,760
Buildings and structures	254,057	22,975	-	(7)	277,025
Railroad tracks	11,624	991	-	-	12,615
Equipment	175,921	24,075	(2,585)	2	197,413
Furniture and fixtures	37,553	1,044	-	-	38,597
Total accumulated depreciation	819,839	84,161	(2,590)	-	901,410
Intangible lease assets - buildings	40	222	-	-	262
Intangible lease assets - equipment	963	7,491	-	-	8,454
Intangible subscription assets	1,002	1,145	(4)	-	2,143
Total accumulated amortization	2,005	8,858	(4)	-	10,859
Depreciable capital assets, net	1,094,785	(76,706)	(139)	59,125	1,077,065
Capital assets, net	$ 2,021,346	$ 234,115	$ (28,131)	$ -	$ 2,227,330

Note 4. Leases

Lessor:

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 $5,786,000 and $15,333,000 for the fiscal years ending June 30, 2025 and 2024, respectively, and is included in other receivables and other noncurrent assets and receivables in the Statements of Net Position. For the fiscal year ended June 30, 2025, the Ports Authority reported lease revenue of $1,286,000 and interest revenue of $356,000. For the fiscal year ending June 30, 2024, the Ports Authority reported lease revenue of $3,489,000 and interest revenue of $635,000.

The Ports Authority used an incremental borrowing rate of 3.0% for leases prior to July 1, 2022. Starting July 1, 2022, leases are discounted using the 10-year treasury rate plus 1% as of the lease commencement date to discount lease revenue to net present value unless the lease specifies an implicit borrowing rate. One lease was discounted using its implicit rate of 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/(waivers) totaled $18,000 and $(70,000) for the fiscal years ending June 30, 2025 and 2024, respectively. The variable revenue and rent waivers were not included in the measurement of the lease receivable.

Buildings

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/(discounts) totaled $59,000 for the fiscal year ending June 30, 2024. The variable building revenue and volume discounts were not included in the measurement of the lease receivable. As of June 30, 2024, all building and warehouse leases were expired and not renewed.

Note 4. Leases, Continued

Minimum future lease receipts are:

(in thousands of dollars)	Principal	Interest	Total
2026	$ 467	$ 206	$ 673
2027	487	186	673
2028	507	166	673
2029	529	144	673
2030	552	121	673
2031–2035	1,294	384	1,678
2036–2040	451	260	711
2041–2045	524	187	711
2046–2050	608	102	710
2051–2055	208	30	238
2056–2060	29	22	51
2061–2065	34	17	51
2066–2070	40	11	51
2071–2075	46	5	51
2076	10	-	10
	$ 5,786	$ 1,841	$ 7,627

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.

Lessee:

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

Note 4. Leases, Continued

Included leases:

For included leases, the Ports Authority is reporting a lessee lease liability of $689,000 for the year ending June 30, 2025 and $6,102,000 for the year ending June 30, 2024, and is included in other current and non-current liabilities in the Statements of Net Position. For the fiscal year ended June 30, 2025, the Ports Authority reported lease expense of $5,762,000 and interest expense of $129,000. For the fiscal year ended June 30, 2024, the Ports Authority reported lease expense of $7,713,000 and interest expense of $480,000.

Lease liability activity for the fiscal years ending June 30, 2025 and 2024 is as follows:

(in thousands of dollars)	**June 30, 2024**	**Additions**	**Reductions**	**June 30, 2025**	**Current Portion**
Lease liability	$ 6,102	$ 716	$ (6,129)	$ 689	$ 129

(in thousands of dollars)	**June 30, 2023**	**Additions**	**Reductions**	**June 30, 2024**	**Current Portion**
Lease liability	$ 13,721	$ -	$ (7,619)	$ 6,102	$ 5,912

The Ports Authority used an incremental borrowing rate of 3.0% for leases prior to July 1, 2022. Starting July 1, 2022, leases are discounted using the 10-year treasury rate plus 1% as of the lease commencement date to discount the lease to net present value unless the lease specifies an implicit borrowing rate. None of the lease agreements entered by the Ports Authority as a lessee include an implicit rate of return. 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.

Buildings

The Ports Authority leases buildings on terminal with a term of two years. Fixed building expense totaled $126,000 and $222,000 for the fiscal years ending June 30, 2025 and 2024, respectively. Variable expenses totaled $3,000 for the fiscal year ending June 30, 2025. The variable building expenses were not included in the measurement of the lease liability. The terms of the building lease agreements did not include a variable expense component for the fiscal year ending June 30, 2024.

Equipment

The Ports Authority leases container chassis, printing and postage equipment for terms that range from two to five years. Fixed equipment expense totaled $5,636,000 and $7,491,000 for the fiscal years ending June 30, 2025 and 2024, respectively. The container chassis leases include a variable component based on the number of chassis units leased over a stated minimum. Variable expenses totaled $3,740,000 and $2,161,000 for the fiscal years ending June 30, 2025 and 2024, respectively. The variable chassis expenses were not included in the measurement of the lease liability.

Note 4. Leases, Continued

Minimum future lease expenditures are:

(in thousands of dollars)	Principal	Interest	Total
2026	$ 129	$ 33	$ 162
2027	129	26	155
2028	136	19	155
2029	143	12	155
2030	152	4	156
	$ 689	$ 94	$ 783

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.

Note 5. Subscription Based Information Technology Arrangements (SBITAs)

The Ports Authority recognizes an intangible right-to-use subscription asset and a corresponding subscription liability at the commencement of the SBITA term. There are certain exceptions for contracts that meet the definition of a lease under GASB 87, short-term SBITAs with a maximum possible term of 12 months or less, including any options to extend, and licensing arrangements that provide a perpetual license to use a vendor's computer software. The Ports Authority has entered into SBITAs involving terminal scheduling software, data center and infrastructure software, intermodal software, legal software, information technology security software, utilities system software, CRM software, and various desktop and server software.

The subscription liability is measured at the present value of the subscription payments expected to be paid during the subscription term. The intangible right-to-use subscription asset is measured at the value of the subscription liability plus any initial implementation costs and prepayments, less any incentives received.

For GASB No. 96, *Subscription-Based Information Technology Arrangements*, the Ports Authority's SBITAs were categorized as follows:

1. Included
2. Excluded – short-term

Included subscription based information technology agreements:

The Ports Authority recognizes SBITAs with terms that range from one to nine years. For included SBITAs, the Ports Authority is reporting a subscription liability of $16,696,000 for the year ending June 30, 2025 and $16,608,000 for the year ending June 30, 2024, and is included in other current and non-current liabilities in the Statements of Net Position. For the fiscal year ended June 30, 2025, the Ports Authority reported subscription expense of $2,987,000 and interest expense of $904,000. For the fiscal year ended June 30, 2024, the Ports Authority reported subscription expense of $1,145,000 and interest expense of $66,000.

Note 5. Subscription Based Information Technology Arrangements (SBITAs), Continued

Some of the Ports Authority SBITAs include a variable component for additional service offerings and additional licenses over a stated minimum. Variable expenses totaled $302,000 and $449,000 for the fiscal years ending June 30, 2025 and 2024. The variable subscription expenses were not included in the measurement of the subscription liability.

Subscription liability activity for the fiscal years ending June 30, 2025 and 2024 are as follows:

(in thousands of dollars)	June 30, 2024	Additions	Reductions	June 30, 2025	Current Portion
Subscription liability	$ 16,608	$ 1,605	$ (1,517)	$ 16,696	$ 1,684

(in thousands of dollars)	June 30, 2023	Additions	Reductions	June 30, 2024	Current Portion
Subscription liability	$ 1,770	$ 16,172	$ (1,334)	$ 16,608	$ 746

The Ports Authority used an incremental borrowing rate of 3.0% for SBITAs that commenced prior to July 1, 2022. Starting July 1, 2022, SBITAs are discounted using the 10-year treasury rate plus 1% as of the subscription commencement date to discount the subscription obligation to net present value unless the SBITA specifies an implicit borrowing rate. None of the SBITAs entered by the Ports Authority include an implicit rate of return. Some SBITAs include a termination clause available to either party after a certain date, without cause. Those periods were not included in the term of the subscription.

Minimum future subscription expenditures are:

(in thousands of dollars)	Principal	Interest	Total
2026	$ 1,684	$ 882	$ 2,566
2027	2,127	778	2,905
2028	1,987	660	2,647
2029	2,091	549	2,640
2030	2,190	433	2,623
2031 - 2034	6,617	551	7,168
	$ 16,696	$ 3,853	$ 20,549

Excluded – short-term SBITA:

The Ports Authority does not recognize a subscription liability or an intangible right-to-use subscription asset for short-term SBITAs. A short-term SBITA has a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Note 6. Long-Term Debt

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

(in thousands of dollars)	June 30, 2024	Additions	Reductions	June 30, 2025	Current Portion
Revenue bonds – Series 2015	$ 55,300	$ -	$ -	$ 55,300	$ -
Revenue bonds – Series 2018	291,690	-	(7,685)	284,005	8,070
Revenue bonds – Series 2019 A	119,905	-	(1,320)	118,585	1,390
Revenue bonds – Series 2019 B	254,475	-	(2,835)	251,640	2,980
Revenue bonds – Series 2019 C	125,000	-	-	125,000	-
Revenue bonds – Series 2019 D	151,580	-	-	151,580	-
Notes payable	373,947	-	(69,565)	304,382	20,050
	1,371,897	-	(81,405)	1,290,492	32,490
Plus: Unamortized premium	67,282	-	(2,652)	64,630	2,657
	$ 1,439,179	$ -	$ (84,057)	$ 1,355,122	$ 35,147

(in thousands of dollars)	June 30, 2023	Additions	Reductions	June 30, 2024	Current Portion
Revenue bonds – Series 2015	$ 55,300	$ -	$ -	$ 55,300	$ -
Revenue bonds – Series 2018	299,015	-	(7,325)	291,690	7,685
Revenue bonds – Series 2019 A	121,160	-	(1,255)	119,905	1,320
Revenue bonds – Series 2019 B	257,170	-	(2,695)	254,475	2,835
Revenue bonds – Series 2019 C	125,000	-	-	125,000	-
Revenue bonds – Series 2019 D	151,580	-	-	151,580	-
Notes payable	403,121	-	(29,174)	373,947	19,565
	1,412,346	-	(40,449)	1,371,897	31,405
Plus: Unamortized premium	69,924	-	(2,642)	67,282	2,652
	$ 1,482,270	$ -	$ (43,091)	$ 1,439,179	$ 34,057

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 approximately $164,287,000 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 approximately $11,185,000.

Note 6. Long-Term Debt, Continued

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 approximately $545,942,000 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 approximately $13,780,000 and $27,689,000, 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 approximately $9,753,000 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, and certain capital expenditures included in the Ports Authority's capital plan, (ii) 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, and certain capital expenditures included in the Authority's capital plan, (ii) to fund the debt service reserve fund, and (iii) 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, 2025 and 2024.

Note 6. Long-Term Debt, Continued

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 approximately $88,865,000 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, 2025 and 2024, the Ports Authority had amounts outstanding under this agreement of approximately $70,670,000 and $76,012,000, respectively.

