

**McCormick County
McCormick, South Carolina**

Report on Financial Statements

For the year ended June 30, 2022

COUNTY COUNCIL

CHARLES JENNINGS - CHAIRMAN

BERNARD HAMBY - VICE CHAIRMAN

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JACQUELINE BROWN

LEGISLATIVE DELEGATION

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SENATOR SHANE MASSEY

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COUNTY ADMINISTRATOR

COLUMBUS STEPHENS

McCormick County
McCormick, South Carolina
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Independent Auditor's Report

McCormick County Council
McCormick County
McCormick, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of McCormick County, South Carolina (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 the management's discussion and analysis and other required supplementary information (RSI), as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

Manley Gawin, LLC

Greenwood, South Carolina
December 16, 2022

McCormick County

McCormick, South Carolina

Management's Discussion and Analysis

June 30, 2022

This section of McCormick County's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2022 by approximately \$38.2 million (net position).
- The County's total net position increased over the course of this year's operations. Net position of our business-type activities increased approximately \$271 thousand, while the net position of our governmental activities increased approximately \$3.2 million.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$16.8 million, an increase of approximately \$2.5 million from the prior year.
- At the end of the current fiscal year, the County's unassigned fund balance for the general fund was approximately \$6.3 million or 62.7% of general fund expenditures for the fiscal year.
- In the County's business-type activities, revenues increased by approximately \$323 thousand while operating expenses increased approximately \$286 thousand from the prior year.
- The general fund actual revenues were approximately \$1.8 million or 19.3% more than budgeted. Also, general fund expenditures were approximately \$103 thousand or 1.0% less than budgeted.
- The County incurred approximately \$336 thousand in new debt during the year.
- The County repaid approximately \$949 thousand of bond and note payables during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - The *governmental funds* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - *Proprietary fund* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the water and sewer authority.
 - *Fiduciary fund* statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of McCormick County's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except Fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Activities the County operates similar to private businesses: the water and sewer authority.	Instances in which the County is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

McCormick County

McCormick, South Carolina

Management's Discussion and Analysis

June 30, 2022

The two government-wide statements report the County's *net position* and how it has changed. Net position - the difference between the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the County's financial health.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into two categories:

- *Governmental activities* - Most of the County's basic services are included here, such as the police, fire, public works, parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* - The County charges fees to customers to help it cover the costs of certain services it provides. The County's water and sewer authority is included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds - not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three kinds of funds:

- *Governmental funds* - Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
- In fact, the County's *enterprise fund* (one type of proprietary fund) is the same as its business-type activities, but provides more detail and additional information, such as cash flows.
- *Fiduciary funds* - The County acts as agent, or *fiduciary*, for other entities' resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position

Table A-1
County of McCormick's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2022	2021	2022	2021	2022	2021	2022-2021
Current and other assets	\$ 17,858	\$ 15,779	\$ 4,156	\$ 3,648	\$ 22,014	\$ 19,427	18.3%
Capital assets	21,013	20,887	10,172	10,453	31,185	31,340	3.2%
Total assets	38,871	36,666	14,328	14,101	53,199	50,767	8.5%
Total deferred outflows of resources	1,824	1,767	201	198	2,025	1,965	27.4%
Total assets and deferred outflows of resources	<u>\$ 40,695</u>	<u>\$ 38,433</u>	<u>\$ 14,529</u>	<u>\$ 14,299</u>	<u>\$ 55,224</u>	<u>\$ 52,732</u>	
Long-term liabilities	\$ 4,381	\$ 4,912	\$ 1,518	\$ 1,613	\$ 5,899	\$ 6,525	48.5%
Net pension liability	7,756	8,989	962	1,074	8,718	10,063	9.1%
Other liabilities	620	969	113	69	733	1,038	36.8%
Total liabilities	12,757	14,870	2,593	2,756	15,350	17,626	22.6%
Total deferred inflows of resources	1,502	301	168	46	1,670	347	-2.0%
Net position							
Net investment in capital assets	18,939	19,805	8,677	8,865	27,616	28,670	9.7%
Restricted	6,101	4,798	721	721	6,822	5,519	-32.8%
Unrestricted	1,396	(1,341)	2,370	1,911	3,766	570	-178.4%
Total net position	26,436	23,262	11,768	11,497	38,204	34,759	3.4%
Total liabilities, deferred inflows of resources and net position	<u>\$ 40,695</u>	<u>\$ 38,433</u>	<u>\$ 14,529</u>	<u>\$ 14,299</u>	<u>\$ 55,224</u>	<u>\$ 52,732</u>	

Net position of our governmental activities increased by approximately \$3.2 million or 13.6%.

Net position of our business-type activities increased by approximately \$271 thousand or 2.4%.

Changes in net position

The County's total revenues increased by 20.6% to approximately \$21.5 million (See Table A-2). Approximately 34.6% of the County's revenue comes from property taxes. Approximately 28.1% of revenues are from fees charged for services and 34.7% is from intergovernmental revenues and grants and contributions.

The total cost of all programs and services increased approximately \$1.4 million or 8.2% compared to prior year. The County's expenses cover a range of services, with about 20.7% related to general government, 21.6% related to public safety, 11.0% related to public works, 11.2% related to health and human services, 10.0% related to judicial and 21.6% related to water and sewer.

McCormick County
McCormick, South Carolina
Management's Discussion and Analysis
June 30, 2022

Table A-2 and the narrative that follows, consider the operations of governmental and business-type activities separately.

Table A-2
County of McCormick's Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2022-2021
	2022	2021	2022	2021	2022	2021	
Revenues							
Program revenues:							
Charges for services	\$ 1,876	\$ 1,604	\$ 4,171	\$ 3,847	\$ 6,047	\$ 5,451	10.9%
Grants and contributions	6,076	3,519	-	-	6,076	3,519	72.7%
General revenues:							
Property taxes	7,453	7,485	-	-	7,453	7,485	-0.4%
Investment income	1	8	8	9	9	17	-47.1%
Intergovernmental	1,379	1,278	-	-	1,379	1,278	7.9%
Other	553	91	-	-	553	91	507.7%
Total revenues	<u>\$ 17,338</u>	<u>\$ 13,985</u>	<u>\$ 4,179</u>	<u>\$ 3,856</u>	<u>\$ 21,517</u>	<u>\$ 17,841</u>	20.6%
Expenses							
General government	\$ 3,742	\$ 3,695	\$ -	\$ -	\$ 3,742	\$ 3,695	1.3%
Public safety	3,910	2,631	-	-	3,910	2,631	48.6%
Public works	1,995	1,875	-	-	1,995	1,875	6.4%
Environment and housing	223	187	-	-	223	187	19.3%
Health and human services	2,019	1,682	-	-	2,019	1,682	20.0%
Judicial	1,810	2,612	-	-	1,810	2,612	-30.7%
Culture and recreation	371	253	-	-	371	253	46.6%
Interest and fiscal charges	95	140	-	-	95	140	-32.1%
Water and sewer	-	-	3,908	3,622	3,908	3,622	7.9%
Total expenses	<u>\$ 14,165</u>	<u>\$ 13,075</u>	<u>\$ 3,908</u>	<u>\$ 3,622</u>	<u>\$ 18,073</u>	<u>\$ 16,697</u>	8.2%
Increase (decrease) in net position	<u>\$ 3,173</u>	<u>\$ 910</u>	<u>\$ 271</u>	<u>\$ 234</u>	<u>\$ 3,444</u>	<u>\$ 1,144</u>	201.0%

GOVERNMENTAL ACTIVITIES

Revenues for the County's governmental activities increased 24.0% to approximately \$17.3 million, while governmental expenses increased 8.3% to approximately \$14.2 million. Property tax revenues decreased in 2022 by approximately \$32 thousand, or 0.4%, grants and contributions revenues increased approximately \$2.6 million, or 72.7% and charges for services increased by approximately \$272 thousand, or 17.0%. The increase in governmental expenses of approximately \$1.1 million was due to increases in expenses in general government, public safety, public works, environmental and housing, health and human services, and culture and recreation offset by decreases in judicial and interest and fiscal charges.

BUSINESS-TYPE ACTIVITIES

Revenues of the County's business-type activities increased 8.4% to approximately \$4.2 million, while expenses increased by 7.9% as well to approximately \$3.9 million. (Refer to Table A-2.)

McCormick County

McCormick, South Carolina

Management's Discussion and Analysis

June 30, 2022

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of approximately \$16.8 million. Governmental fund balances increased by approximately \$2.5 million or 17.6% from the prior year.

General Fund Budgetary Highlights

Actual general fund expenditures were approximately \$103 thousand or 1.0% below budgeted amounts. This is primarily the result of controlling personnel costs and deferring certain discretionary expenditures.

Total revenues were approximately \$1.8 million or 19.3% above budgeted amounts. Contributing factors include:

- Property tax and other tax revenues were approximately \$189 thousand lower than budgeted.
- Fines, fees and permits revenues were approximately \$534 thousand higher than budgeted.
- State and federal intergovernmental revenues were approximately \$572 thousand higher than budgeted.
- Investment and other income revenues were approximately \$554 thousand higher than budgeted.
- Proceeds from the issuance of debt was approximately \$336 thousand higher than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the County had invested approximately \$31.2 million, net of depreciation, in a broad range of capital assets. (See Table A-3.) This amount represents a net decrease (including additions, deductions and depreciation) of approximately \$156 thousand, or 0.5 percent, as compared to the prior year.

Table A-3
County of McCormick's Capital Assets

	Governmental		Business-type		Total		Total
	Activities	Activities	Activities	Activities	2022	2021	Percentage Change
	2022	2021	2022	2021	2022	2021	2022-2021
Land	\$ 727	\$ 727	\$ 55	\$ 55	\$ 782	\$ 782	0.0%
Construction in progress	196	1,782	-	-	196	1,782	-89.0%
Buildings and improvements	12,877	9,728	-	-	12,877	9,728	32.4%
Furniture, Fixtures and							
Equipment	6,719	6,442	764	639	7,483	7,081	5.7%
Infrastructure	38,868	38,868	21,638	21,446	60,506	60,314	0.3%
Accumulated depreciation	<u>(38,375)</u>	<u>(36,660)</u>	<u>(12,285)</u>	<u>(11,687)</u>	<u>(50,660)</u>	<u>(48,347)</u>	4.8%
Total capital assets	<u>\$ 21,012</u>	<u>\$ 20,887</u>	<u>\$ 10,172</u>	<u>\$ 10,453</u>	<u>\$ 31,184</u>	<u>\$ 31,340</u>	-0.5%

This year's major capital asset additions included:

- Approximately \$277 thousand in governmental activities equipment, furniture and vehicles.
- Approximately \$49 thousand in governmental activities buildings and improvements.
- Approximately \$1.5 million in governmental activities construction in process projects, of which approximately \$3.1 million were completed.
- Approximately \$192 thousand in additions to the water and sewer system.
- Approximately \$125 thousand in water and sewer equipment.

More detailed information about the County's capital assets is presented in Notes 1 and 4 to the financial statements.

McCormick County
McCormick, South Carolina
Management's Discussion and Analysis
June 30, 2022

Long-term Debt

At year-end the County had approximately \$5.7 million in bonds and notes payable outstanding - a decrease of approximately 9.8% from last year - as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in Note 5 to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8.0 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding debt subject to these limits of approximately \$2,605,000 is below the limit, which is approximately \$4,089,000 based on total assessed values of approximately \$51,111,000.