Note 6. Long-Term Debt, Continued

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 initially had a ten-year term that included a variable rate (LIBOR plus 125 basis points) interest only period for up to sixteen months whereby the Ports Authority could draw down the loan from time to time. On December 17, 2021, the Ports Authority executed and delivered a permanent promissory note under the Loan Agreement in the amount of approximately $35,593,000. 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 be 114 equal payments of principal and interest with a final balloon payment. As of June 30, 2025 and 2024, the Ports Authority had amounts outstanding under this loan agreement of approximately $28,324,000 and $30,460,000, respectively.

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 was initially a closed-end line of credit whereby the Ports Authority could draw on the loan 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 a fixed 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, 2025 and 2024, the Ports Authority had amounts outstanding under this loan agreement of approximately $43,546,000 and $46,965,000, respectively.

On January 26, 2021, the Ports Authority entered into a loan and security agreement with a bank for approximately $21,255,000. 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, 2025 and 2024, the Ports Authority had amounts outstanding under this loan agreement of approximately $19,102,000 and $19,614,000, respectively.

On April 17, 2020, the Ports Authority entered into a loan and security agreement with a bank for approximately $82,933,000. 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 2.09% per annum, beginning September 15, 2020 with payments made semi-annually thereafter until the loan matures on March 15, 2035. As of June 30, 2025 and 2024, the Ports Authority had amounts outstanding under this loan agreement of approximately $64,965,000 and $68,677,000, respectively.

Note 6. Long-Term Debt, Continued

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 7). The loan was payable as to interest only until such time as either the debt is extinguished, or the principal amortization commences. The loan bore interest at a per annum rate equal to the average yield on the South Carolina State investment pool which was 2.52% as of June 30, 2024. The loan was unsecured and expressly subordinate to all debt obligations of the Ports Authority. The loan was forgiven by the South Carolina General Assembly through the ratification of General Bill H.5100, effective August 2024.

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 3.34% 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, 2025 and 2024, the Ports Authority had amounts outstanding under this loan agreement of approximately $61,281,000 and $64,665,000, 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 2.70% per annum. The loan matures on March 21, 2037. As of June 30, 2025, and 2024, the Ports Authority had amounts outstanding under this loan agreement of approximately $13,248,000 and $14,174,000, 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. On June 27, 2023, an Amendment was executed to replace 90-day published LIBOR with Adjusted Term SOFR as an alternative benchmark rate for purposes of the existing documents. The amendment modifies the interest rate per annum and is now based on the 90-day published SOFR plus .26% with a floor of 1.25%. In February 2024, the Ports Authority paid the loan in full.

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 3.00%. As of June 30, 2025, and 2024, the remaining balance is approximately $3,246,000 and $3,381,000, respectively.

Note 6. Long-Term Debt, Continued

The maturities of long-term debt are summarized as follows:

(in thousands of dollars)	Revenue Bonds		Direct Borrowing Debt	
	Principal	**Interest**	**Principal**	**Interest**
2026	$ 12,440	$ 41,742	$ 20,050	$ 7,474
2027	13,150	41,102	20,548	6,978
2028	13,825	40,428	21,058	6,466
2029	14,540	39,718	21,592	5,933
2030	15,285	38,973	22,119	5,406
2031–2035	94,660	182,449	180,158	15,105
2036–2040	124,145	157,189	18,214	579
2041–2045	155,545	125,804	643	41
2046–2050	191,610	89,723	-	-
2051–2055	233,935	47,409	-	-
2056–2060	116,975	9,361	-	-
	$ 986,110	$ 813,898	$ 304,382	$ 47,982

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

(in thousands of dollars)	**2025**	**2024**
Interest expense on long-term debt	$ 49,965	$ 52,371
Interest expense on leases and SBITAs	1,033	546
Amortization of premiums on long-term debt	(2,652)	(2,642)
Amortization of deferred outflows for bond refunding	1,057	1,057
	$ 49,403	$ 51,332

Note 7. Commitments

Construction:

In addition to routine commitments for repairs and maintenance, the Ports Authority had commitments for construction of approximately $157,004,000 and $224,649,000 as well as commitments for non-construction property and equipment of approximately $714,000 and $9,495,000 at June 30, 2025 and 2024, respectively.

Arthur Ravenel Jr. 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 Arthur Ravenel Jr. 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 Arthur Ravenel Jr. Bridge totaled $1,000,000 in each of the fiscal years ending June 30, 2025 and 2024.

Note 7. Commitments, Continued

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. During fiscal year 2023, construction was completed, and activities have shifted to minor dike construction for the dredge disposal areas and post-construction monitoring as required as part of the project permit. As of June 30, 2025, the project cost to date is $564,768,000 and the remaining tasks are estimated to cost approximately $4,192,000 based on estimates provided by the US Army Corps of Engineers. Federal and local funding for the project totals $579,692,000 with $245,955,000 funded by the Federal Government and $333,737,000 funded by the State of South Carolina. At June 30, 2025, the Ports Authority had $21,218,000 of Federal reimbursement included in Due from Federal government on the Statements of Net Position.

Navy Base Intermodal Facility:

On June 21, 2021, the South Carolina General Assembly ratified Appropriations Bill H.4100. As part of the bill, the Ports Authority was appropriated $200,000,000 for cargo infrastructure related to the Navy Base Intermodal Facility (NBIF). 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.

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 NBIF 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 retains the obligation, authority and responsibility for the bidding, award, construction, and operation of the NBIF. The Ports Authority has expended approximately $343,399,000 and $193,588,000 of the State appropriated funding as of June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the Ports Authority had approximately $15,139,000 and $11,123,000, respectively, included in Due from State of SC on the Statements of Net Position.

Rail Overpass:

On December 20, 2021, the Ports Authority and the City of North Charleston entered into a Settlement Agreement related to a 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 a $10,000,000 payment in each fiscal year ending June 30, 2025 and 2024. As of June 30, 2024, $10,000,000 was included in accounts payable on the Statement of Net Position. The final payment was made in January 2025.

Note 8. 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 retirement systems and benefit 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 (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR 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 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan descriptions:

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the South Carolina 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.

Note 8. Retirement Plans, Continued

- 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 Supplemental 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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A 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, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 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. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Note 8. Retirement Plans, Continued

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 the 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.

Note 8. Retirement Plans, Continued

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. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates are as follows:

	2025	2024
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%

Note 8. Retirement Plans, Continued

Required employer contribution rates are as follows:

	2025	2024
SCRS		
Employer class two	18.41%	18.41%
Employer class three	18.41%	18.41%
Employer incidental death benefit	0.15%	0.15%
State ORP		
Employer contribution	18.41%	18.41%
Employer incidental death benefit	0.15%	0.15%
PORS		
Employer class two	20.84%	20.84%
Employer class three	20.84%	20.84%
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. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

Note 8. Retirement Plans, Continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024 and 2023.

	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

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, 2024 and 2023 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%

Note 8. Retirement Plans, Continued

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, 2024 and 2023, for SCRS and PORS are presented below.

(in thousands of dollars)

	2024			
	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 61,369,807	$ 37,919,492	$ 23,450,315	61.8%
PORS	10,177,904	7,178,119	2,999,785	70.5%

(in thousands of dollars)

	2023			
	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 58,464,402	$ 34,286,962	$ 24,177,441	58.6%
PORS	9,450,022	6,405,925	3,044,096	67.8%

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, 2025 and 2024, the Ports Authority reported a liability of approximately $152,243,000 and $183,897,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, 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 2024 and 2023 relative to the contributions made by all participating employers. At June 30, 2025 and 2024, the Ports Authority's proportion was 0.6333 and 0.7600 percent, respectively, for the SCRS and 0.1241 and 0.0051 percent, respectively, for the PORS.

Note 8. Retirement Plans, Continued

For the years ended June 30, 2025 and 2024, the Ports Authority recognized pension expense for SCRS of approximately $20,305,000 and $33,125,000, respectively. For the years ended June 30, 2025 and 2024, the Ports Authority recognized pension expense (benefit) for PORS of approximately $1,354,000 and $(14,000), respectively. At June 30, 2025 and 2024, the Ports Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(in thousands of dollars)	**SCRS – 2025**	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 4,881	$ (184)
Net difference between projected and actual earnings on pension plan investments	-	(5,723)
Changes in actuarial assumptions	2,618	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	11,298	(21,525)
The Ports Authority's contributions subsequent to the measurement date	14,292	-
	$ 33,089	$ (27,432)

(in thousands of dollars)	**PORS – 2025**	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 350	$ (21)
Net difference between projected and actual earnings on pension plan investments	-	(209)
Changes in actuarial assumptions	81	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	2,512	(36)
The Ports Authority's contributions subsequent to the measurement date	520	-
	$ 3,463	$ (266)
Total SCRS and PORS	$ 36,552	$ (27,698)

Note 8. Retirement Plans, Continued

(in thousands of dollars)

	SCRS – 2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 3,190	$ (510)
Net difference between projected and actual earnings on pension plan investments	-	(251)
Changes in actuarial assumptions	2,815	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	25,497	-
The Ports Authority's contributions subsequent to the measurement date	15,745	-
	$ 47,247	$ (761)

(in thousands of dollars)

	PORS – 2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 7	$ (2)
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in actuarial assumptions	3	-
Changes in proportionate share and differences between contributions and proportionate share of contributions	-	(66)
The Ports Authority's contributions subsequent to the measurement date	516	-
	$ 526	$ (68)
Total SCRS and PORS	$ 47,773	$ (829)

Note 8. Retirement Plans, Continued

Approximately $14,812,000 and $16,261,000 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, 2025 and 2024, respectively, will be recognized as a reduction of the net pension liability during the years ended June 30, 2025 and 2024, 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,		
2025	$ (45)	$ 867
2026	(1,849)	1,148
2027	(5,237)	717
2028	(1,504)	(55)

	SCRS	PORS
Year Ended June 30,		
2024	$ 17,577	$ (26)
2025	6,803	(30)
2026	6,469	(2)
2027	(108)	-

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 2024 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 adding expected inflation and is summarized in the table on the following page. 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.

	2025		
	Policy Target	**Expected Arithmetic Real Rate of Return**	**Long-Term Expected Portfolio Real Rate of Return**
Public equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private equity	9.0%	9.60%	0.86%
Private debt	7.0%	6.90%	0.48%
Real assets			
Real estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total expected return	100.0%		5.49%
Inflation for actuarial purposes			2.25%
			7.74%

Note 8. Retirement Plans, Continued

	2024		
	Policy Target	**Expected Arithmetic Real Rate of Return**	**Long-Term Expected Portfolio Real Rate of Return**
Public equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private equity	9.0%	10.91%	0.98%
Private debt	7.0%	6.16%	0.43%
Real assets			
Real estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total expected return	100.0%		5.31%
Inflation for actuarial purposes			2.25%
			7.56%

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 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, 2025 and 2024 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:

(in thousands of dollars)

	2025		
	1% Decrease (6.00%)	**Discount Rate (7.00%)**	**1% Increase (8.00%)**
Ports Authority's share of the net pension liability			
SCRS	$ 192,464	$ 148,520	$ 108,050
PORS	5,395	3,723	2,355

Note 8. Retirement Plans, Continued

(in thousands of dollars)	2024		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Ports Authority's share of the net pension liability			
SCRS	$ 237,413	$ 183,742	$ 139,134
PORS	218	155	103

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, 2024, and the accounting valuation report as of June 30, 2024. 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' ACFR.