Table A-4
County of McCormick's Outstanding Debts
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2022-2021
	2022	2021	2022	2021	2022	2021	
General obligation							
bonds payable	\$ 3,902	\$ 4,677	\$ -	\$ -	\$ 3,902	\$ 4,677	-16.6%
Revenue bonds payable	-	-	1,462	1,552	1,462	1,552	-5.8%
Notes payable	254	-	33	35	287	35	720.0%
Total outstanding debt	<u>\$ 4,156</u>	<u>\$ 4,677</u>	<u>\$ 1,495</u>	<u>\$ 1,587</u>	<u>\$ 5,651</u>	<u>\$ 6,264</u>	-9.8%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Unemployment in the County stands at 4.1% at June 30, 2022. This compares unfavorably with the state's rate of 3.2% and unfavorably with the national rate of 3.6%.

These indicators were taken into account when adopting the general fund budget for 2023. Amounts available for appropriation in the 2023 general fund budget are estimated at approximately \$11.9 million compared to the approximately \$10.3 million as budgeted for fiscal year 2022.

Budgeted expenditures for fiscal year 2023 are expected to be approximately \$11.9 million as compared to the approximately \$10.3 million budgeted for fiscal year 2022.

If these estimates are realized, the County's budgetary general fund balance is expected to remain relatively unchanged by the close of fiscal year 2023.

Budgeted revenues and expenditures for the County's business-type activities for fiscal year 2023 are expected to be approximately \$4.0 million as compared to approximately \$4.0 million budgeted for fiscal 2022.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Columbus Stephens, McCormick County Administrator, 610 South Mine Street, McCormick, South Carolina 29835, or visit the County website at www.mccormickcountysc.org.

McCormick County

McCormick, South Carolina

Exhibit 1 - Statement of Net Position

June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 16,615,445	\$ 2,633,234	\$ 19,248,679
Receivables (net):			
Taxes	481,982	-	481,982
Accounts	285,500	550,248	835,748
Intergovernmental receivable	726,665	-	726,665
Internal balances	(251,452)	251,452	-
Restricted cash and cash equivalents	-	720,994	720,994
Capital assets not being depreciated:			
Land	727,094	54,720	781,814
Construction in progress	196,334	-	196,334
Capital assets being depreciated:			
Infrastructure assets	38,868,577	21,637,984	60,506,561
Buildings and improvements	12,877,040	-	12,877,040
Furniture, fixtures, and equipment	6,719,162	764,396	7,483,558
Less accumulated depreciation	(38,374,949)	(12,285,181)	(50,660,130)
Total capital assets, net of depreciation	<u>21,013,258</u>	<u>10,171,919</u>	<u>31,185,177</u>
Total assets	<u>38,871,398</u>	<u>14,327,847</u>	<u>53,199,245</u>
Deferred outflows of resources			
Deferred outflows related to pension	1,824,061	201,187	2,025,248
Total deferred outflows of resources	<u>1,824,061</u>	<u>201,187</u>	<u>2,025,248</u>
Total assets and deferred outflows of resources	<u>\$ 40,695,459</u>	<u>\$ 14,529,034</u>	<u>\$ 55,224,493</u>
Liabilities			
Accounts payable	\$ 205,358	\$ 42,118	\$ 247,476
Accrued wages and benefits	392,399	39,826	432,225
Accrued expenses	300	6,657	6,957
Refundable deposits	-	23,726	23,726
Accrued interest payable	22,964	-	22,964
Long-term liabilities:			
Net pension liability	7,755,937	962,480	8,718,417
Due within one year	1,045,791	114,244	1,160,035
Due in more than one year	3,335,710	1,403,691	4,739,401
Total liabilities	<u>12,758,459</u>	<u>2,592,742</u>	<u>15,351,201</u>
Deferred inflows of resources			
Deferred inflows related to pension	1,501,611	168,288	1,669,899
Total deferred inflows of resources	<u>1,501,611</u>	<u>168,288</u>	<u>1,669,899</u>
Net position			
Net investment in capital assets	18,938,568	8,676,962	27,615,530
Restricted:			
Tourism	187,453	-	187,453
Contingent fund	-	130,604	130,604
Depreciation fund	-	178,912	178,912
Sewage reserve fund	-	246,633	246,633
Debt service	831,021	164,845	995,866
Special revenues	4,839,539	-	4,839,539
Capital activity	243,326	-	243,326
Unrestricted (deficit)	<u>1,395,482</u>	<u>2,370,048</u>	<u>3,765,530</u>
Total net position	<u>26,435,389</u>	<u>11,768,004</u>	<u>38,203,393</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 40,695,459</u>	<u>\$ 14,529,034</u>	<u>\$ 55,224,493</u>

See Notes to Financial Statements

McCormick County
McCormick, South Carolina
Exhibit 2 - Statement of Activities
For the year ended June 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
PRIMARY GOVERNMENT						
Governmental activities						
General government	\$ 3,741,597	\$ 527,465	\$ 2,039,222	\$ 1,298,885	\$ 123,975	\$ 123,975
Cultural and recreation	370,558	-	114,038	-	(256,520)	(256,520)
Health and human services	2,019,145	542,017	52,658	-	(1,424,470)	(1,424,470)
Environment and housing	222,844	-	-	-	(222,844)	(222,844)
Judicial	1,810,034	367,513	2,173,438	-	730,917	730,917
Public safety	3,909,756	775	234,394	-	(3,674,587)	(3,674,587)
Public works and utilities	1,994,721	437,920	5,232	157,647	(1,393,922)	(1,393,922)
Interest and fiscal charges	94,690	-	-	-	(94,690)	(94,690)
Total governmental activities	<u>14,163,345</u>	<u>1,875,690</u>	<u>4,618,982</u>	<u>1,456,532</u>	<u>(6,212,141)</u>	<u>(6,212,141)</u>
Business-type activities						
Water and sewer authority	3,908,181	4,171,314	-	-	\$ 263,133	263,133
Total business-type activities	<u>3,908,181</u>	<u>4,171,314</u>	<u>-</u>	<u>-</u>	<u>263,133</u>	<u>263,133</u>
Total primary government	<u>\$ 18,071,526</u>	<u>\$ 6,047,004</u>	<u>\$ 4,618,982</u>	<u>\$ 1,456,532</u>	<u>(6,212,141)</u>	<u>263,133</u>
GENERAL REVENUES						
Property taxes levied for:						
General purposes					6,915,907	6,915,907
Debt service					536,979	536,979
Accommodations tax					219,833	219,833
Investment income					1,274	8,871
Intergovernmental					1,158,926	1,158,926
Other income					552,647	552,647
Total general revenues					<u>9,385,566</u>	<u>9,393,163</u>
Change in net position					3,173,425	3,444,155
Net position, beginning of year					23,261,964	34,759,238
Net position, end of year					<u>\$ 26,435,389</u>	<u>\$ 38,203,393</u>

See Notes to Financial Statements

McCormick County
McCormick, South Carolina
Exhibit 3 - Balance Sheet
Governmental Funds
June 30, 2022

	General	Debt Service	Special Revenue - Solicitor's Fund	Victims' Service Fund	Capital Projects Sales Tax Fund	Project/Equipment Fund	Covid-Cares Act	Nonmajor Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 6,242,166	\$ 824,548	\$ 4,405,832	\$ 72,115	\$ 1,284,469	\$ 1,039,496	\$ 1,356,815	\$ 1,390,004	\$ 16,615,445
Due from other funds	197,635	67	-	-	-	-	-	-	197,702
Receivables (net):									
Taxes	459,410	22,572	-	-	-	-	-	-	481,982
Accounts	281,845	3,655	-	-	-	-	-	-	285,500
Intergovernmental receivables	368,029	-	-	-	235,996	-	-	122,640	726,665
Total assets	<u>\$ 7,549,085</u>	<u>\$ 850,842</u>	<u>\$ 4,405,832</u>	<u>\$ 72,115</u>	<u>\$ 1,520,465</u>	<u>\$ 1,039,496</u>	<u>\$ 1,356,815</u>	<u>\$ 1,512,644</u>	<u>\$ 18,307,294</u>
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 110,307	\$ -	\$ -	\$ 3,500	\$ -	\$ 1,520	\$ -	\$ 90,031	\$ 205,358
Due to other funds	251,519	-	-	194,031	-	-	-	3,604	449,154
Due to other governments	-	-	-	-	-	-	-	300	300
Accrued expenses	260,103	-	-	-	-	-	-	132,296	392,399
Total liabilities	<u>621,929</u>	<u>-</u>	<u>-</u>	<u>197,531</u>	<u>-</u>	<u>1,520</u>	<u>-</u>	<u>226,231</u>	<u>1,047,211</u>
Deferred inflows of resources									
Unavailable revenue - property taxes	426,591	19,821	-	-	-	-	-	-	446,412
Total deferred inflows of resources	<u>426,591</u>	<u>19,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>446,412</u>
Fund balances									
Restricted	187,453	831,021	4,405,832	-	1,520,465	1,037,976	-	453,386	8,436,133
Committed	-	-	-	-	-	-	1,356,815	867,735	2,224,550
Unassigned (deficit)									
General fund	6,313,112	-	-	-	-	-	-	-	6,313,112
Special revenue fund	-	-	-	(125,416)	-	-	-	(34,708)	(160,124)
Total fund balances (deficits)	<u>6,500,565</u>	<u>831,021</u>	<u>4,405,832</u>	<u>(125,416)</u>	<u>1,520,465</u>	<u>1,037,976</u>	<u>1,356,815</u>	<u>1,286,413</u>	<u>16,813,671</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,549,085</u>	<u>\$ 850,842</u>	<u>\$ 4,405,832</u>	<u>\$ 72,115</u>	<u>\$ 1,520,465</u>	<u>\$ 1,039,496</u>	<u>\$ 1,356,815</u>	<u>\$ 1,512,644</u>	<u>\$ 18,307,294</u>

See Notes to Financial Statements

McCormick County

McCormick, South Carolina

Exhibit 4 - Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2022

Total fund balances - Governmental funds \$ 16,813,671

Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. These assets
consist of:

Land	727,094
Construction in progress	196,334
Infrastructure assets	38,868,577
Buildings and improvements	12,877,040
Furniture, fixtures, and equipment	6,719,162
Accumulated depreciation	<u>(38,374,949)</u>
Total capital assets	<u>21,013,258</u>

Some revenues will be collected after year-end but are not available soon
enough to pay for the current period's expenditures and therefore are
unavailable:

Property taxes	<u>446,412</u>
	<u>446,412</u>

Activity related to deferred outflows and inflows of resources related to pension
is not recorded at the fund level but is included in the Statement of Activities:

Deferred outflows related to pension	1,824,061
Deferred inflows related to pension	<u>(1,501,611)</u>
	<u>322,450</u>

Some liabilities are not due and payable in the current period and therefore
are not reported in the funds. Those liabilities consist of:

Net pension liability	(7,755,937)
General obligation debt	(3,902,068)
Master financing lease payable	(253,708)
Accrued interest	(22,964)
Compensated absences	<u>(225,725)</u>
Total long-term liabilities	<u>(12,160,402)</u>
Net position of governmental activities	<u><u>\$ 26,435,389</u></u>

See Notes to Financial Statements

McCormick County

McCormick, South Carolina

Exhibit 5 - Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2022

	General	Debt Service	Special Revenue - Solicitor's Fund	Victims' Service Fund	Capital Projects Sales Tax Fund	Project/ Equipment Fund	Covid-Cares Act	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Taxes	\$ 6,919,614	\$ 536,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,455,703
Fines, fees, licenses and permits	1,875,690	-	-	-	-	-	-	-	1,875,690
Intergovernmental	1,378,759	-	2,096,906	19,198	904,588	250,000	1,838,077	966,745	7,454,273
Investment income	1,274	-	-	-	-	-	-	-	1,274
Other income	644,413	-	-	-	-	3,234	-	-	647,647
Total revenues	<u>10,819,750</u>	<u>536,089</u>	<u>2,096,906</u>	<u>19,198</u>	<u>904,588</u>	<u>253,234</u>	<u>1,838,077</u>	<u>966,745</u>	<u>17,434,587</u>
Expenditures									
General government	3,031,889	-	-	-	-	-	481,262	-	3,513,151
Cultural and recreation	297,562	-	-	-	-	-	-	3,787	301,349
Health and human services	1,581,498	-	-	10,478	-	-	-	269,769	1,861,745
Environment and housing	222,844	-	-	-	-	-	-	-	222,844
Judicial	676,035	-	1,130,354	-	-	-	-	-	1,806,389
Public safety	3,243,746	-	-	-	-	-	-	429,264	3,673,010
Public works and utilities	922,423	-	-	-	-	-	-	-	922,423
Capital outlay	-	-	-	-	345,574	1,419,218	-	228,349	1,993,141
Debt service:									
Principal retirement	82,212	364,752	-	-	410,000	-	-	-	856,964
Interest and fiscal charges	12,406	43,092	-	-	45,236	-	-	-	100,734
Total expenditures	<u>10,070,615</u>	<u>407,844</u>	<u>1,130,354</u>	<u>10,478</u>	<u>800,810</u>	<u>1,419,218</u>	<u>481,262</u>	<u>931,169</u>	<u>15,251,750</u>
Excess (deficiency) of revenues over (under) expenditures	749,135	128,245	966,552	8,720	103,778	(1,165,984)	1,356,815	35,576	2,182,837
Other financing sources									
Proceeds from debt issuance	335,920	-	-	-	-	-	-	-	335,920
Transfers in	-	-	-	-	-	-	-	1,766	1,766
Transfers out	-	-	-	-	-	-	-	(1,766)	(1,766)
Total other financing sources	<u>335,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,920</u>
Net change in fund balances	1,085,055	128,245	966,552	8,720	103,778	(1,165,984)	1,356,815	35,576	2,518,757
Fund balances (deficit), beginning of year	5,415,510	702,776	3,439,280	(134,136)	1,416,687	2,203,960	-	1,250,837	14,294,914
Fund balances (deficit), end of year	<u>\$ 6,500,565</u>	<u>\$ 831,021</u>	<u>\$ 4,405,832</u>	<u>\$ (125,416)</u>	<u>\$ 1,520,465</u>	<u>\$ 1,037,976</u>	<u>\$ 1,356,815</u>	<u>\$ 1,286,413</u>	<u>\$ 16,813,671</u>

See Notes to Financial Statements

McCormick County

McCormick, South Carolina

Exhibit 6 - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended June 30, 2022

Net change in fund balances - Total government funds	\$ 2,518,757
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds.	
However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	1,840,911
Depreciation expense	<u>(1,714,863)</u>
Excess of capital outlay over depreciation expense	<u>126,048</u>
Loan receivable collections provide current financial resources to government funds; however, collections decrease current assets in the statement of net position. In the current period, collections were received from loan receivables in this amount.	
	<u>(95,000)</u>
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable property tax revenues changed by this amount this year.	
	<u>(2,817)</u>
Notes payable proceeds provide current financial resources to government funds; however, issuing debt increases long-term liabilities in the statement of net position. In the current period, proceeds were received from the issuance of notes payable in this amount.	
	<u>(335,920)</u>
Activity related to deferred outflows and inflows of resources related to pension is not recorded at the fund level but is included in the Statement of Activities:	
Deferred outflows related to pension	56,768
Deferred inflows related to pension	<u>(1,200,776)</u>
Net effect of deferred outflows and inflows related to pension	<u>(1,144,008)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net changes are as follows:	
County's portion of collective pension expense	<u>1,233,068</u>
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consisted of:	
Bond and notes principal retirement	774,752
Master lease principal payments	<u>82,212</u>
Total long-term debt repayment	<u>856,964</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated absences	<u>10,289</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	
Change in net position of governmental activities	<u>6,044</u>
	<u>\$ 3,173,425</u>

See Notes to Financial Statements

McCormick County
McCormick, South Carolina
Exhibit 7 - Statement of Net Position - Proprietary Fund
Water and Sewer Authority
June 30, 2022

Assets	
Current assets	
Cash and cash equivalents	\$ 2,633,234
Due from other funds	251,452
Accounts receivable - net	550,248
Total current assets	<u>3,434,934</u>
Restricted cash and cash equivalents	<u>720,994</u>
Capital assets	
Land	54,720
Infrastructure	21,637,984
Equipment, furniture and fixtures	764,396
Accumulated depreciation	(12,285,181)
Total capital assets	<u>10,171,919</u>
Total assets	<u>14,327,847</u>
Deferred outflows of resources	
Deferred outflows - pension	<u>201,187</u>
Total deferred outflows of resources	<u>201,187</u>
Total assets and deferred outflows of resources	<u>\$ 14,529,034</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Current liabilities	
Accounts payable	\$ 42,118
Current portion of long-term debt	97,010
Accrued payroll	39,826
Accrued expenses	6,657
Accrued compensated absences	17,234
Refundable deposits	23,726
Total current liabilities	<u>226,571</u>
Long term liabilities	
Accrued compensated absences	5,744
Net pension liability	962,480
Notes payable	1,397,947
Total long term liabilities	<u>2,366,171</u>
Total liabilities	<u>2,592,742</u>
Deferred inflows of resources	
Deferred inflows - pension	<u>168,288</u>
Total deferred inflows of resources	<u>168,288</u>
Net position	
Net investment in capital assets	8,676,962
Restricted - contingent fund	130,604
Restricted - depreciation fund	178,912
Restricted - sewage reserve fund	246,633
Restricted - debt service fund	164,845
Unrestricted	2,370,048
Total net position	<u>11,768,004</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 14,529,034</u>

See Notes to Financial Statements

McCormick County*McCormick, South Carolina**Exhibit 8 - Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund**Water and Sewer Authority**For the year ended June 30, 2022*

Operating revenues

User charges	\$ 3,874,577
Miscellaneous	296,737
Total operating revenues	<u>4,171,314</u>

Operating expenses

Salaries and fringe benefits	827,177
Costs of services	2,418,104
Depreciation	598,103
Total operating expenses	<u>3,843,384</u>
Operating income	<u>327,930</u>

Nonoperating revenues (expenses)

Investment income	7,597
Interest expense	(64,797)
Total nonoperating revenues (expenses)	<u>(57,200)</u>
Change in net position	270,730

Net position, beginning of year11,497,274**Net position, end of year**\$ 11,768,004

McCormick County

McCormick, South Carolina

Exhibit 9 - Statement of Cash Flows - Proprietary Fund

Water and Sewer Authority

For the year ended June 30, 2022

Operating activities

Receipts from customers and users	\$ 4,178,532
Payments to suppliers	(2,387,669)
Payments to employees	(807,758)
Payments from other funds	80,156
	<hr/>
Net cash provided by (used for) operating activities	1,063,261

Investing activities

Investment income	7,597
	<hr/>
Net cash provided by (used for) investing activities	7,597

Capital and related financing activities

Acquisition of capital assets	(316,996)
Payments on long-term debt	(92,441)
Interest expense	(65,573)
	<hr/>
Net cash provided by (used for) capital and related financing activities	(475,010)
Net increase (decrease) in cash and cash equivalents	595,848

Cash and cash equivalents, beginning of year 2,758,380

Cash and cash equivalents, end of year \$ 3,354,228

Reconciliation of operating income to net cash provided by operating activities

Operating income (loss)	\$ 327,930
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations	
Depreciation and amortization	598,103
Changes in deferred and accrued amounts	
Accounts receivable	8,294
Due from other funds	80,156
Accounts payable and other accruals	62,303
Deferred outflows of resources	(2,886)
Deferred inflows of resources	(121,830)
Net pension liability	111,191
	<hr/>
Net cash provided by (used for) operating activities	<u><u>\$ 1,063,261</u></u>

See Notes to Financial Statements

McCormick County*McCormick, South Carolina**Exhibit 10 - Statement of Fiduciary Net Position - Fiduciary Funds**June 30, 2022*

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 1,990,098
Property taxes receivable	695,938
Total assets	<u>\$ 2,686,036</u>
Liabilities	
Uncollected taxes	\$ 695,938
Due to other governments/governmental agencies	1,990,098
Total liabilities	<u>2,686,036</u>
Net Position	
Restricted for individuals, organizations, and other governments	-
Total net position	<u>\$ -</u>

See Notes to Financial Statements

McCormick County

McCormick, South Carolina

Exhibit 11 - Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the year ended June 30, 2022

	<u>Custodial Funds</u>
Additions	
Taxes	\$ 5,783,799
Funds from state and participants	11,663,679
Total additions	<u>17,447,478</u>
Deductions	
Taxes and fees paid	5,783,799
Distributions to other governments/governmental agencies	11,663,679
Total deductions	<u>17,447,478</u>
Change in fiduciary net position	-
NET POSITION, BEGINNING OF YEAR	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ -</u></u>

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies

McCormick County (the County) operates under a council-administrator form of government and provides services as authorized by its charter. The school district, city government, and various commissions are separate entities, and their financial statements are not included in this report.

Basis of presentation:

The basic financial statements of McCormick County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements

The statement of net position and the statement of activities display information about the County as a primary government. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund financial statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Note 1. Summary of Significant Accounting Policies, Continued

Measurement focus, basis of accounting, and financial statement presentation:

Government-wide financial statements

The government-wide financial statements are reported using the *economic resources management focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The *Solicitor's special revenue fund* is used to account for the accumulation of resources for, and payment of, expenses related to judicial activities in the office of the Solicitor.

The *Victims' Service special revenue fund* is used to account for the accumulation of resources for, and payment of, expenses related to victims' services provided in the judicial system.

The *Capital Projects Sales Tax fund* is used to account for the accumulation of sales tax collected within the County and remitted to the state then received back from the state that are restricted to improve and construct County capital assets.

The *Project/Equipment fund* is used to account for the accumulation of resources that are restricted to improve and construct County capital assets.

The *Covid-Cares Act fund* is used to account for the accumulation of resources for, and payment of, expenses related to the coronavirus pandemic.

The County reports the following major enterprise fund:

The *Water and Sewer Authority* accounts for the activities of the County's water and sewer operations.

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies, Continued

Measurement focus, basis of accounting, and financial statement presentation, continued:

Additionally, the government reports the following fund types:

Special revenue funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary funds

The agency fund accounts for monies held on behalf of school districts, special districts and other agencies that use the County as a depository, or property taxes that are collected on behalf of the other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Measurement focus:

Government-wide financial statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net position.

Fund financial statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Note 1. Summary of Significant Accounting Policies, Continued

Measurement focus, basis of accounting, and financial statement presentation, continued:

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

Revenues - exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Property taxes levied to finance fiscal year 2022 operations for which there is an enforceable legal claim as of June 30, 2022, but which have not been received within sixty days of year end, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unavailable revenue.

Note 1. Summary of Significant Accounting Policies, Continued

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as committed or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Budget:

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments are approved by the County Administrator. The Council approves any additional appropriations and transfers between departments.