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. Compensation expense is recognized for payments made to the plans. For the years ended June 30, 2025 and 2024, the Ports Authority recognized compensation expense of approximately $742,000 and $1,137,000, respectively. At June 30, 2025 and 2024, the Ports Authority reported a liability of approximately $5,468,000 and $5,666,000, respectively, for the plans, which are included in accounts payable and other non-current liabilities in the Statements of Net Position.

Note 9. 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 as follows.

Note 9. Other Post-Employment Benefits (OPEB), Continued

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, 2025 and 2024, the following employees were covered by the benefit terms:

	2025	**2024**
Retirees and beneficiaries currently receiving benefit payments	314	289
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	868	925
Total	1,182	1,214

Note 9. Other Post-Employment Benefits (OPEB), Continued

Total OPEB liability:

The Ports Authority's total OPEB liability of approximately $81,069,000 and $61,430,000 was measured as of June 30, 2024 and 2023, respectively (measurement dates).

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:

	2025
Inflation	2.25%
Salary increases	3.00% to 9.65%, including inflation
Discount rate	3.97%
Healthcare cost trend rates	6.80% decreasing to an ultimate rate of 4.25% after 15 years
Participation rate	90% of eligible retirees for full subsidy, 60% of retirees for partially funded subsidy and 10% who are not eligible for any subsidy

	2024
Inflation	2.25%
Salary increases	3.00% to 9.50%, including inflation
Discount rate	3.86%
Healthcare cost trend rates	6.00% decreasing to an ultimate rate of 4.00% after 13 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

For 2025, 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 headcount weighted Pub-2010 General Healthy Retiree mortality table, with fully generational mortality projections from the year 2021 based on the ultimate rates in Scale MP-2021. The actuarial assumptions used in the June 30, 2024 valuation was based on the results of an actuarial experience study and measurement date of June 30, 2024.

For 2024, 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, 2023 valuation was based on the results of an actuarial experience study and measurement date of June 30, 2023.

Note 9. Other Post-Employment Benefits (OPEB), Continued

(in thousands of dollars)	2025	2024
Total OPEB obligation, beginning of year	$ 61,430	$ 60,079
Service cost	2,534	2,707
Interest on the total OPEB liability	2,374	2,229
Difference between expected and actual experience	6,245	89
Changes in assumptions or other inputs	10,857	(1,618)
Benefit payments	(2,371)	(2,056)
Net change in total OPEB liability	19,639	1,351
Total OPEB obligation, end of year	$ 81,069	$ 61,430

Changes of assumptions reflect a change in the discount rate from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024. In fiscal year 2024, changes of assumptions or other inputs reflect a change in the discount rate from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

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 (2.97 percent) or 1-percentage-point higher (4.97 percent) than the current discount rate:

(in thousands of dollars)	2025		
	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	$ 95,834	$ 81,069	$ 69,368

(in thousands of dollars)	2024		
	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	$ 71,908	$ 61,430	$ 53,042

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 (5.80 percent decreasing to 3.25 percent) or 1-percentage point higher (7.80 percent decreasing to 5.25 percent than the current healthcare cost trend rates:

Note 9. Other Post-Employment Benefits (OPEB), Continued

(in thousands of dollars)	2025		
	1% Decrease	**Healthcare Cost Trend Rates**	**1% Increase**
Total OPEB liability	$ 67,740	$ 81,069	$ 98,648

(in thousands of dollars)	2024		
	1% Decrease	**Healthcare Cost Trend Rates**	**1% Increase**
Total OPEB liability	$ 51,186	$ 61,430	$ 74,868

OPEB expense, deferred outflows of resources and deferred inflows of resources:

For the years ended June 30, 2025 and 2024, the Ports Authority recognized OPEB expense of approximately $5,805,000 and $3,287,000, respectively. Approximately $2,416,000 and $2,371,000 reported as deferred outflows of resources related to OPEB resulting from the Ports Authority's contributions paid subsequent to the measurement date during the fiscal years ended June 30, 2025 and 2024, respectively, will be recognized as a reduction of the total OPEB liability during the fiscal years ended June 30, 2026 and 2025, 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)	2025	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 6,865	$ (7,275)
Changes in actuarial assumptions or other inputs	18,260	(14,567)
The Ports Authority's contributions subsequent to the measurement date	2,416	-
	$ 27,541	$ (21,842)

Note 9. Other Post-Employment Benefits (OPEB), Continued

(in thousands of dollars)	2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between actual and expected experience	$ 1,737	$ (8,512)
Changes in actuarial assumptions or other inputs	11,100	(17,247)
The Ports Authority's contributions subsequent to the measurement date	2,371	-
	$ 15,208	$ (25,759)

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

Year Ended June 30, *(in thousands of dollars)*	
2026	$ 1,030
2027	871
2028	470
2029	12
2030	(1,390)
Thereafter	2,290

Year Ended June 30, *(in thousands of dollars)*	
2025	$ (1,006)
2026	(873)
2027	(1,031)
2028	(1,432)
2029	(1,890)
Thereafter	(6,689)

Note 10. Other Matters

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 $2,025,000 and $1,000,000 in cash to the joint organization in the fiscal years ended June 30, 2025 and 2024, respectively. Amounts contributed in fiscal years 2025 and 2024 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 $44,000 and $47,000 for the years ended June 30, 2025 and 2024, respectively, and are included in other income (expense) in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

Federal grant agreements:

The Ports Authority has been awarded grants from the Department of Homeland Security, United States Environmental Protection Agency, and the Department of Transportation, Maritime Administration (DOT) (as an agent of the Transportation Security Administration). As of June 30, 2025 and 2024, the Ports Authority has expended approximately $10,207,000 and $11,433,000, respectively, related to these grant agreements.

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 were extended to June 30, 2023 and as of June 30, 2023, the property was under contract for sale. In June 2024, the Ports Authority closed on the sale of the property to Berkeley County in the amount of $4,000,000, recognizing a gain of $2,455,000 on the sale, and is reflected in the Statements of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2024.

South Carolina Maritime Chassis Pool:

On January 7, 2022, the Ports Authority executed a First Amendment to the Chassis Purchase Agreement dated July 12, 2021, for the purchase of an additional 5,700 chassis to utilize in the SMART Pool. A second amendment was executed on August 5, 2022, to revise the number of ordered chassis to 5,697 and for the Authority to provide additional funding for shipping costs related to the order. In October 2022, Pitts Enterprises, the chassis manufacturer, was formally notified by Customs & Border Protection (CBP) that it had begun a formal Enforce and Protect Act (EAPA) investigation and imposed interim measures due to accusations of duty evasion. At the time the interim measures were imposed, the Ports Authority had 2,310 chassis enroute from Vietnam. Upon their arrival in Charleston, CBP placed the chassis in their custody while conducting the investigation. In May 2023, CBP determined that there was substantial evidence to support that Pitts Enterprises entered covered merchandise for consumption in the United States through duty evasion.

Note 10. Other Matters, Continued

As of June 30, 2025, the Ports Authority has paid $41,123,000 under the terms of the contract. During fiscal year 2024, the Ports Authority began to market and sell the chassis for re-export out of the United States and determined the need to write down the remaining units to the estimated fair market value and recognized an extraordinary loss of approximately $18,562,000 in the Statements of Revenues, Expenses, and Changes in Net Position. During fiscal year 2025, the Ports Authority sold the remaining units and recognized a loss on the disposal of property and equipment of $10,500,000 in the Statement of Revenues, Expenses and Changes in Net Position.

Union Pier Sale:

In March, 2024 the Ports Authority entered into a Purchase and Sale agreement to sell Union Pier Terminal for redevelopment. The agreement allows the buyer to make scheduled payments over a period of time while all conditions of the agreement are satisfied. At June 30, 2025, the Ports Authority has received approximately $83,300,000 in payments related to the sale of Union Pier Terminal and is included in deposits on future sale of capital asset in the Statements of Net Position.

Reimbursement for property purchased:

During the fiscal year ended June 30, 2025, the Ports Authority received reimbursement from the State of South Carolina totaling $105,000,000 for the purchase of property adjacent to the North Charleston Terminal acquired in April 2024. The $105,000,000 was reimbursed via $55,000,000 in cash, reported on the Statements of Revenues, Expenses and Changes in Net Position under capital grants and contributions. The remaining $50,000,000 was settled by a loan forgiven by the South Carolina General Assembly through the ratification of General Bill H.5100, effective August 2024. This is reported on the Statements of Revenues, Expenses and Changes in Net Position under nonoperating revenues (expenses). The original loan agreement was executed April 30, 2019 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).

Note 11. 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, 2025, 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.

On April 4, 2022, a wrongful death action was filed against the Ports Authority for a death resulting from an electrical accident that occurred at the Wando Welch Terminal on April 27, 2020. The complaint asserts multiple instances of negligence, among other claims. The claims are subject to the liability cap set forth in the South Carolina Tort Claims Act. The Ports Authority has answered and discovery is underway. The Ports Authority intends to vigorously defend against the claims. The financial impact on the Ports Authority cannot be determined at this time.

On August 29, 2024, BMW Manufacturing Company, LLC (BMW) sent a claim notice letter to the Ports Authority asserting flood damage during storms to certain BMW vehicles while on the Ports Authority's Columbus Street Terminal. The Ports Authority intends to vigorously defend against the claims. The financial impact on the Ports Authority cannot be determined at this time.

Note 12. Subsequent Event

On July 10, 2025, the Ports Authority filed an action against Norfolk Southern to clear title regarding Norfolk Southern's contention that language in a deed constituted a restrictive covenant entitling it to payment. By order of the Court of Common Pleas, the matter was referred to the Master in Equity for Charleston County. On August 26, Norfolk Southern filed an appeal of the order of reference and then filed an answer and various counterclaims seeking compensation from the Ports Authority. The Ports Authority intends to vigorously defend against Norfolk Southern's claims for monetary damages and pursue its own claims that title is clear and nothing is owed to Norfolk Southern. The financial impact of Norfolk Southern's claims is not currently determinable.

Required Supplementary Information

South Carolina State Ports Authority

Schedule of the Ports Authority's Total OPEB Liability

For the fiscal years ended June 30,

(in thousands of dollars)	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 2,534	$ 2,707	$ 5,159	$ 3,642	$ 2,596	$ 1,781	$ 1,848	$ 1,779
Interest on the total OPEB liability	2,374	2,229	1,686	1,941	1,913	1,971	1,883	1,655
Difference between expected and actual experience	6,245	89	(10,986)	41	2,677	62	717	3
Changes in assumptions or other inputs	10,857	(1,618)	(19,972)	4,298	12,422	4,416	(968)	(5,484)
Benefit payments	(2,371)	(2,056)	(2,120)	(2,064)	(1,971)	(1,943)	(1,857)	(1,691)
Net change in total OPEB liability	19,639	1,351	(26,233)	7,858	17,637	6,287	1,623	(3,738)
Total OPEB liability – beginning	61,430	60,079	86,312	78,454	60,817	54,530	52,907	56,645
Total OPEB liability – ending	81,069	61,430	60,079	86,312	78,454	60,817	54,530	52,907
Covered employee payroll	$ 79,679	$ 85,954	$ 79,294	$ 56,476	$ 53,575	$ 51,042	$ 46,051	$ 42,582
Total OPEB liability as a percentage of covered employee payroll	101.74%	71.47%	75.77%	152.83%	146.44%	119.15%	118.41%	124.25%

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 30,2024	3.97%
Measurement date, June 30, 2023	3.86%
Measurement date, June 30, 2022	3.69%
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%

**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.*

***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 OPEB Contributions
For the fiscal years ended June 30,

(in thousands of dollars)	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 2,416	$ 2,371	$ 2,056	$ 2,120	$ 2,065	$ 1,971	$ 1,944	$ 1,857
Contributions in relation to the actuarially determined contribution	2,416	2,371	2,056	2,120	2,065	1,971	1,944	1,857
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ports Authority's covered-employee payroll**	$ 72,543	$ 79,679	$ 85,954	$ 79,294	$ 56,476	$ 53,575	$ 51,042	$ 46,051
Contributions as a percentage of covered-employee payroll**	3.33%	2.98%	2.39%	2.67%	3.66%	3.68%	3.81%	4.03%

**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 the fiscal years ended June 30,

SCRS

(in thousands of dollars)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Ports Authority's proportion of the net pension liability	0.63334%	0.75998%	0.73504%	0.55232%	0.52767%	0.51704%	0.46930%	0.43470%	0.40660%	0.39170%
Ports Authority's proportionate share of the net pension liability	$ 148,520	$ 183,742	$ 178,190	$ 119,529	$ 134,830	$ 118,061	$ 105,416	$ 98,315	$ 79,430	$ 74,141
Ports Authority's covered payroll for the measurement period	$ 77,247	$ 85,865	$ 79,189	$ 56,342	$ 53,438	$ 50,906	$ 45,922	$ 42,391	$ 38,198	$ 30,855
Ports Authority's proportionate share of the net pension liability as a percentage of its covered payroll	192.27%	213.99%	225.02%	212.15%	252.31%	231.92%	229.55%	231.92%	207.94%	240.29%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	60.73%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%

PORS

(in thousands of dollars)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Ports Authority's proportion of the net pension liability	0.12413%	0.00510%	0.00660%	0.00890%	0.00910%	0.00940%	0.00930%	0.00960%	0.00930%	0.00710%
Ports Authority's proportionate share of the net pension liability	$ 3,723	$ 155	$ 198	$ 230	$ 301	$ 268	$ 265	$ 264	$ 235	$ 155
Ports Authority's covered payroll for the measurement period	$ 2,432	$ 89	$ 105	$ 134	$ 137	$ 136	$ 129	$ 130	$ 118	$ 95
Ports Authority's proportionate share of the net pension liability as a percentage of its covered payroll	153.08%	174.16%	188.57%	171.64%	219.71%	197.06%	205.43%	203.08%	199.15%	163.16%
Plan fiduciary net position as a percentage of the total pension liability	70.53%	67.79%	66.45%	70.37%	58.79%	62.69%	61.70%	60.94%	60.44%	64.57%

South Carolina State Ports Authority

Schedule of the Ports Authority's Pension Contributions

For the fiscal years ended June 30,

SCRS

(in thousands of dollars)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually required contribution	$ 14,292	$ 15,745	$ 16,459	$ 14,082	$ 9,303	$ 9,159	$ 7,950	$ 6,183	$ 5,102	$ 4,355
Contributions in relation to the contractually required contribution	14,292	15,745	16,459	14,082	9,303	9,159	7,950	6,183	5,102	4,355
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ports Authority's covered payroll	$ 70,089	$ 77,247	$ 85,865	$ 79,189	$ 56,342	$ 53,438	$ 50,906	$ 45,922	$ 42,391	$ 38,198
Contributions as a percentage of covered payroll	20.39%	20.38%	19.17%	17.78%	16.51%	17.14%	15.62%	13.46%	12.04%	11.40%

PORS

(in thousands of dollars)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually required contribution	$ 520	$ 516	$ 18	$ 19	$ 26	$ 25	$ 23	$ 18	$ 16	$ 12
Contributions in relation to the contractually required contribution	520	516	18	19	26	25	23	18	16	12
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ports Authority's covered payroll	$ 2,454	$ 2,432	$ 89	$ 105	$ 134	$ 137	$ 136	$ 129	$ 130	$ 118
Contributions as a percentage of covered payroll	21.19%	21.22%	20.22%	18.10%	19.40%	18.25%	16.91%	13.95%	12.31%	10.17%

STATISTICAL SECTION

The Statistical Section of the Annual Comprehensive Financial Report provides additional context for users of the Financial Statements, Notes, and Required Supplementary Information, and indicates overall financial condition.

Contents

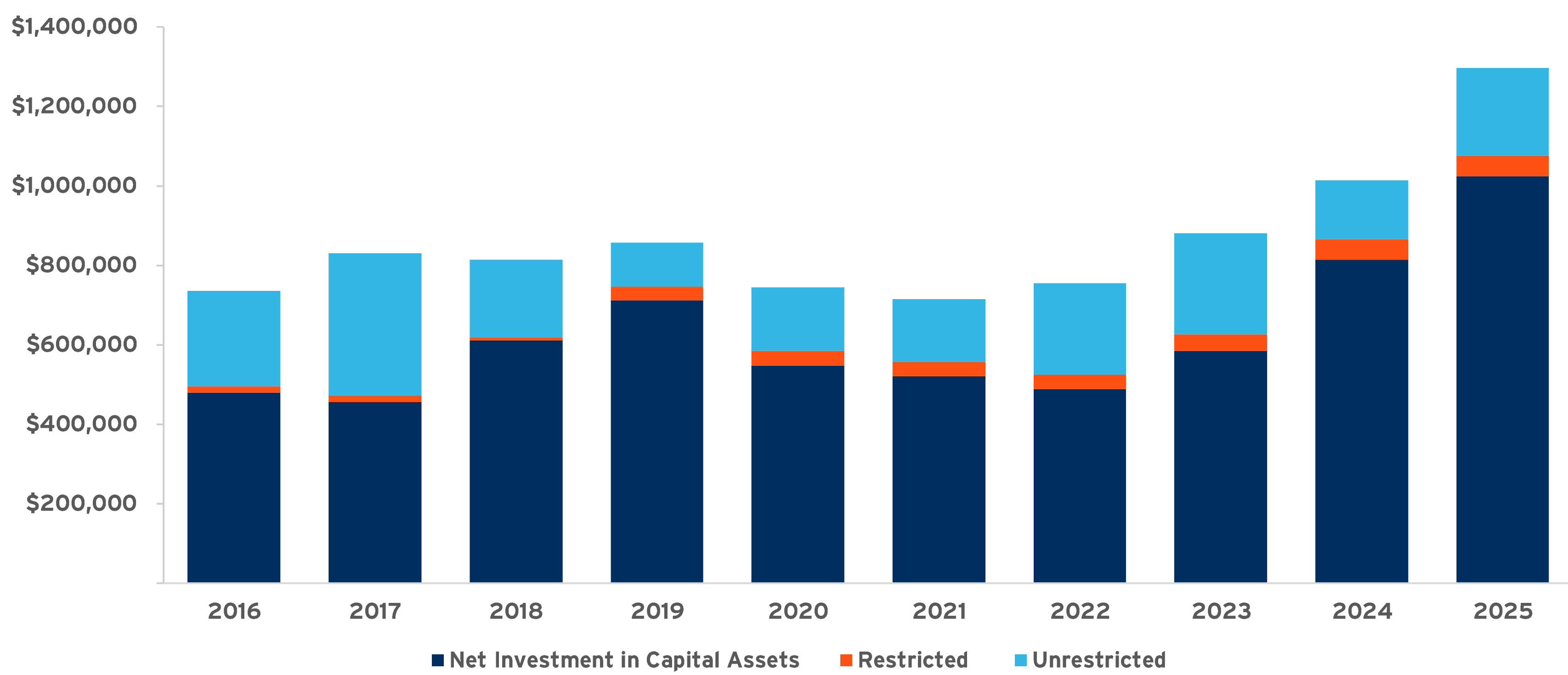
(IN THOUSANDS)

Assets	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Current assets (1)	$501,311	$471,906	$610,497	$586,714	$705,959	$483,905	$577,557	$585,320	$489,787	$628,541
Investments, restricted (2)	-	-	-	-	-	4,151	4,036	5,303	15,666	15,468
Held by trustee for debt service	36,196	36,241	20,007	34,160	31,518	31,623	33,759	35,806	36,244	36,287
Capital assets, net	846,551	1,016,564	1,201,467	1,388,022	1,599,623	1,785,667	1,907,742	2,021,346	2,227,330	2,367,408
Other assets	561	1,165	1,254	1,334	1,553	8,837	10,003	16,353	14,387	8,558
Total assets	1,384,619	1,525,876	1,833,225	2,010,230	2,338,653	2,314,183	2,533,097	2,664,128	2,783,414	3,056,262
Deferred outflows of resources (3)	10,602	11,943	25,783	27,202	60,007	74,615	76,216	100,016	85,519	85,574
Total assets and deferred outflows of resources	**$1,395,221**	**$1,537,819**	**$1,859,008**	**$2,037,432**	**$2,398,660**	**$2,388,798**	**$2,609,313**	**$2,764,144**	**$2,868,933**	**$3,141,836**
Liabilities										
Current liabilities	$64,721	$68,716	$49,485	$81,042	$112,466	$94,768	$94,498	$122,440	$132,093	$129,920
Current maturities of OPEB liability (4)	-	-	-	-	-	-	-	2,056	2,449	2,809
Total OPEB liability, net of current maturities	10,112	13,279	52,907	54,530	60,817	78,454	86,312	58,023	58,981	78,260
Net pension liability	74,296	79,665	98,579	105,681	118,329	135,131	119,759	178,388	183,897	152,243
Harbor deepening obligation, long term (5)	4,219	4,110	3,997	3,881	3,762	3,638	-	-	-	-
Long-term debt, net of current maturities	505,405	541,842	834,851	930,377	1,354,567	1,337,493	1,484,887	1,451,343	1,407,774	1,322,632
Deposits on future sale of capital asset	-	-	-	-	-	-	-	-	-	83,333
Other non-current liabilities (6)	-	-	-	-	-	8,675	37,120	22,225	27,983	20,488
Total liabilities	658,753	707,612	1,039,819	1,175,511	1,649,941	1,658,159	1,822,576	1,834,475	1,813,177	1,789,685
Deferred inflows of resources	144	119	4,777	5,420	4,757	14,997	31,648	48,855	41,306	54,964
Net position	736,324	830,088	814,412	856,501	743,962	715,642	755,089	880,814	1,014,450	1,297,187
Total liabilities, deferred inflows and net position	**$1,395,221**	**$1,537,819**	**$1,859,008**	**$2,037,432**	**$2,398,660**	**$2,388,798**	**$2,609,313**	**$2,764,144**	**$2,868,933**	**$3,141,836**

(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) Current OPEB liability reclassified as of fiscal year 2024 Audited Financial Statements.
(5) Harbor deepening obligation, long-term included in long-term debt as of fiscal year 2022 Audited Financial Statements.
(6) Liabilities reclassified as non-current liabilities as of fiscal year 2021 Audited Financial Statements.

(IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Investment in Capital Assets	$479,309	$456,215	$611,645	$712,008	$548,444	$521,168	$488,248	$584,756	$814,024	$1,025,034
Restricted for Debt Service	16,672	16,805	7,344	34,161	36,173	35,774	37,795	41,109	41,910	41,755
Restricted for Capital Projects	-	-	-	-	-	-	-	-	10,000	10,000
Unrestricted	240,343	357,068	195,423	110,332	159,345	158,700	229,046	254,949	148,516	220,398
Total Net Position	**$736,324**	**$830,088**	**$814,412**	**$856,501**	**$743,962**	**$715,642**	**$755,089**	**$880,814**	**$1,014,450**	**$1,297,187**



HISTORICAL REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues										
Direct Operating Revenues	$ 211,166	$ 233,648	$ 251,820	$ 288,326	$ 292,256	$ 312,772	$ 443,102	$ 448,508	$ 404,003	$ 426,473
Gain on Property Damage, Including Insurance Recovery [1]	7,618	2,141	193	6,000	-	-	-	-	-	-
Total Operating Revenues	**218,784**	**235,789**	**252,013**	**294,326**	**292,256**	**312,772**	**443,102**	**448,508**	**404,003**	**426,473**
Operating Expenses										
Direct Operating Expenses	117,476	123,876	137,861	162,364	167,412	162,220	223,818	254,640	266,571	260,117
Administrative Expenses	28,920	36,704	36,863	42,166	42,370	52,556	44,451	59,899	55,553	51,421
Depreciation Expense	33,687	37,233	41,523	47,553	55,059	60,954	76,281	83,436	84,161	88,260
Total Operating Expenses	180,083	197,813	216,247	252,083	264,841	275,730	344,550	397,975	406,285	399,798
Operating Income (Loss)	**38,701**	**37,976**	**35,766**	**42,243**	**27,415**	**37,042**	**98,552**	**50,533**	**(2,282)**	**26,675**
Non-Operating Revenues (Expenses)										
Interest Income	5,452	5,717	5,230	11,088	11,943	8,858	5,968	13,125	19,651	19,870
Other (Expense) Income, Net [2]	(2,330)	(1,386)	(9,589)	22,875	(6,485)	274	2,043	2,364	(11,945)	430
(Loss) Gain on Sale of Property and Equipment, Net	(951)	37,063	8,832	(4,253)	(5,391)	(3,786)	(3,406)	3,593	2,532	(11,085)
Interest Expense [3]	(2,043)	(1,418)	(1,580)	(8,679)	(45,411)	(49,196)	(50,746)	(51,903)	(51,332)	(49,403)
Interest Expense on Financing Lease	-	-	-	-	-	(37)	-	-	-	-
Unrealized (Loss) Gain on Interest Rate Exchange Agreements	(111)	196	337	250	-	-	-	-	-	-
Unrealized Gain (Loss) on Investments, Net [2]	-	-	-	-	28,183	(21,752)	(22,563)	722	13,966	3,446
Loan forgiveness from the State of SC	-	-	-	-	-	-	-	-	-	50,000
Contribution from SC Department of Commerce	-	-	-	-	-	-	-	-	-	35
Contribution to State of SC - Arthur Ravenel Jr. 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	-	-	(298,768)	(3,933)	(33,294)	-	-	-	-	-
Contribution from State of SC for Harbor Deepening	6,185	137	299,043	3,894	6,037	10	-	-	-	-
Other Contributions Related to Harbor Deepening	-	-	-	-	-	(4)	-		-	-
Contribution to Sumter County - Infrastructure Improvements	(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 to Georgetown County - Infrastructure Improvements	-	-	-	-	-	-	-	(1,000)	-	-
Contribution to Port Royal Sound Foundation	-	-	-	-	-	-	-	(100)	-	-
Contribution to Project Spartan - Infrastructure Improvements	-	-	-	-	-	-	-	-	(121)	-
Contribution to Wards Creek Trail Project	-	-	-	-	-	-	-	-	(17)	(17)
Contribution from the State of SC for Georgetown	-	-	-	-	-	-	-	1,000	-	-
Contribution from the State of SC for Port Royal Sound Foundation	-	-	-	-	-	-	-	100	-	-
Contribution from Spartanburg County - Infrastructure Improvements	-	-	-	-	-	-	-	250	-	-
Contribution from SC Coordinating Council for Economic Development	-	-	-	-	-	-	-	750	-	-
Contribution from the State of SC - Jasper Ocean Terminal	1,000	1,875	275	600	5,300	400	242	7	1,000	2,025
Contribution from the Federal Government for Harbor Deepening	-	-	-	-	-	-	-	-	35,440	22,514
Total Non Operating Revenues (Expenses)	4,819	40,669	(10,529)	(2,158)	(140,118)	(66,983)	(76,962)	(32,092)	8,174	36,815
Revenues in excess of expenses before capital grants, contributions, and extraordinary items	**43,520**	**78,645**	**25,237**	**40,085**	**(112,703)**	**(29,941)**	**21,590**	**18,441**	**5,892**	**63,490**
Capital grants and contributions										
Contribution (other) for Harbor Deepening	(6,185)	-	-	-	-	-	-	-	-	-
Contribution from the State of SC – Navy Base Intermodal Facility	-	-	-	-	-	-	13,667	45,048	134,873	149,811
Contribution from the State of SC for Port Access Road	-	-	-	-	-	-	-	-	-	4,229
Contribution from the State of SC for acquisition of property	-	-	-	-	-	-	-	-	-	55,000
Grant from the SC Department of Public Safety	-	34	-	-	-	-	-	-	-	-
Capital Grants from Federal Government	5,156	5,681	762	2,004	164	1,490	3,855	3,754	11,433	10,207
Contribution from Spartanburg County for BMW Land/Facility	15,035	7,095	-	-	-	-	-	-	-	-
Contribution of Land from Dillon County for Inland Port	-	2,309	-	-	-	-	-	-	-	-
Contribution of Property from the State of SC - Navy Base Intermodal Facility	-	-	-	-	-		-	41,103	-	-
Contribution from Department of Commerce - BMW Expansion								17,379	-	-
Total Capital grants and contributions	**57,526**	**15,119**	**762**	**2,004**	**164**	**1,490**	**17,522**	**107,284**	**146,306**	**219,247**
Impairment Loss on Capital Assets	-	-	-	-	-	-	-	-	(18,562)	-
Increase (Decrease) in Net Position	**57,526**	**93,764**	**25,999**	**42,089**	**(112,539)**	**(28,451)**	**39,112**	**125,725**	**133,636**	**282,737**
Total Net Position										
Beginning of Year	678,798	736,324	830,088	814,412	856,501	743,962	715,642	755,089	880,814	1,014,450
Adoption of GASB 68	-	-	-	-	-	-	-	-	-	-
Adoption of GASB 75	-	-	(41,675)	-	-	-	-	-	-	-
Adoption of GASB 87	-	-	-	-	-	131	-	-	-	-
Adoption of GASB 96	-	-	-	-	-	-	335	-	-	-
End of Year	**$ 736,324**	**$ 830,088**	**$ 814,412**	**$ 856,501**	**$ 743,962**	**$ 715,642**	**$ 755,089**	**$ 880,814**	**$ 1,014,450**	**$ 1,297,187**

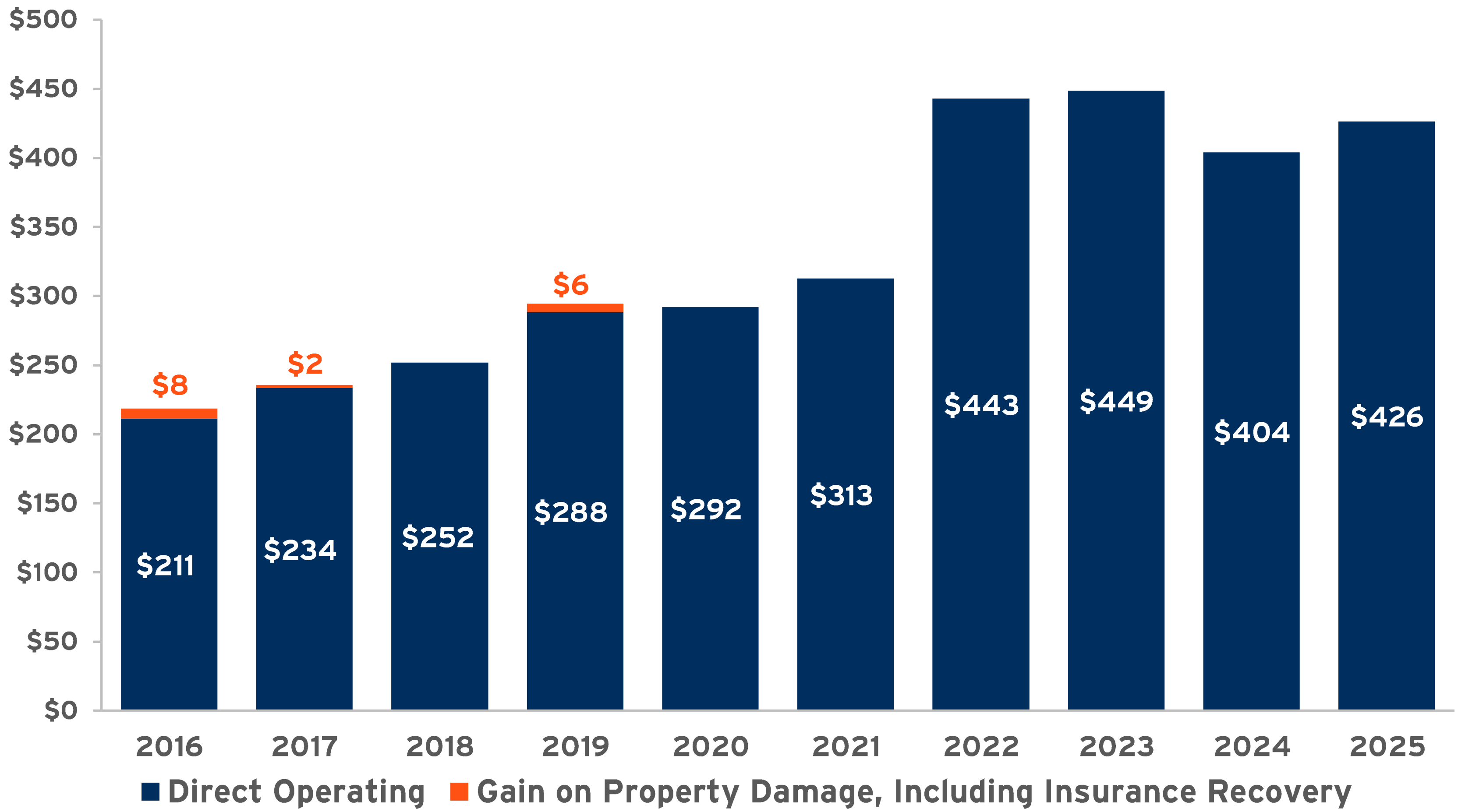
(1) As of fiscal year 2018 Audited Financial Statements included in Operating Revenues.
(2) As of fiscal year 2020 Audited Financial Statements Unrealized Gain on Investments, Net separated out from Other (Expense) Income, Net.
(3) As of fiscal year 2020 Audited Financial Statements Interest Expense is no longer capitalized per the adoption of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*.

(IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital Projects in Progress	$ 342,330	$ 463,281	$ 403,960	$ 520,588	$ 615,601	$ 72,833	$ 75,065	$ 148,700	$ 267,615	$ 400,246
Land	202,613	206,197	352,532	374,214	374,341	696,208	716,971	777,861	882,650	887,403
Land Improvements	327,916	370,336	408,479	401,974	443,703	669,184	709,541	713,547	759,572	786,812
Buildings and Structures	335,364	347,312	413,221	449,776	498,134	669,842	694,476	700,928	702,056	721,801
Railroad Tracks	16,990	16,990	19,418	19,677	19,774	19,774	23,844	23,508	23,508	23,508
Equipment	155,534	163,900	189,522	182,911	256,553	311,383	395,199	418,395	427,264	477,418
Furniture & Fixtures	29,303	35,993	36,881	39,147	40,132	41,111	41,517	42,266	42,641	42,948
Intangible Assets	157	355	87	52	27	-	-	-	-	-
Intangible Lease Assets	-	-	-	-	-	757	819	14,660	14,660	437
Intangible Subscription Assets	-	-	-	-	-	-	2,064	3,325	19,634	19,369
Total Capital Assets	**1,410,207**	**1,604,364**	**1,824,100**	**1,988,339**	**2,248,265**	**2,481,092**	**2,659,496**	**2,843,190**	**3,139,600**	**3,359,942**
Accumulated Depreciation & Amortization	(563,656)	(587,800)	(622,633)	(600,317)	(648,642)	(695,291)	(751,754)	(821,844)	(912,270)	(992,534)
Capital Assets, net	**$ 846,551**	**$ 1,016,564**	**$ 1,201,467**	**$ 1,388,022**	**$ 1,599,623**	**$ 1,785,801**	**$ 1,907,742**	**$ 2,021,346**	**$ 2,227,330**	**$ 2,367,408**

OPERATING REVENUES

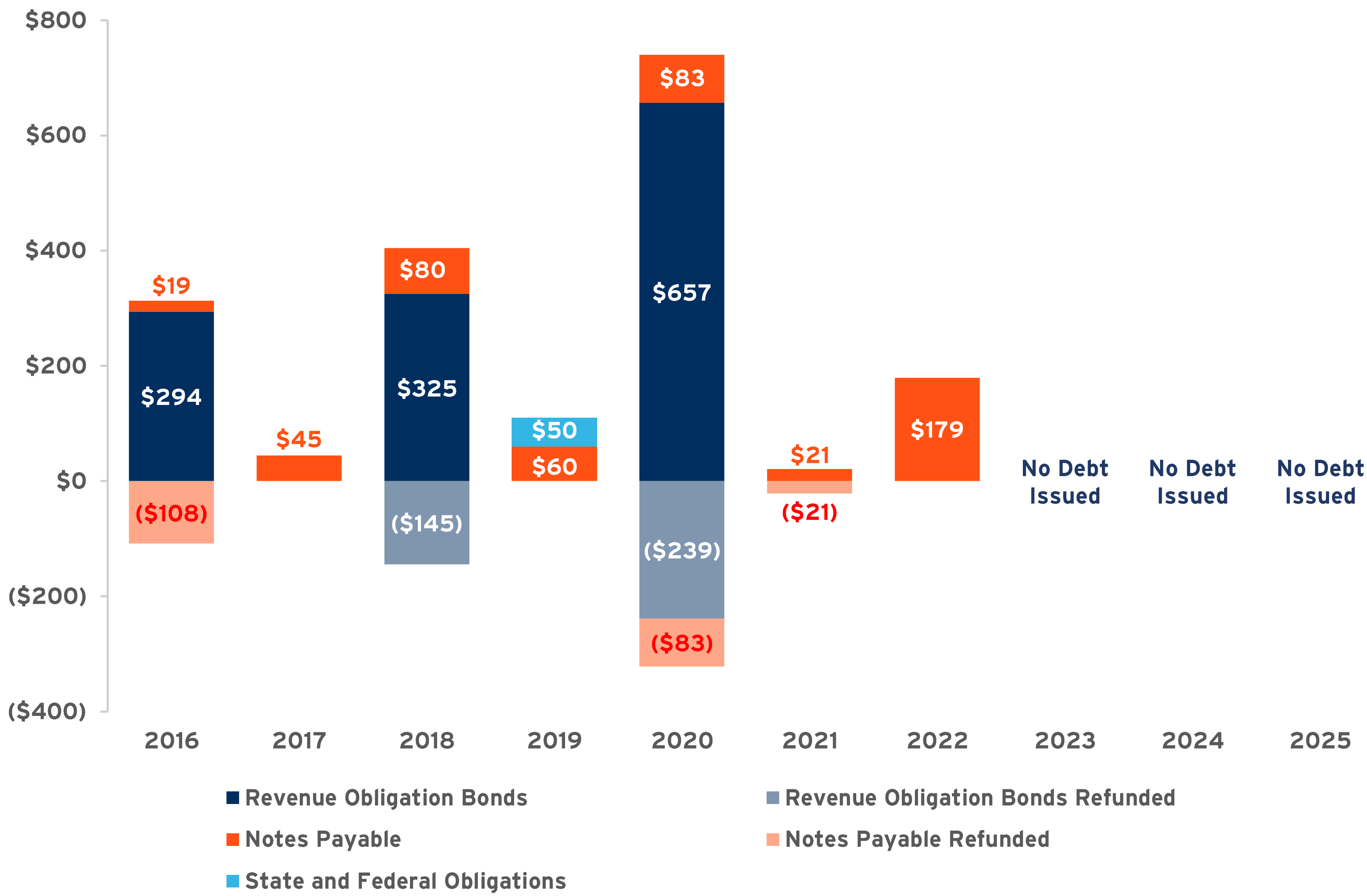
(IN MILLIONS)



	Customer [1]	Percentage of Revenues	Customer Type	Years at SCSPA [2]
1)	Hapag Lloyd	17.2%	Steamship Line (Cargo)	33
2)	Mediterranean Shipping	15.6%	Steamship Line (Cargo)	34
3)	Maersk	13.1%	Steamship Line (Cargo)	36
4)	CMA-CGM / APL	9.8%	Steamship Line (Cargo)	35
5)	ONE	6.8%	Steamship Line (Cargo)	36
6)	COSCO / OOCL	6.3%	Steamship Line (Cargo)	36
7)	Evergreen	4.3%	Steamship Line (Cargo)	36
8)	Zim	3.5%	Steamship Line (Cargo)	35
9)	BMW	2.4%	Beneficial Cargo Owner	32
10)	Hyundai	2.0%	Steamship Line (Cargo)	36
	All Other	19.0%		
		100.0%		

[1] Includes subsidiaries.
[2] Records go back 36 years. If customer merged with another customer, represents maximum number of combined years.

(IN MILLIONS)


$800
$600
$400
$200
$0
($200)
($400)
$19
$294
($108)
$45
$80
$325
($145)
$50
$60
$83
$657
($239)
($83)
$21
($21)
$179
No Debt Issued
No Debt Issued
No Debt Issued
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Revenue Obligation Bonds
Revenue Obligation Bonds Refunded
Notes Payable
Notes Payable Refunded
State and Federal Obligations

RATIO OF OUTSTANDING DEBT TO OPERATING REVENUES

(IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue Bonds - Series 2010	$ 155,460	$ 150,190	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenue Bonds - Series 2015	294,025	294,025	294,025	294,025	55,300	55,300	55,300	55,300	55,300	55,300
Revenue Bonds - Series 2018	-	-	325,000	325,000	318,970	312,645	305,995	299,015	291,690	284,005
Revenue Bonds - Series 2019A	-	-	-	-	121,910	121,910	121,910	121,160	119,905	118,585
Revenue Bonds - Series 2019B	-	-	-	-	258,420	258,420	258,420	257,170	254,475	251,640
Revenue Bonds - Series 2019C	-	-	-	-	125,000	125,000	125,000	125,000	125,000	125,000
Revenue Bonds - Series 2019D	-	-	-	-	151,580	151,580	151,580	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	69,924	67,282	64,630
Notes Payable	41,056	84,808	161,658	267,980	261,359	252,607	418,674	403,121	373,947	304,382
Harbor Deepening Obligation	4,325	4,219	4,110	3,997	3,881	3,761	3,638	-	-	-
Total Debt Issuance	516,808	554,759	844,380	948,847	1,374,074	1,356,342	1,513,057	1,482,270	1,439,179	1,355,122
Lease Liabilities	-	-	-	-	-	618	364	13,721	6,102	689
Subscription Liabilities	-	-	-	-	-	-	1,580	1,770	16,608	16,696
Total Debt with Lease and Subscription Liabilities	$ 516,808	$ 554,759	$ 844,380	$ 948,847	$1,374,074	$1,356,960	$1,515,001	$1,497,761	$1,461,889	$1,372,507
Operating Revenues (2)	$ 211,166	$ 233,648	$ 251,820	$ 288,326	$ 292,256	$ 312,772	$ 443,102	$ 448,508	$ 404,003	$ 426,473
Ratio - Total Debt/Operating Revenues	**2.45**	**2.37**	**3.35**	**3.29**	**4.70**	**4.34**	**3.41**	**3.30**	**3.56**	**3.18**
Ratio - Total Debt with Lease & Subscription Liabilities/Operating Revenues	**2.45**	**2.37**	**3.35**	**3.29**	**4.70**	**4.34**	**3.42**	**3.34**	**3.62**	**3.22**

(1) Includes Series 2010, 2015, 2018, 2019A, and 2019B Revenue Bonds.
(2) Operating Revenues Exclude 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
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

(IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues	$211,166	$235,789	$252,013	$294,326	$292,256	$312,772	$443,102	$448,508	$404,003	$426,473
Operating Expenses	172,465	197,813	216,247	252,083	264,841	275,730	344,550	397,975	406,285	399,798
Operating Earnings	**38,701**	**37,976**	**35,766**	**42,243**	**27,415**	**37,042**	**98,552**	**50,533**	**(2,282)**	**26,675**
Interest Income	8,004	5,717	5,230	11,088	11,943	8,858	5,968	13,125	19,651	19,870
Operating Earnings & Interest Income	**46,705**	**43,693**	**40,996**	**53,331**	**39,358**	**45,900**	**104,520**	**63,658**	**17,369**	**46,545**
Adjustments										
Depreciation and amortization	33,687	37,233	41,523	47,553	55,059	60,954	76,281	83,436	84,161	88,260
Pension – GASB 68 (1)	-	1,542	3,995	6,656	6,740	10,699	12,058	940	16,851	6,848
OPEB (2)	-	1,643	1,606	933	1,059	1,636	4,150	5,670	838	2,996
Leases – GASB 87 (3)	-	-	-	-	-	-	277	394	38	42
Subscription Based IT Arrangements – GASB 96 (4)	-	-	-	-	-	-	-	(30)	(394)	565
IT Software Write-Off	-	-	-	-	-	-	-	-	6,081	-
Other Qualifying Non-Operating Revenues (Expenses)	1,978	3,060	1,632	305	5,005	4,093	1,025	13,095	126	(226)
Net adjustments (5)	**35,665**	**43,478**	**48,756**	**55,447**	**67,862**	**77,381**	**93,791**	**103,505**	**107,703**	**98,485**
Net Revenues Available for Debt Service	**$82,374**	**$87,154**	**$89,525**	**$108,519**	**$106,951**	**$123,035**	**$198,048**	**$166,922**	**$124,833**	**$145,030**
Debt Service – Senior Lien	$15,577	$27,942	$27,937	$23,742	$38,741	$50,473	$50,474	$52,413	$54,202	$54,189
Debt Service – Subordinate Lien	2,003	2,966	4,442	8,521	14,434	15,472	21,804	28,021	28,992	27,525
Total Principal and Interest Paid	**$17,580**	**$30,909**	**$32,379**	**$32,263**	**$53,175**	**$65,945**	**$72,278**	**$80,434**	**$83,194**	**$81,714**
Debt Service Coverage Ratio - Senior Lien	**5.29x**	**3.12x**	**3.20x**	**4.57x**	**2.76x**	**2.44x**	**3.92x**	**3.18x**	**2.30x**	**2.68x**
Debt Service Coverage Ratio - All	**4.69x**	**2.82x**	**2.76x**	**3.36x**	**2.01x**	**1.87x**	**2.74x**	**2.08x**	**1.50x**	**1.77x**

(1) Non-Cash portion of pension expense.
(2) Non-Cash portion of OPEB (other post-employment benefits) expense.
(3) Non-Cash portion of lease revenue and expense.
(4) Non-Cash portion of subscription-based IT arrangements revenue and expense.
(5) Harbor Master fee removed as net amounts are a loss.