The budget is prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

The County has an appropriated budget for the enterprise funds but is not required to report budgetary comparisons in the financial statements.

As of June 30, 2022, the Sheriff's Jag Grant, EMS Grant, EMS Grant In Aid, Victims' Services special revenue funds and the Recreation Complex PARD Grant capital project fund had deficit fund balances of \$10,263, \$11,633, \$12,781, \$125,416 and \$31, respectively. These deficits will be made up from future operational revenues or transfers from the general fund.

Cash and investments:

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. State statutes authorize the County to invest in:

- (a) Obligations of the United States and agencies thereof;
- (b) General obligations of the State of South Carolina or any of its political units;
- (c) Banks and Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government;

Note 1. Summary of Significant Accounting Policies, Continued

- (d) Certificates of Deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured by securities of the type described in (a) and (b) above, held by a third party as escrow agent, or custodian of a market value, not less than the amount of the certificates or funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
- (e) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian; and
- (f) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), and (e) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Investments are stated at fair value which is normally determined by quoted market prices, unless noted otherwise.

The County Treasurer co-mingles cash and time deposits of some of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected in the overall cash. Interest earned on co-mingled cash is distributed to funds based on their average monthly fund balances for the fiscal year. The purpose of co-mingling funds is to obtain maximum return of interest through the investment of funds considered temporarily surplus. This practice does not apply to certain funds earmarked for specific purposes.

Receivables:

All trade and property taxes receivable are shown net of an allowance for uncollectible accounts based on prior collection experience. Trade accounts receivable consist primarily of emergency medical services receivables for which amounts in excess of ninety days are included in the allowance for uncollectible accounts. The property tax receivable allowance is equal to two percent of outstanding property taxes at June 30, 2022.

Intergovernmental receivable:

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Compensated absences:

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements.

Note 1. Summary of Significant Accounting Policies, Continued

Use of estimates:

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

Interfund transactions:

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Capital assets:

Capital assets, which include property, plant equipment and infrastructure assets (roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Infrastructure and system capacity rights	35 to 50 years
Building and improvements	15 to 30 years
Equipment, furniture and fixtures	5 to 10 years

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources until then. The government has two items that qualifies for reporting in this category. The first item is the deferred charge on refunding reported in the proprietary funds statement of net position and the government-wide business type activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the change in net pension liability not included in pension expense, which may be reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources.

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies, Continued

Deferred outflows/inflows of resources, continued:

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The first item is *unavailable revenue*, which arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second item in this category is the change in net pension liability not included in pension expense as discussed in the above paragraph.

Net position/fund balance:

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is self-imposed limitations imposed at the highest level of decision making authority. Assigned fund balances is a limitation imposed by a designee of the County. Unassigned fund balance in the governmental funds is the net resources in excess of what can be properly classified in one of the above four categories.

The County Council is the County's highest level of decision making. The County Council can establish, modify or rescind a fund balance commitment through adoption of an ordinance. The County Administrator has the authority to assign fund balance amounts to a specific purpose. The County Administrator is appointed by, and serves at the pleasure of, the County Council.

The County considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used, and the County considers the expenditures to be used in this respective order.

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 fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. 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.

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies, Continued

Reporting entity:

McCormick County, South Carolina – the primary government – is a political subdivision of the State of South Carolina. Component units are legally separate entities that meet one of the following criteria: (1) the County appoints a voting majority of the board of the entity and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the County, or (3) the financial statements would be misleading if data from the entity were not included.

Certain significant political subdivisions of the County, including the school district, have the authority to hire and terminate employees, establish their own operating budgets and enter into their own legally binding contracts. It has been determined that the County does not have significant influence over their operations. As these entities have the authority to borrow funds, establish their own budgets and are responsible for funding their own deficits, it is construed that the County does not have accountability for their fiscal matters. Accordingly, they have been determined not to be component units and therefore are excluded from the County's financial statements.

Note 2. Deposits and Investments

Deposits:

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

At June 30, 2022, the carrying amount of the County's deposits was \$21,236,002 and the bank balance was \$21,193,004. All of the County's deposits at year-end were covered by Federal Depository Insurance Corporation insurance or collateral held in the pledging financial institutions' trust departments in the County's name. Deposits above also included amounts held by the State of South Carolina Treasurer's Office in the local government investment pool in the amount of \$2,623,447. Petty cash totaled \$2,775 at June 30, 2022.

Interest rate risk:

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk:

The County has no investment policy that would further limit its investment choices other than state law.

Concentration of credit risk:

The County places no limit on the amount the County may invest in any one issuer.

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 3. Property Taxes

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31 of the calendar year preceding the fiscal year. The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax plus collection cost

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period.

The County bills and collects its own property taxes, and also collects taxes for the Special Service Districts and the School District. Collections of the County taxes and remittance of them to the Districts are accounted for in the fiduciary funds.

Unavailable revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures. Property taxes receivable as of year-end for the government's individual major funds and agency funds including the applicable allowance for uncollectible accounts are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Agency</u>
Property taxes receivable	\$ 468,786	\$ 23,033	\$ 710,149
Less: Allowance	(9,376)	(461)	(14,211)
Net taxes receivable	<u>\$ 459,410</u>	<u>\$ 22,572</u>	<u>\$ 695,938</u>

Note 4. Capital Assets

Governmental capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2022</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 727,094	\$ -	\$ -	\$ -	\$ 727,094
Construction in progress	1,781,519	1,515,356	-	(3,100,541)	196,334
Total capital assets at historical cost not being depreciated	<u>\$ 2,508,613</u>	<u>\$ 1,515,356</u>	<u>\$ -</u>	<u>\$ (3,100,541)</u>	<u>\$ 923,428</u>
Capital assets being depreciated					
Infrastructure	\$ 38,868,577	\$ -	\$ -	\$ -	\$ 38,868,577
Building and improvements	9,727,947	48,552	-	3,100,541	12,877,040
Furniture, fixtures and equipment	6,442,159	277,003	-	-	6,719,162
Total capital assets at historical cost being depreciated	<u>55,038,683</u>	<u>325,555</u>	<u>-</u>	<u>3,100,541</u>	<u>58,464,779</u>
Less accumulated depreciation for					
Infrastructure	(26,845,787)	(1,053,721)	-	-	\$ (27,899,508)
Building and improvements	(4,543,276)	(391,583)	-	-	(4,934,859)
Furniture, fixtures and equipment	(5,271,023)	(269,559)	-	-	(5,540,582)
Total accumulated depreciation	<u>(36,660,086)</u>	<u>(1,714,863)</u>	<u>-</u>	<u>-</u>	<u>(38,374,949)</u>
Total capital assets being depreciated, net	<u>18,378,597</u>	<u>(1,389,308)</u>	<u>-</u>	<u>3,100,541</u>	<u>20,089,830</u>
Governmental activities capital assets, net	<u>\$ 20,887,210</u>	<u>\$ 126,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,013,258</u>

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 4. Capital Assets, Continued

Depreciation expense was charged to functions as follows:

General government	\$ 175,565
Cultural and recreation	69,209
Health and human services	157,400
Judicial	3,645
Public safety	236,746
Public works	<u>1,072,298</u>
Total governmental activities depreciation expense	<u>\$ 1,714,863</u>

Business-type capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
Business-type activities					
Capital assets not being depreciated					
Land	\$ 54,720	\$ -	\$ -	\$ -	\$ 54,720
Construction in progress	-	-	-	-	-
Total capital assets at historical cost not being depreciated	<u>\$ 54,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,720</u>
Capital assets being depreciated					
Water and sewer system	\$ 16,205,913	\$ 173,476	\$ -	\$ -	\$ 16,379,389
Sewer system capacity rights	5,240,188	18,407	-	-	5,258,595
Equipment, furniture and fixtures	639,283	125,113	-	-	764,396
Total capital assets at historical cost being depreciated	<u>22,085,384</u>	<u>316,996</u>	<u>-</u>	<u>-</u>	<u>22,402,380</u>
Accumulated depreciation	<u>(11,687,079)</u>	<u>(598,102)</u>	<u>-</u>	<u>-</u>	<u>(12,285,181)</u>
Total capital assets being depreciated, net	<u>10,398,305</u>	<u>(281,106)</u>	<u>-</u>	<u>-</u>	<u>10,117,199</u>
Business-type activities capital assets, net	<u>\$ 10,453,025</u>	<u>\$ (281,106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,171,919</u>

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 5. Long-term Debt

Governmental bonds and notes payable at June 30, 2022 are comprised of the following individual issuances:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts due within one year
General obligation bonds					
\$1,500,000 General obligation bond due in annual installments of \$132,657 for principal and interest through December 2023, interest at 3.76%	\$ 369,820	\$ -	\$ 118,752	\$ 251,068	\$ 123,217
\$2,500,000 General obligation bond due in annual installments of \$455,000 for principal and interest through April 2025, interest at 2.65%	1,707,000	-	410,000	1,297,000	421,000
\$2,600,000 General obligation bond due in annual installments of \$275,500 for principal and interest through June 2031, interest at 1.19%	2,600,000	-	246,000	2,354,000	249,000
\$335,920 capital lease due in annual installments of \$87,157 for principal and interest through July 2024, interest at 1.54%	-	335,920	82,212	253,708	83,280
Total general obligation bonds and notes payable	<u>\$ 4,676,820</u>	<u>\$ 335,920</u>	<u>\$ 856,964</u>	<u>\$ 4,155,776</u>	<u>\$ 876,497</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments, are as follows:

June 30,	Principal	Interest	Total
2023	\$ 876,497	\$ 74,249	\$ 950,746
2024	896,414	54,196	950,610
2025	784,865	33,621	818,486
2026	258,000	17,481	275,481
2027	262,000	14,387	276,387
2028-2032	<u>1,078,000</u>	<u>25,836</u>	<u>1,103,836</u>
	<u>\$ 4,155,776</u>	<u>\$ 219,770</u>	<u>\$ 4,375,546</u>

Enterprise fund bonds and notes payable at June 30, 2022 are comprised of the following:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts due within one year
Revenue improvement bonds payable					
\$1,042,300 revenue improvement bond due in monthly installments of \$4,858 for principal and interest through November 2041, interest at 4.75%	\$ 760,946	\$ -	\$ 22,635	\$ 738,311	\$ 23,734
\$607,521 USDA Rural Development revenue bond due in monthly installments of \$2,672 for principal and interest through October 2049, interest at 4.125%	530,740	-	10,181	520,559	10,609
\$1,475,000 refunding revenue bond due variable annual installments with semi-annual interest payments through February 2027, interest at 2.75%	261,000	-	58,000	203,000	61,000
	<u>1,552,686</u>	<u>-</u>	<u>90,816</u>	<u>1,461,870</u>	<u>95,343</u>
Notes payable					
\$52,220 Note payable to South Carolina Budget and Control Board, due in monthly installments of \$206 for principal and interest through July 2038, interest at 2.50%	34,712	-	1,625	33,087	1,667
Total revenue improvement bonds and notes payable	<u>\$ 1,587,398</u>	<u>\$ -</u>	<u>\$ 92,441</u>	<u>\$ 1,494,957</u>	<u>\$ 97,010</u>

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 5. Long-term Debt, Continued

The annual requirements to amortize all revenue improvement bonds and notes payable outstanding as of June 30, 2022, including interest payments, are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 97,010	\$ 62,408	\$ 159,418
2024	73,650	59,092	132,742
2025	72,422	56,385	128,807
2026	76,162	53,654	129,816
2027	80,040	50,814	130,854
2028-2032	246,561	217,618	464,179
2033-2037	306,909	155,758	462,667
2038-2042	341,869	78,154	420,023
2043-2047	131,470	28,850	160,320
2048-2052	68,864	3,562	72,426
	<u>\$ 1,494,957</u>	<u>\$ 766,295</u>	<u>\$ 2,261,252</u>

Debt limit:

In accordance with the South Carolina Constitution, the County is allowed to incur general obligation (general purpose) bonded indebtedness in an amount not exceeding eight percent, approximately \$4,089,000 of the assessed value of all taxable property of the County. The County's outstanding bonded debt of approximately \$2,605,000 subject to this restriction is below the limit by approximately \$1,484,000 based on total assessed values of approximately \$51,111,000.