Description	Charleston Region[1]	State
Population	869,940	5,478,831
Total Personal Income	$59,578,710,840	$332,981,432,856
Per Capita Personal Income	$68,486	$60,776
Unemployment Rate	3.60%	4.10%

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

Top Ten Employers[2]

Charleston Region	South Carolina
The Boeing Company	Walmart Inc.
Roper St. Francis Healthcare	Prisma Health
Walmart Inc.	BMW
Trident Health System	Blue Cross
Robert Bosch LLC	Michelin
Volvo Car USA LLC	Lexington Med Center
Mercedes-Benz Vans, LLC	The Boeing Company
Kiawah Resort	Roper St. Francis Healthcare
Publix Supermarkets	Concentrix
Harris Teeter	Spartanburg Health Care
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

SC Ports is proud to build a brighter future for South Carolina - by moving cargo for SC companies, facilitating job growth, supporting nonprofits around the state and preserving natural resources

ENVIRONMENT	COMMUNITY	IMPACT
3,400+ Acres protected or conserved by SC Ports, alongside environmental partners	**$260K** Amount awarded in FY25 to 94 nonprofits around the state through the Community Giving Program	**$87B** SC Ports' statewide economic impact each year
90% Reduction in emissions for customers using rail and inland ports	**$1.4M** Amount awarded to SC nonprofits since 2013	**1 in 9** Jobs supported by SC Ports operations
42 Hybrid rubber-tired gantry cranes deployed, reducing fuel consumption by 50% and air emissions by 90+%		

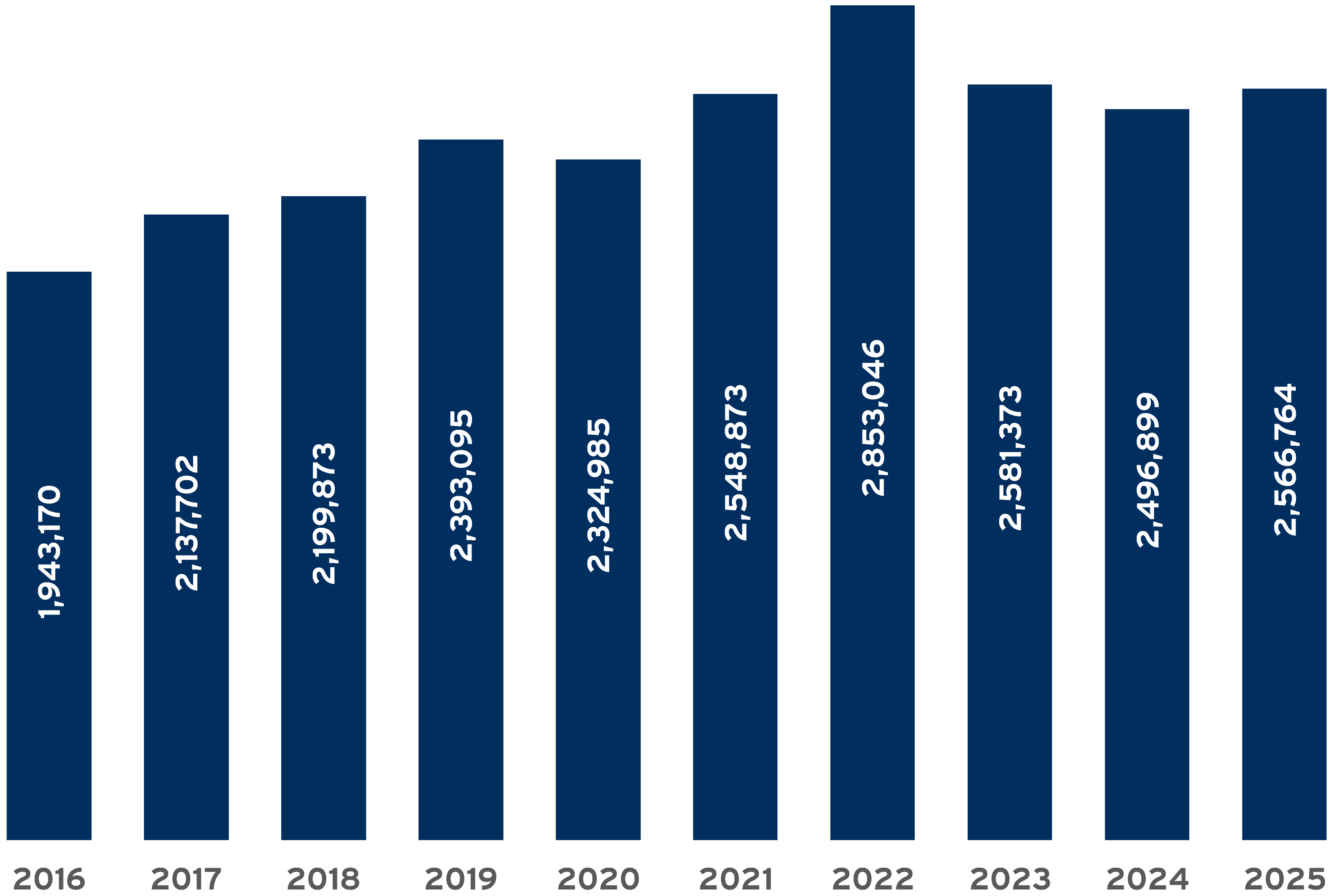
Study conducted by
Joseph C. Von Nessen, Ph.D.

SC Ports is a powerful engine for progress, propelling the economy forward and creating new opportunities for South Carolinians.

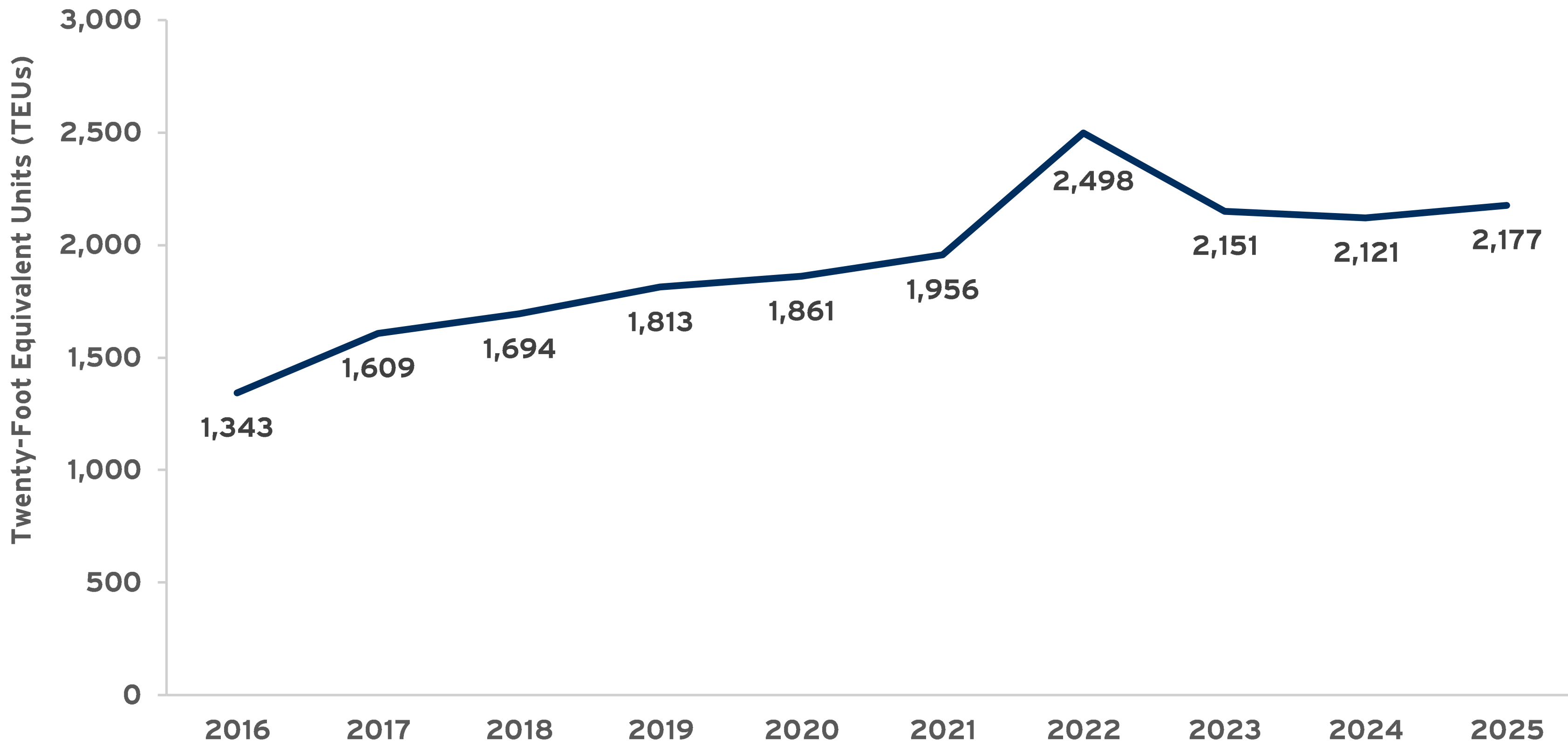
> SC Ports is a port for the entire state, moving goods for companies in every county and supporting more than 260,000 jobs for South Carolinians. It is an honor for our board to support the Port's mission of growing waterborne commerce to propel South Carolina's economy forward.

BILL STERN
Board Chairman

Twenty-Foot Equivalent Units (TEUs)



AVERAGE TWENTY-FOOT EQUIVALENT UNITS PER VESSEL DOCKED(1)



(1) Vessels Docked includes ships and barges

Twenty-Foot Equivalent Units

By Terminal

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Columbus Street	27	-	-	-	-	-	-	-	-	-
Hugh Leatherman	-	-	-	-	-	31,073	264,757	162,907	140	138,012
North Charleston	648,580	463,935	560,532	539,304	394,011	435,436	517,226	455,063	286,755	330,058
Wando Welch	1,294,563	1,673,767	1,639,341	1,853,791	1,930,974	2,082,364	2,071,063	1,963,403	2,210,004	2,098,694
Total	**1,943,170**	**2,137,702**	**2,199,873**	**2,393,095**	**2,324,985**	**2,548,873**	**2,853,046**	**2,581,373**	**2,496,899**	**2,566,764**

Pier Container Lifts

By Terminal

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Columbus Street	27	-	-	-	-	-	-	-	-	-
Hugh Leatherman	-	-	-	-	-	16,820	146,408	91,613	70	75,931
North Charleston	366,484	262,959	318,375	305,337	222,388	240,444	285,529	252,797	158,835	181,590
Wando Welch	730,295	944,745	932,453	1,058,898	1,094,944	1,161,601	1,151,017	1,084,337	1,221,055	1,154,652
Total	**1,096,806**	**1,207,704**	**1,250,828**	**1,364,235**	**1,317,332**	**1,418,865**	**1,582,954**	**1,428,747**	**1,379,960**	**1,412,173**

Non-Containerized Cargo Pier Tons

By Terminal

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Columbus Street	808,630	818,417	733,635	605,805	632,092	799,961	856,737	793,366	825,828	644,889
Georgetown	249,149	7,466	-	-	-	-	-	-	-	-
Hugh Leatherman	-	-	-	-	-	2,050	18,876	23,980	12,939	46,496
North Charleston	1,626	529	19,607	6,251	2,498	3,377	2,623	5,477	1,958	9,273
Union Pier	90,420	31,245	3,006	11,124	-	-	-	-	-	-
Veterans	-	-	-	-	-	1,177	-	-	-	-
Wando Welch	1,298	1,470	4,253	2,143	1,688	955	1,923	3,769	4,422	2,340
Total	**1,151,123**	**859,127**	**760,501**	**625,323**	**636,278**	**807,520**	**880,159**	**826,591**	**845,147**	**702,998**

Inland Port Rail Moves

By Terminal

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Dillon	-	-	628	29,580	32,453	34,987	26,019	39,143	42,769	33,958
Greer	91,698	121,761	117,812	143,204	140,155	157,842	151,261	146,813	187,638	205,523
Total	**91,698**	**121,761**	**118,440**	**172,784**	**172,608**	**192,829**	**177,280**	**185,956**	**230,407**	**239,481**

Other Statistics	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pier Vehicles (Rolling Stock)	274,662	258,804	232,390	194,902	199,825	253,983	219,712	188,517	210,817	165,949
Cruise Passengers	212,286	224,105	225,483	213,081	217,673	-	123,336	294,136	295,624	158,940
Ships Docked [(1)]	1,900	1,765	1,705	1,696	1,567	1,594	1,465	1,579	1,561	1,449

(1) Self-powered vessels, excluding barges.

Facilities

Description	WANDO WELCH	NORTH CHARLESTON[1]	HUGH LEATHERMAN[2]	COLUMBUS STREET	UNION PIER	VETERANS TERMINAL	INLAND PORT DILLON	INLAND PORT GREER
Terminal Area (Acres)	689	201	286	155	71	23	242	97
Developed Terminal Area (Acres)	399	198	134	135	65	23	40	65
Channel Width Min (Feet)	400	500	500	500	500	500	N/A	N/A
Channel Width Max (Feet)	1,400	1,400	1,400	1,400	1,400	1,000	N/A	N/A
Channel Project Depth (Feet)	52	45	52	45	35	25	N/A	N/A
Berth/Working Trackage (Linear Feet)	3,800	2,500	1,400	3,900	2,470	2,400	10,080	22,150
Cargo Handled (Type)	Container	Container	Container	Rolling Stock	Breakbulk	Breakbulk	Container	Container
	Breakbulk	Breakbulk	Breakbulk	Breakbulk	Cruise			
Container Crane Class								
Post-Panamax	-	3	-	-	-	-	-	-
Super Post Panamax	15	2	5	-	-	-	-	-
Total	15	5	5	-	-	-	-	-
Container Handlers								
Empty Toplifter	30	-	8	-	-	-	2	6
Toplifter	9	11	-	1	-	-	-	2
RTG	65	10	25	-	-	-	2	9
Total	104	21	33	1	-	-	4	17
Warehouse Sq. Ft.	187,680	-	-	359,149	334,000	-	-	-

[1] North Charleston Terminal acreage does not reflect the recent purchase of the adjacent WestRock facility. This will add approximately 210 acres to the terminal when developed.
[2] Hugh Leatherman Terminal details reflect the currently completed Phase 1.

Employees

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative	98	99	97	97	94	95	89	94	92	83
Operations	403	454	501	596	641	663	833	854	784	647
Grand Total	**501**	**553**	**598**	**693**	**735**	**758**	**922**	**948**	**876**	**730**

As of 6/30/2025

Fiscal Years Ending June 30

	2021	2022	2023	2024	2025
Pier Containers	1,418,865	1,582,954	1,428,747	1,379,960	1,412,173
TEUs	2,548,873	2,853,046	2,581,373	2,496,899	2,566,764
Breakbulk and Bulk Pier Tons [(1)]	807,520	880,159	826,591	845,147	702,998
Pier Vehicles	253,983	219,712	188,517	210,817	165,949
Ships Docked [(2)]	1,594	1,465	1,579	1,561	1,449

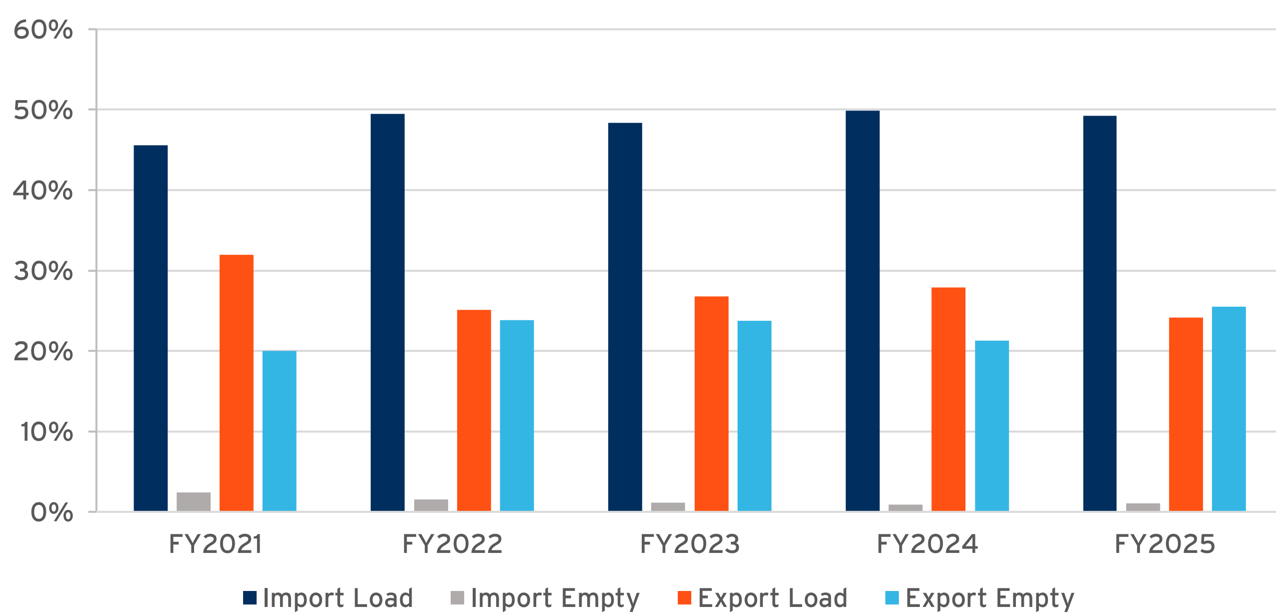
[(1)] Includes net tonnage for Pier Vehicles.

[(2)] Self-powered vessels, excluding barges.

Annual TEUs

Fiscal Year	Import	Export	Empty	Total
FY2021	1,161,407	815,504	571,963	2,548,874
FY2022	1,411,993	716,540	724,513	2,853,046
FY2023	1,247,628	691,785	641,960	2,581,373
FY2024	1,245,223	696,522	555,154	2,496,899
FY2025	1,264,170	620,750	681,844	2,566,764

Annual TEUs By Percent Contribution

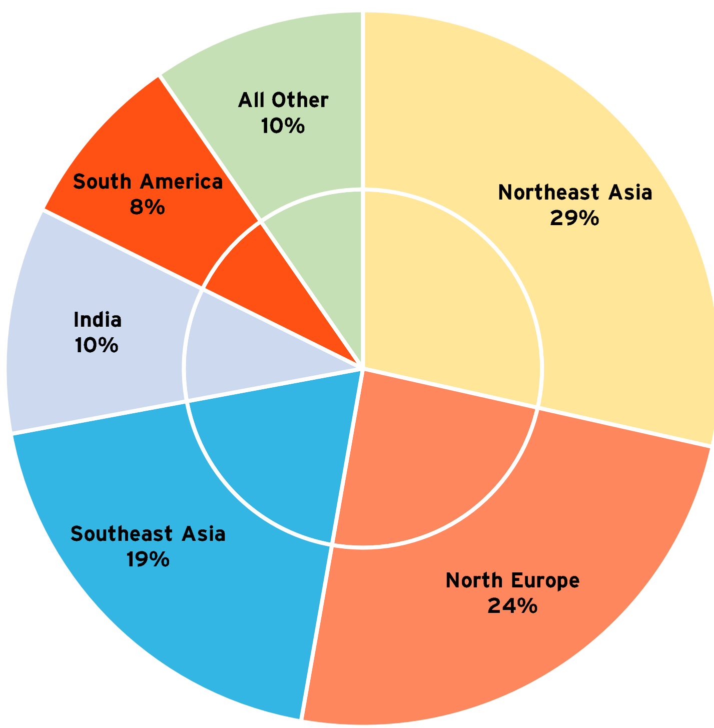


(LOADED TEUs)

Exports	Contribution
CHEMICALS	30%
FOREST PRODUCTS	19%
FOODSTUFFS AND BASIC AGRICULTURAL MATERIALS	16%
VEHICLES BOATS AIRCRAFT	6%
YARNS FIBRES TEXTILES APPAREL	6%
TIRES UNFINISHED RUBBER PLASTIC PRODUCTS	5%
HARDWARE LIGHTING MISC METALWARE	4%
MACHINERY PARTS	3%
FURNITURE SPORTING GOODS TOYS	2%
METALS INCLUDING PRIMARY SHAPES	2%
ALL OTHER	7%
Grand Total	**100%**

Imports	Contribution
MACHINERY PARTS	17%
FURNITURE SPORTING GOODS TOYS	12%
YARNS FIBRES TEXTILES APPAREL	10%
CHEMICALS	9%
TIRES UNFINISHED RUBBER PLASTIC PRODUCTS	8%
ELECTRIC AND ELECTRIC GOODS	8%
VEHICLES BOATS AIRCRAFT	7%
HARDWARE LIGHTING MISC METALWARE	6%
FOREST PRODUCTS	6%
FOODSTUFFS AND BASIC AGRICULTURAL MATERIALS	5%
ALL OTHER	12%
Grand Total	**100%**

Import and Export Trade Lanes FY2025



(1) Source: PIERS

2,566,764 CONTAINER TEUs (TWENTY-FOOT EQUIVALENT UNITS)

239,361 RAIL LIFTS AT INLAND PORTS GREER & DILLON

165,949 FINISHED VEHICLES

702,998 BREAKBULK TONNAGE

SOUTH CAROLINA PORTS

THE WORLD CONNECTS HERE℠

PHOTOGRAPH BY MATTHEW PEACOCK
COVER DESIGN BY CHERNOFF NEWMAN