The general obligation bonds are secured by a pledge of the full faith, credit and taxing power of the County.

Changes in long-term liabilities:

The following is a summary of changes in long-term liabilities of the County for the year ended June 30, 2022:

	<u>Bonds and notes payable</u>		<u>Enterprise</u>	<u>Governmental</u>
	<u>Enterprise</u>	<u>Governmental</u>	<u>funds</u>	<u>funds</u>
	<u>fund</u>	<u>funds</u>	<u>annual leave</u>	<u>annual leave</u>
Payable at July 1, 2021	\$ 1,587,398	\$ 4,676,820	\$ 25,367	\$ 236,014
Amounts incurred	-	335,920	40,843	234,910
Amounts retired	(92,441)	(856,964)	(43,232)	(245,199)
Payable at June 30, 2022	<u>\$ 1,494,957</u>	<u>\$ 4,155,776</u>	<u>\$ 22,978</u>	<u>\$ 225,725</u>
Amounts due				
within one year	<u>\$ 97,010</u>	<u>\$ 876,497</u>	<u>\$ 17,234</u>	<u>\$ 169,294</u>

Note 6. Interfund Receivables and Payables

The balances of interfund receivables and payables at June 30, 2022, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Major Governmental	\$ 194,031
General	Nonmajor Governmental	3,604
Debt Service	General	67
Enterprise	General	251,452
		<u>\$ 449,154</u>

Note 6. Interfund Receivables and Payables, Continued

All of the above balances are scheduled to be collected in the subsequent year with the exception of the balance between the enterprise and general fund. This balance is expected to be collected over a five-year period. The balances at June 30, 2022, resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Note 7. Transfers In and Out

During the course of normal operations, the County has transactions between funds to provide services, purchase assets, service debt, etc. These transactions are generally reflected as transfers and consisted of the following:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Nonmajor governmental	Nonmajor governmental	\$ <u>1,766</u>
		\$ <u>1,766</u>

Note 8. Pension Plans

Description of the Entity:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ (the “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 a Comprehensive Annual Financial Report containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The Comprehensive Annual Financial Report is publicly available through the 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 considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 8. Pension Plans, Continued

Plan descriptions:

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

The 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.

Membership:

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

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

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; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

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

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 8. Pension Plans, Continued

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

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

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

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

Contributions:

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

Note 8. Pension Plans, Continued

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

- Required **employee** contribution rates for fiscal year 2022 are as follows:

SCRS

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

PORS

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

- Required **employer** contributions for fiscal year 2022 are as follows:

SCRS

Employer Class Two	16.41% of earnable compensation
Employer Class Three	16.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	18.84% of earnable compensation
Employer Class Three	18.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

Contributions to the SCRS and PORS pension plans from the County were \$582,408 and \$314,774, respectively, for the year ended June 30, 2022.

Net Pension Liability:

At June 30, 2022, the County reported a liability of \$6,266,888 and \$2,451,529 for its proportionate share of the SCRS and PORS net pension liability (“NPL”), respectively. The NPL was measured as of June 30, 2021, and the total pension liability (“TPL”) used to calculate the NPL was determined by an actuarial valuation as July 1, 2020 and projected forward. The County’s proportionate share of the NPL was based on a projection of the County’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2021 measurement date, the County’s proportionate share of the SCRS and PORS plans were .02896% and .09528%, respectively.

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 8. Pension Plans, Continued

Non-employer Contributions:

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2020, 2021 and 2022. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2021 measurement period, PEBA provided non-employer contributions to the County in the amount of \$36,034 which is shown as a reduction of net pension liability and other grant revenue in the government-wide financial statements the year ended June 30, 2022 which are presented on the economic resources measurement focus and accrual basis of accounting.

Pension expense:

For the year ended June 30, 2022, the County recognized pension expense for the SCRS and PORS plans of \$502,419 and \$313,457, respectively.

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 106,749	\$ 8,458
Changes of assumptions	343,029	-
Net difference between projected and actual earnings on pension plan investments	-	910,348
Changes in proportion and differences between County contributions and proportionate share of contributions	314,715	193,837
County contributions subsequent to the measurement date	<u>582,408</u>	<u>-</u>
Total	<u>\$ 1,346,901</u>	<u>\$ 1,112,643</u>
	<u>PORS</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 83,399	\$ 7,635
Changes of assumptions	174,855	-
Net difference between projected and actual earnings on pension plan investments	-	549,621
Changes in proportion and differences between County contributions and proportionate share of contributions	105,319	-
County contributions subsequent to the measurement date	<u>314,774</u>	<u>-</u>
Total	<u>\$ 678,347</u>	<u>\$ 557,256</u>

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 8. Pension Plans, Continued

The \$582,408 and \$314,774 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2022 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2023.

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

<u>Year ended June 30:</u>	<u>SCRS</u>
2023	\$ (6,068)
2024	(12,059)
2025	10,619
2026	<u>(340,642)</u>
	<u>\$ (348,150)</u>
<u>Year ended June 30:</u>	<u>PORS</u>
2023	\$ 19,840
2024	8,105
2025	(29,264)
2026	<u>(192,364)</u>
	<u>\$ (193,683)</u>

Actuarial assumptions and methods:

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

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

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 8. Pension Plans, Continued

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

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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 June 30, 2021, TPL 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%

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB No. 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2021 are:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%
PORS	8,684,586,488	6,111,672,064	2,572,914,424	70.4%

The TPL is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the System’s 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 Nos. 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

McCormick County
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Notes to Financial Statements
June 30, 2022

Note 8. Pension Plans, Continued

Long-term expected rate of return:

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and a 2.25% inflation component.

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total Expected Real Return	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.43%

Discount rate:

The discount rate used to measure the TPL was 7.00%. 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 collective NPL of the County calculated using the discount rate of 7.00%, as well as what the employer’s NPL would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$8,208,843	\$6,266,888	\$4,652,721
PORS	\$3,556,854	\$2,451,529	\$1,546,098

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 8. Pension Plans, Continued

Additional financial and actuarial information:

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2021, and the accounting valuation report as of June 30, 2021. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' Comprehensive Annual Financial Report.

Note 9. Employee Benefits

Deferred compensation plan:

The County employees may participate in the 457 and/or 401(k) deferred compensation plans, which are available to state and local governmental employees and administered by a state approved nongovernmental third party. The plans, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plans are not available to employees until termination, retirement, death or unforeseeable emergency.

South Carolina Deferred Compensation Program, c/o Great West Retirement Services, 8515 East Orchard Road, Greenwood Village, CO 80111 (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to County and component unit employees at their option.

Note 10. Commitments and Contingent Liabilities

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2022, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Note 11. Litigation

There are several pending lawsuits in which the County is involved. The County attorney estimates that the potential claims against the County resulting from such litigation, not covered by insurance, if any, would not materially affect the financial statements of the County.

Note 12. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the County carries insurance through the South Carolina Counties Property and Liability Trust. For employee dental, health and medical insurance, the County is self-insured. All full-time employees are covered and they may elect to purchase dependent coverage.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

McCormick County
McCormick, South Carolina
Notes to Financial Statements
June 30, 2022

Note 13. Fund Balances / Net Position

Amounts for specific purposes by Fund and Fund balance classifications for the year ended June 30, 2022 were as follows:

	General fund	Debt service	Special revenue solicitor's fund	Victims' service fund	Capital projects sales tax fund	Project/Equipment fund	Covid-Cares Act	Nonmajor governmental funds	Total
Fund balances									
Restricted for									
Debt service	\$ -	\$ 831,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,021
Special revenue - public safety	-	-	-	-	-	-	-	202,983	202,983
Special revenue - public works	-	-	-	-	-	-	-	24,522	24,522
Special revenue - health and human services	-	-	-	-	-	-	-	120,160	120,160
Special revenue - general government	-	-	-	-	-	-	-	26,057	26,057
Special revenue - judicial	-	-	4,405,832	-	-	-	-	-	4,405,832
Capital outlay	-	-	-	-	1,520,465	1,037,976	-	19,679	2,578,120
Cultural and recreation	187,453	-	-	-	-	-	-	59,985	247,438
Committed									
Capital outlay	-	-	-	-	-	-	1,356,815	867,735	2,224,550
Unassigned (deficit)	6,313,112	-	-	(125,416)	-	-	-	(34,708)	6,152,988
Total fund balances	<u>\$ 6,500,565</u>	<u>\$ 831,021</u>	<u>\$ 4,405,832</u>	<u>\$ (125,416)</u>	<u>\$ 1,520,465</u>	<u>\$ 1,037,976</u>	<u>\$ 1,356,815</u>	<u>\$ 1,286,413</u>	<u>\$ 16,813,671</u>

Net position represents the difference between assets and liabilities.

	Governmental	Business-type
Total capital assets, net	\$ 21,013,258	\$ 10,171,919
Less: Bonds and notes payable, net	(4,409,484)	(1,494,957)
Add: Unspent bond proceeds	2,334,794	-
Net investment in capital assets	<u>18,938,568</u>	<u>8,676,962</u>
Restricted for tourism	187,453	-
Restricted for public safety	202,983	-
Restricted for public works	24,522	-
Restricted for health and human services	120,160	-
Restricted for general government	26,057	-
Restricted for judicial	4,405,832	-
Restricted for cultural and recreation	59,985	-
Restricted contingent fund	-	130,604
Restricted depreciation fund	-	178,912
Restricted sewage reserve fund	-	246,633
Restricted for debt service	831,021	164,845
Restricted for capital activity	2,578,120	-
Less: Unspent bond proceeds	(2,334,794)	-
Restricted	<u>6,101,339</u>	<u>720,994</u>
Unrestricted (deficit)	<u>1,395,482</u>	<u>2,370,048</u>
Total net position	<u>\$ 26,435,389</u>	<u>\$ 11,768,004</u>

McCormick County

McCormick, South Carolina

Notes to Financial Statements

June 30, 2022

Note 14. Novel Coronavirus (COVID-19)

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the County’s and its customers’ costs, demand for the County’s products and services, and the U.S. economy. These conditions could adversely affect the County’s business, financial condition, and results of operations. Further, COVID-19 may result in health or other government authorities requiring the closure of the County’s operations or other businesses of the County’s customers and suppliers, which could significantly disrupt the County’s operations and the operations of the County’s customers. The extent of the adverse impact of the COVID-19 outbreak on the County cannot be predicted at this time.

Note 15. Subsequent Events

In preparing these financial statements, the County’s management has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor’s report, the date the financial statements were available for issuance.

McCormick County*McCormick, South Carolina**Exhibit 12 - Schedule of Revenues and Other Financing Sources - Budget to Actual**General Fund**For the year ended June 30, 2022*

	Budget - original and final	Actual	Variance
Revenues			
Taxes			
Property taxes - real/current	\$ 5,334,374	\$ 4,620,768	\$ (713,606)
Property taxes - current delinquent	230,000	53,327	(176,673)
Property taxes - vehicles	461,000	754,673	293,673
Merchant's inventory tax	8,321	8,322	1
Homestead exemption	435,000	457,368	22,368
Motor carrier taxes	115,000	338,276	223,276
Local option sales tax	150,000	196,183	46,183
Local option sales tax - rollback	375,000	490,697	115,697
Total taxes	7,108,695	6,919,614	(189,081)
Fines, fees, licenses and permits			
Solid waste fee	415,200	437,920	22,720
Clerk of Court - fines/fees	2,500	1,364	(1,136)
Family Court - fines/fees	103,000	257,667	154,667
Magistrate fines	70,000	71,398	1,398
Probate Judge fees	30,000	37,084	7,084
Sheriff fees	1,200	775	(425)
BOTE - Tax Assessor's fees	1,500	228	(1,272)
Tax collection fees	2,000	1,645	(355)
Building permits	145,000	445,740	300,740
Mobile home permits	2,500	9,307	6,807
Copies	100	192	92
Franchise fee	69,000	70,353	1,353
EMS fees	500,000	542,017	42,017
Total fines, fees, licenses and permits	1,342,000	1,875,690	533,690
Investment and other income			
FLC tax sale interest	5,000	1,274	(3,726)
FLC tax sales	8,000	38,055	30,055
Recreation	3,500	2,960	(540)
McCormick School District - SRO	30,000	45,443	15,443
Other local revenues	15,000	509,829	494,829
Insured Investment Account	-	17,567	17,567
Rent - Carolina Health Center	12,708	12,708	-
Rent - water and sewer	17,400	17,400	-
Solicitor's worthless check disbursements	500	451	(49)
Total investment and other income	92,108	645,687	553,579

McCormick County*McCormick, South Carolina**Exhibit 12 - Schedule of Revenues and Other Financing Sources - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	Budget - original and final	Actual	Variance
Revenues, Continued			
Intergovernmental - State			
Local government fund	458,002	363,184	(94,818)
Vital records fees	200	-	(200)
Accommodations tax	110,000	219,833	109,833
Election commission reimbursement	44,030	10,589	(33,441)
Manufacturing tax exemption	25,000	5,263	(19,737)
Veteran's Affairs	4,700	5,661	961
Salary supplement - Sheriff	1,575	1,575	-
Salary supplement - Coroner	1,575	1,575	-
Salary supplement - Clerk of Court	1,575	1,575	-
Salary supplement - Probate Judge	1,575	1,575	-
Total intergovernmental - State	648,232	610,830	(37,402)
Intergovernmental - Federal			
National forests funds	65,000	61,569	(3,431)
Emergency Management Assistance	5,000	-	(5,000)
Bureau of Land Management	30,000	194,118	164,118
Federal Financial Participation	24,900	11,070	(13,830)
Flood Control	34,000	16,889	(17,111)
Federal - other	-	484,283	484,283
Total intergovernmental - Federal	158,900	767,929	609,029
Total revenues	9,349,935	10,819,750	1,469,815
Other financing sources			
Proceeds from debt issuance	-	335,920	335,920
Total other financing sources	-	335,920	335,920
Total revenues and other financing sources	\$ 9,349,935	\$ 11,155,670	\$ 1,805,735

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
GENERAL GOVERNMENT			
COUNTY COUNCIL			
Salaries/Fringes	\$ 59,683	\$ 61,304	\$ (1,621)
Printing & Office Supplies	2,500	1,955	545
Special Projects	10,000	14,062	(4,062)
Training	5,500	6,300	(800)
Travel	13,000	14,677	(1,677)
Total County Council	<u>90,683</u>	<u>98,298</u>	<u>(7,615)</u>
ADMINISTRATION			
Salaries/Fringes	195,759	197,634	(1,875)
Printing & Office Supplies	2,500	316	2,184
Telephone	8,100	8,861	(761)
Travel, Lodging & Mileage	6,400	10,203	(3,803)
Legal Services	35,000	40,770	(5,770)
Advertising	2,500	1,818	682
Training	3,000	3,710	(710)
Maintenance Contracts	2,500	1,047	1,453
Special Projects	87,788	71,324	16,464
Total Administration	<u>343,547</u>	<u>335,683</u>	<u>7,864</u>
FINANCE			
Salaries/Fringes	186,540	195,017	(8,477)
Professional Services	21,000	18,311	2,689
Data Processing	8,200	6,772	1,428
Printing & Office Supplies	4,000	4,261	(261)
Dues & Subscriptions	200	165	35
Travel	2,500	1,663	837
Training	1,000	355	645
Machinery/Equipment	600	332	268
Total Finance	<u>224,040</u>	<u>226,876</u>	<u>(2,836)</u>
SUPPLEMENTAL			
Electricity	160,000	206,473	(46,473)
Contract Lawn Maintenance	86,130	94,350	(8,220)
Unemployment Compensation	7,000	-	7,000
Workers Compensation	125,000	103,459	21,541
Bonds	6,600	6,539	61
Planning Commission	1,000	785	215
Property & Liability Insurance	217,500	217,736	(236)
Copiers & Postage Machine Maintenance	22,536	25,644	(3,108)
IT Support	46,692	41,593	5,099
Grants Local Match	10,000	-	10,000
Security	37,000	34,441	2,559
Web Design/Economic Development	1,500	879	621
CMS Maintenance/Support	36,000	36,000	-
GIS Support	6,000	6,000	-
Total Supplemental	<u>762,958</u>	<u>773,899</u>	<u>(10,941)</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
GENERAL GOVERNMENT, Continued			
TREASURER			
Salaries/Fringes	124,761	129,511	(4,750)
Bank Service Fees	3,000	5,397	(2,397)
Data Processing	45,000	29,259	15,741
Printing & Office Supplies	2,000	2,813	(813)
Telephone	2,004	1,468	536
Dues & Subscriptions	250	80	170
Travel, Lodging & Mileage	2,352	472	1,880
Training	925	-	925
Machinery/Equipment	1,800	-	1,800
Total Treasurer	<u>182,092</u>	<u>169,000</u>	<u>13,092</u>
AUDITOR			
Salaries/Fringes	83,033	85,282	(2,249)
Data Processing	60,000	45,603	14,397
Printing & Office Supplies	1,500	940	560
Telephone	1,360	978	382
Dues & Memberships	100	50	50
Travel, Lodging & Mileage	2,200	2,087	113
Training	800	225	575
Total Auditor	<u>148,993</u>	<u>135,165</u>	<u>13,828</u>
TAX ASSESSOR			
Salaries/Fringes	231,301	244,029	(12,728)
Data Processing	18,500	10,043	8,457
Printing & Office Supplies	2,000	1,503	497
Telephone	2,800	2,727	73
Travel, Lodging & Mileage	2,000	1,774	226
Training	2,220	1,315	905
Contract Support	8,400	7,980	420
Total Tax Assessor	<u>267,221</u>	<u>269,371</u>	<u>(2,150)</u>
REGISTRATION			
Salaries/Fringes	113,711	131,474	(17,763)
Printing & Office Supplies	1,500	1,322	178
Telephone	1,872	1,681	191
Travel, Lodging & Mileage	11,000	9,781	1,219
Maintenance Contracts	13,937	14,067	(130)
Contract Support	2,500	-	2,500
Poll Workers	19,680	35,635	(15,955)
Election Expenses	8,935	8,148	787
Machinery/Equipment	2,000	-	2,000
Total Registration	<u>175,135</u>	<u>202,108</u>	<u>(26,973)</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
GENERAL GOVERNMENT, Continued			
BUILDING MAINTENANCE COSTS			
Salaries/Fringes	189,397	193,861	(4,464)
Maintenance	65,000	33,819	31,181
Janitor Supplies	22,000	7,484	14,516
Maintenance Heat & Air	30,000	32,600	(2,600)
Detention Center Maintenance	10,000	28,921	(18,921)
Courthouse Special Maintenance	10,000	11,412	(1,412)
Total Building Maintenance Costs	<u>326,397</u>	<u>308,097</u>	<u>18,300</u>
OPERATIONS, MAINTENANCE & CONTRACTS			
Postage	20,000	12,117	7,883
Total Operations, Maintenance & Contracts	<u>20,000</u>	<u>12,117</u>	<u>7,883</u>
CONTRIBUTIONS			
McCormick Senior Center	21,150	21,150	-
Literacy Association	8,910	8,910	-
McCormick Arts Council	20,925	20,925	-
McCormick Chamber of Commerce	21,150	21,150	-
GLEAMNS	5,400	5,400	-
McCormick Gold Rush	4,500	4,500	-
Golden Harvest Food Bank	450	450	-
FD - Clarks Hill	9,200	9,200	-
FD - McCormick	9,200	9,200	-
FD - Modoc	9,200	9,200	-
FD - Parksville	9,200	9,200	-
FD - Plum Branch	9,200	5,000	4,200
FD - Sandy Branch	9,200	9,200	-
FD - Troy	3,200	3,200	-
FD - Little River	9,200	9,200	-
FD - Bethia	5,200	5,200	-
McCormick Historical Commission	1,000	1,000	-
Beckman Mental Health Center	6,885	6,885	-
Clemson Extension Service & 4-H	14,400	14,400	-
County Health Department	5,670	5,670	-
McCormick Soil/Water	720	720	-
Burton Center for Disabilities	12,000	12,000	-
Piedmont Technical College - Operations	85,130	85,130	-
Public Defender	21,000	21,000	-
Solicitor	85,990	85,990	-
SC Association of Counties	5,825	5,825	-
Upper Savannah COG	6,624	6,624	-
Department of Juvenile Justice	1,399	1,399	-
McCormick Humane Society	2,000	2,000	-
McCormick Dive Team	900	900	-
Total Contributions	<u>404,828</u>	<u>400,628</u>	<u>4,200</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
GENERAL GOVERNMENT, Continued			
ECONOMIC DEVELOPMENT			
Salaries/Fringes	67,667	72,641	(4,974)
Printing & Office Supplies	800	670	130
Dues & Memberships	700	1,225	(525)
Travel, Lodging & Mileage	5,000	2,332	2,668
Economic Dev Partnership	20,000	20,000	-
Special projects	2,000	3,324	(1,324)
Total Economic Development	<u>96,167</u>	<u>100,647</u>	<u>(4,480)</u>
Total General Government	<u>3,042,061</u>	<u>3,031,889</u>	<u>10,172</u>
DEBT SERVICE			
Lease Purchase	-	82,212	(82,212)
Interest Expense	7,461	12,406	(4,945)
Total Debt Service	<u>7,461</u>	<u>94,618</u>	<u>(87,157)</u>
CULTURAL & RECREATION			
LIBRARY			
Salaries/Fringes	116,699	126,517	(9,818)
Operations	19,573	20,893	(1,320)
Total Library	<u>136,272</u>	<u>147,410</u>	<u>(11,138)</u>
RECREATION			
Salaries/Fringes	119,444	89,785	29,659
Operations	28,000	31,967	(3,967)
Printing & Office Supplies	200	-	200
Telephone	1,500	2,696	(1,196)
Maintenance-Recreation Bldgs	27,500	23,588	3,912
Janitorial Supplies	900	1,127	(227)
Maintenance/Chemicals	900	989	(89)
Total Recreation	<u>178,444</u>	<u>150,152</u>	<u>28,292</u>
Total Cultural & Recreation	<u>314,716</u>	<u>297,562</u>	<u>17,154</u>
HEALTH & HUMAN SERVICES			
VETERAN'S AFFAIRS			
Salaries/Fringes	37,051	40,998	(3,947)
Contingency	300	-	300
Printing & Office Supplies	1,050	680	370
Computer Maintenance	750	500	250
Telephone	1,300	1,152	148
Dues & Memberships	180	180	-
Travel, Lodging & Mileage	4,200	5,194	(994)
Training	600	400	200
Machinery/Equipment	200	98	102
Total Veteran's Affairs	<u>45,631</u>	<u>49,202</u>	<u>(3,571)</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
HEALTH & HUMAN SERVICES, Continued			
EMS			
Salaries/Fringes	1,365,538	1,124,573	240,965
Operations	4,500	5,116	(616)
Medical Control Physical	8,500	8,500	-
Fee Collection	30,000	25,760	4,240
Printing & Office Supplies	3,000	3,419	(419)
Uniforms	7,650	4,642	3,008
Ambulance Supplies	65,000	45,249	19,751
Telephone	13,600	16,973	(3,373)
Gasoline	35,000	45,226	(10,226)
Vehicle Operations	28,000	18,423	9,577
Travel, Lodging & Mileage	6,000	403	5,597
Training	6,000	2,320	3,680
Special Projects	500	-	500
Blood Borne Pathogens	2,000	1,798	202
OSHA Physicals	2,500	-	2,500
Ladder Test	150	-	150
Maintenance Contracts	36,479	39,007	(2,528)
Radio Repairs/Upgrades	2,000	2,913	(913)
Emergency Relief	300	369	(69)
SCBA Flow Test	200	420	(220)
Disaster Drill	500	-	500
Protective Equipment	5,000	4,185	815
First Responder Equipment	1,000	-	1,000
Machinery/Equipment	142,430	147,823	(5,393)
Total EMS	<u>1,765,847</u>	<u>1,497,119</u>	<u>268,728</u>
INDIGENT CARE			
Operations	11,917	11,917	-
Total Indigent Care	<u>11,917</u>	<u>11,917</u>	<u>-</u>
SOCIAL SERVICES			
Electricity	12,500	19,328	(6,828)
Telephone	3,800	2,634	1,166
Maintenance & Cleaning	1,500	1,298	202
Emergency Care	5,400	-	5,400
Total Social Services	<u>23,200</u>	<u>23,260</u>	<u>(60)</u>
Total Health & Human Services	<u>1,846,595</u>	<u>1,581,498</u>	<u>265,097</u>
ENVIRONMENT & HOUSING			
BUILDING DEPARTMENT			
Salaries/Fringes	211,364	215,639	(4,275)
Printing & Office Supplies	2,000	795	1,205
Telephone	600	1,200	(600)
Travel, Lodging & Mileage	2,000	2,593	(593)
Training	2,000	1,382	618
Machinery/Equipment	1,200	1,235	(35)
Total Building Department	<u>219,164</u>	<u>222,844</u>	<u>(3,680)</u>
Total Environment & Housing	<u>219,164</u>	<u>222,844</u>	<u>(3,680)</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
JUDICIAL			
CLERK OF COURT			
Salaries/Fringes	90,582	79,958	10,624
Data Processing	15,000	9,450	5,550
Printing & Office Supplies	4,000	3,199	801
Telephone	5,000	5,695	(695)
Travel, Lodging & Mileage	5,000	5,194	(194)
Court Expense	14,000	12,439	1,561
Special Project	2,000	1,358	642
Deed Books	10,000	9,100	900
Total Clerk of Court	<u>145,582</u>	<u>126,393</u>	<u>19,189</u>
MAGISTRATE			
Salaries/Fringes	200,373	210,278	(9,905)
Printing & Office Supplies	1,500	1,484	16
Telephone	3,300	3,167	133
Travel, Lodging & Mileage	6,000	6,341	(341)
Court Expenses	12,000	14,435	(2,435)
Training	1,500	920	580
Total Magistrate	<u>224,673</u>	<u>236,625</u>	<u>(11,952)</u>
JUDGE OF PROBATE			
Salaries/Fringes	144,135	154,088	(9,953)
Printing & Office Supplies	1,700	1,006	694
Telephone	1,500	1,468	32
Dues & Memberships	275	100	175
Travel, Lodging & Mileage	2,445	504	1,941
Maintenance contracts	3,100	2,400	700
Machinery/Equipment	1,500	1,113	387
Training	850	475	375
Total Judge of Probate	<u>155,505</u>	<u>161,154</u>	<u>(5,649)</u>
FAMILY COURT			
Salaries/Fringes	95,504	147,218	(51,714)
Printing & Office Supplies	2,000	978	1,022
Telephone	1,000	564	436
Travel, Lodging & Mileage	2,500	1,893	607
Court Expenses	1,500	1,210	290
Total Family Court	<u>102,504</u>	<u>151,863</u>	<u>(49,359)</u>
Total Judicial	<u>628,264</u>	<u>676,035</u>	<u>(47,771)</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
PUBLIC SAFETY			
SHERIFF			
Salaries/Fringes	1,170,333	1,263,122	(92,789)
Printing & Office Supplies	3,000	3,127	(127)
Uniforms	7,500	7,523	(23)
Telephone	13,400	11,352	2,048
Dues & Memberships	2,300	2,300	-
Vehicle Operations	30,000	32,350	(2,350)
Gasoline	65,000	115,899	(50,899)
Travel	4,500	3,295	1,205
Training	3,000	871	2,129
Special Projects	4,000	4,141	(141)
Machinery/Equipment	10,573	10,692	(119)
Maintenance Contract	5,600	2,750	2,850
Total Sheriff	<u>1,319,206</u>	<u>1,539,172</u>	<u>(219,966)</u>
COUNTY JAIL			
Salaries/Fringes	884,765	869,763	15,002
Printing & Office Supplies	1,000	926	74
Medical/Laboratory	45,000	47,560	(2,560)
Uniforms	2,000	1,857	143
Telephone	9,000	5,303	3,697
Dues & Memberships	150	-	150
Janitor Supplies	3,000	2,453	547
Travel, Lodging & Mileage	2,000	3,357	(1,357)
Prisoner Costs	46,000	51,073	(5,073)
Training	2,000	168	1,832
Protective Equipment	6,600	-	6,600
Computer - Online	-	3,670	(3,670)
Total County Jail	<u>1,001,515</u>	<u>986,130</u>	<u>15,385</u>
CORONER			
Salaries/Fringes	27,859	29,724	(1,865)
Post Mortem Examination	8,500	4,875	3,625
Contract Personnel	1,700	3,188	(1,488)
Printing & Office Supplies	200	366	(166)
Telephone	300	1,061	(761)
Dues & Memberships	250	-	250
Maintenance Buildings	8,821	8,540	281
Travel, Lodging & Mileage	100	1,608	(1,508)
Training	100	-	100
Total Coroner	<u>47,830</u>	<u>49,362</u>	<u>(1,532)</u>
DISPATCH			
Salaries/Fringes	549,667	514,900	34,767
Printing & Office Supplies	3,000	3,288	(288)
Telephone	-	500	(500)
Uniforms	600	-	600
Machinery/Equipment	4,328	4,328	-
Travel/Lodging Mileage	1,000	750	250
Total Dispatch	<u>558,595</u>	<u>523,766</u>	<u>34,829</u>

McCormick County*McCormick, South Carolina**Exhibit 13 - Schedule of Expenditures - Budget to Actual**General Fund, Continued**For the year ended June 30, 2022*

	<u>Budget - original and final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES, Continued			
VICTIM'S ADVOCATE			
Salaries/Fringes	52,816	58,097	(5,281)
Total Victim's Advocate	<u>52,816</u>	<u>58,097</u>	<u>(5,281)</u>
FIRE SERVICES			
Salaries/Fringes	79,183	80,464	(1,281)
E-Dispatch	3,500	-	3,500
Gasoline	3,800	6,755	(2,955)
Radio repairs/Upgrade	10,000	-	10,000
Total Fire Services	<u>96,483</u>	<u>87,219</u>	<u>9,264</u>
Total Public Safety	<u>3,076,445</u>	<u>3,243,746</u>	<u>(167,301)</u>
PUBLIC WORKS & UTILITIES			
PUBLIC WORKS			
Salaries/Fringes	295,401	287,521	7,880
Printing & Office Supplies	300	300	-
Road/Pipe materials	30,000	26,418	3,582
Uniforms	3,400	4,986	(1,586)
Telephone	4,173	3,191	982
Vehicle Operations	25,000	27,521	(2,521)
Gasoline	40,000	57,838	(17,838)
SLV - Road Maintenance	145,800	-	145,800
Training	200	-	200
Machinery/Equipment Repairs	25,000	26,156	(1,156)
Total Public Works	<u>569,274</u>	<u>433,931</u>	<u>135,343</u>
SOLID WASTE			
Salaries/Fringes	162,256	182,048	(19,792)
Tri-County Solid Waste Disposal	277,230	277,230	-
Intergovernment Agreement	12,506	-	12,506
Electricity	12,000	12,950	(950)
Telephone	4,000	6,396	(2,396)
Maintenance - Bldgs	1,500	9,868	(8,368)
Total Solid Waste	<u>469,492</u>	<u>488,492</u>	<u>(19,000)</u>
Total Public Works & Utilities	<u>1,038,766</u>	<u>922,423</u>	<u>116,343</u>
TOTAL EXPENDITURES	<u>\$ 10,173,472</u>	<u>\$ 10,070,615</u>	<u>\$ 102,857</u>
OTHER FINANCING USES			
Transfers out	\$ -	\$ -	\$ -
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 10,173,472</u>	<u>\$ 10,070,615</u>	<u>\$ 102,857</u>

McCormick County

McCormick, South Carolina

Required Supplementary Information

Exhibit 14 - Schedule of the Employer's Proportionate Share of the Net Pension Liability

For the year ended June 30,

Governmental Activities

	SCRS								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.02451%	0.02311%	0.02461%	0.02411%	0.02421%	0.24560%	0.02374%	0.02374%	0.02464%
Employer's proportionate share of the net pension liability	<u>\$ 5,304,408</u>	<u>\$ 5,905,903</u>	<u>\$ 5,619,249</u>	<u>\$ 5,402,959</u>	<u>\$ 5,448,935</u>	<u>\$ 5,245,553</u>	<u>\$ 4,501,455</u>	<u>\$ 4,242,191</u>	<u>\$ 4,419,537</u>
Employer's covered payroll during the measurement period	<u>\$ 2,770,697</u>	<u>\$ 2,578,620</u>	<u>\$ 2,580,034</u>	<u>\$ 2,498,779</u>	<u>\$ 2,442,156</u>	<u>\$ 2,378,100</u>	<u>\$ 2,225,468</u>	<u>\$ 2,236,973</u>	<u>\$ 2,597,814</u>
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	191.44670%	229.03348%	217.79748%	216.22396%	223.11986%	220.57748%	202.27004%	189.63979%	170.12523%
Plan fiduciary net position as a percentage of the total pension liability	60.70%	50.70%	54.40%	54.10%	53.30%	52.91%	56.99%	59.92%	56.39%

	PORS								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.09528%	0.09297%	0.09036%	0.08810%	0.08666%	0.08984%	0.08792%	0.08975%	0.08975%
Employer's proportionate share of the net pension liability	<u>\$ 2,451,529</u>	<u>\$ 3,083,102</u>	<u>\$ 2,589,568</u>	<u>\$ 2,496,276</u>	<u>\$ 2,373,966</u>	<u>\$ 2,278,845</u>	<u>\$ 1,916,170</u>	<u>\$ 1,718,199</u>	<u>\$ 1,860,493</u>
Employer's covered payroll during the measurement period	<u>\$ 1,432,747</u>	<u>\$ 1,404,458</u>	<u>\$ 1,310,586</u>	<u>\$ 1,219,398</u>	<u>\$ 1,166,960</u>	<u>\$ 1,145,385</u>	<u>\$ 1,089,180</u>	<u>\$ 1,079,437</u>	<u>\$ 672,815</u>
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	171.10690%	219.52255%	197.58856%	204.71380%	203.43165%	198.95887%	175.92776%	159.17548%	276.52371%
Plan fiduciary net position as a percentage of the total pension liability	70.40%	58.80%	62.70%	61.70%	60.90%	60.44%	64.57%	67.55%	62.98%

Business-type Activities

	SCRS								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.00445%	0.00420%	0.00443%	0.00447%	0.00396%	0.00409%	0.00394%	0.00430%	0.00430%
Employer's proportionate share of the net pension liability	<u>\$ 962,480</u>	<u>\$ 1,073,671</u>	<u>\$ 1,010,634</u>	<u>\$ 1,001,010</u>	<u>\$ 891,910</u>	<u>\$ 874,472</u>	<u>\$ 746,672</u>	<u>\$ 739,456</u>	<u>\$ 770,369</u>
Employer's covered payroll during the measurement period	<u>\$ 502,741</u>	<u>\$ 468,785</u>	<u>\$ 467,371</u>	<u>\$ 462,946</u>	<u>\$ 399,786</u>	<u>\$ 396,406</u>	<u>\$ 369,134</u>	<u>\$ 389,946</u>	<u>\$ 411,931</u>
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	191.44649%	229.03271%	216.23806%	216.22608%	223.09686%	220.60009%	202.27668%	189.63036%	187.01409%
Plan fiduciary net position as a percentage of the total pension liability	60.70%	50.70%	54.40%	54.10%	53.30%	52.91%	56.99%	59.90%	56.39%

McCormick County*McCormick, South Carolina***Required Supplementary Information****Exhibit 15 - Schedule of the Employer's Pension Contributions****For the year ended June 30,**

	SCRS								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 582,408	\$ 509,348	\$ 474,177	\$ 446,411	\$ 401,610	\$ 328,529	\$ 306,859	\$ 282,811	\$ 278,453
Contributions in relation to the contractually required contribution	582,408	509,348	474,177	446,411	401,610	328,529	306,859	282,811	278,453
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 3,516,966	\$ 3,273,438	\$ 3,047,405	\$ 3,066,011	\$ 2,961,725	\$ 2,841,942	\$ 2,774,506	\$ 2,594,602	\$ 2,626,919
Contributions as a percentage of covered payroll	16.55996%	15.56003%	15.56003%	14.55999%	13.56000%	11.56002%	11.05995%	10.89998%	10.59998%
	PORS								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 314,774	\$ 261,334	\$ 256,174	\$ 225,955	\$ 198,032	\$ 166,178	\$ 157,375	\$ 146,059	\$ 138,601
Contributions in relation to the contractually required contribution	314,774	261,334	256,174	225,955	198,032	166,178	157,375	146,059	138,601
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,636,024	\$ 1,432,747	\$ 1,404,458	\$ 1,310,586	\$ 1,219,398	\$ 1,166,960	\$ 1,145,385	\$ 1,089,180	\$ 1,079,437
Contributions as a percentage of covered payroll	19.24018%	18.24007%	18.24006%	17.24076%	16.24014%	14.24025%	13.73992%	13.41000%	12.84012%

Note: Information for years prior to 2014 was unavailable.

McCormick County

McCormick, South Carolina

Exhibit 16 - Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 483,537	\$ 906,467	\$ 1,390,004
Intergovernmental receivables	109,761	12,879	122,640
Total assets	<u>\$ 593,298</u>	<u>\$ 919,346</u>	<u>\$ 1,512,644</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 58,099	\$ 31,932	\$ 90,031
Cash overdraft	132,265	31	132,296
Due to other funds	3,604	-	3,604
Due to other governments	300	-	300
Total liabilities	<u>194,268</u>	<u>31,963</u>	<u>226,231</u>
Fund balances (deficits)			
Restricted	433,707	19,679	453,386
Committed	-	867,735	867,735
Unassigned (deficit)	(34,677)	(31)	(34,708)
Total fund balances (deficits)	<u>399,030</u>	<u>887,383</u>	<u>1,286,413</u>
Total liabilities and fund balances (deficits)	<u>\$ 593,298</u>	<u>\$ 919,346</u>	<u>\$ 1,512,644</u>

McCormick County

McCormick, South Carolina

Exhibit 17 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 664,801	\$ 301,944	\$ 966,745
Total revenues	<u>664,801</u>	<u>301,944</u>	<u>966,745</u>
EXPENDITURES			
Cultural and recreation	3,787	-	3,787
Health and human services	269,769	-	269,769
Public safety	429,264	-	429,264
Capital outlay	-	228,349	228,349
Total expenditures	<u>702,820</u>	<u>228,349</u>	<u>931,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,019)</u>	<u>73,595</u>	<u>35,576</u>
OTHER FINANCING SOURCES			
Transfers in	1,766	-	1,766
Transfers out	(1,766)	-	(1,766)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(38,019)	73,595	35,576
Fund balances, beginning of the year	<u>437,049</u>	<u>813,788</u>	<u>1,250,837</u>
Fund balances, end of the year	<u><u>\$ 399,030</u></u>	<u><u>\$ 887,383</u></u>	<u><u>\$ 1,286,413</u></u>

McCormick County

McCormick, South Carolina

Exhibit 18 - Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2022

	E-911 Surcharge	County Road Fee	Derry Sheriff	Clerk of Court DSS	Library	Sheriff's JAG Grant	Sheriff's Drug Fund	EMS Trauma Grant
ASSETS								
Cash and cash equivalents	\$ 29,388	\$ 24,522	\$ 116	\$ 71,674	\$ 106,270	\$ -	\$ 4,621	\$ 215
Accounts receivable	-	-	-	4,927	-	104,386	-	-
Total assets	<u>\$ 29,388</u>	<u>\$ 24,522</u>	<u>\$ 116</u>	<u>\$ 76,601</u>	<u>\$ 106,270</u>	<u>\$ 104,386</u>	<u>\$ 4,621</u>	<u>\$ 215</u>
LIABILITIES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 51,301	\$ 6,798	\$ -	\$ -
Cash overdraft	-	-	-	-	-	107,851	-	-
Due to other funds	-	-	-	3,604	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,604</u>	<u>51,301</u>	<u>114,649</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)								
Restricted	29,388	24,522	116	72,997	54,969	-	4,621	215
Unassigned (deficit)	-	-	-	-	-	(10,263)	-	-
Total fund balances (deficits)	<u>29,388</u>	<u>24,522</u>	<u>116</u>	<u>72,997</u>	<u>54,969</u>	<u>(10,263)</u>	<u>4,621</u>	<u>215</u>
Total liabilities and fund balances (deficits)	<u>\$ 29,388</u>	<u>\$ 24,522</u>	<u>\$ 116</u>	<u>\$ 76,601</u>	<u>\$ 106,270</u>	<u>\$ 104,386</u>	<u>\$ 4,621</u>	<u>\$ 215</u>

McCormick County

McCormick, South Carolina

Exhibit 18 - Combining Balance Sheet

Nonmajor Special Revenue Funds, Continued

June 30, 2022

	Sheriff's Operations	EMS Grant	LEMPG Supplement	MCSO K-9	EMS Grant In Aid	EMS Memorial	Misc Grants	GLEAMNS Breezeway Expansion	Sex Offender Fees
ASSETS									
Cash and cash equivalents	\$ 13,466	\$ -	\$ 94	\$ 13,541	\$ -	\$ 199	\$ 266	\$ 5,016	\$ 3,342
Accounts receivable	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 13,466</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ 13,541</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ 266</u>	<u>\$ 5,016</u>	<u>\$ 3,342</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash overdraft	-	11,633	-	-	12,781	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	300
Total liabilities	<u>-</u>	<u>11,633</u>	<u>-</u>	<u>-</u>	<u>12,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Fund balances									
Restricted	13,466	-	94	13,541	-	199	266	5,016	3,042
Unassigned (deficit)	-	(11,633)	-	-	(12,781)	-	-	-	-
Total fund balances (deficits)	<u>13,466</u>	<u>(11,633)</u>	<u>94</u>	<u>13,541</u>	<u>(12,781)</u>	<u>199</u>	<u>266</u>	<u>5,016</u>	<u>3,042</u>
Total liabilities and fund balances (deficits)	<u>\$ 13,466</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ 13,541</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ 266</u>	<u>\$ 5,016</u>	<u>\$ 3,342</u>

McCormick County

McCormick, South Carolina

Exhibit 18 - Combining Balance Sheet

Nonmajor Special Revenue Funds, Continued

June 30, 2022

	Dorn Boating Facility	McCormick Health Care	DUI Prosecution	Veterans' Donations	National Forest Funds	Clerk of Court Incentive	Process Server	Total all funds
ASSETS								
Cash and cash equivalents	\$ 46,445	\$ 278	\$ -	\$ 26	\$ 25,791	\$ 137,874	\$ 393	\$ 483,537
Accounts receivable	-	-	-	-	-	250	198	109,761
Total assets	<u>\$ 46,445</u>	<u>\$ 278</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 25,791</u>	<u>\$ 138,124</u>	<u>\$ 591</u>	<u>\$ 593,298</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,099
Cash overdraft	-	-	-	-	-	-	-	132,265
Due to other funds	-	-	-	-	-	-	-	3,604
Due to other governments	-	-	-	-	-	-	-	300
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,268</u>
Fund balances								
Restricted	46,445	278	-	26	25,791	138,124	591	433,707
Unassigned (deficit)	-	-	-	-	-	-	-	(34,677)
Total fund balances (deficits)	<u>46,445</u>	<u>278</u>	<u>-</u>	<u>26</u>	<u>25,791</u>	<u>138,124</u>	<u>591</u>	<u>399,030</u>
Total liabilities and fund balances (deficits)	<u>\$ 46,445</u>	<u>\$ 278</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 25,791</u>	<u>\$ 138,124</u>	<u>\$ 591</u>	<u>\$ 593,298</u>

McCormick County

McCormick, South Carolina

Exhibit 19 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2022

	E-911 Surcharge	County Road Fee	Derry Sheriff	Clerk of Court DSS	Library	Sheriff's JAG Grant	Sheriff's Drug Fund	EMS Trauma Grant
REVENUES								
Intergovernmental - Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,880	\$ -	\$ -
Intergovernmental - State funds	183,594	-	-	30,384	114,038	-	-	-
Intergovernmental - Local funds	36,351	5,232	-	-	-	-	-	-
Total revenues	219,945	5,232	-	30,384	114,038	163,880	-	-
EXPENDITURES								
Current								
Cultural and recreation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	150,140	-	-	-
Public safety	262,102	-	-	382	-	148,251	400	-
Public works and utilities	-	-	-	-	-	-	-	-
Total current	262,102	-	-	382	150,140	148,251	400	-
Total expenditures	262,102	-	-	382	150,140	148,251	400	-
Excess (deficiency) of revenues over (under) expenditures	(42,157)	5,232	-	30,002	(36,102)	15,629	(400)	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(42,157)	5,232	-	30,002	(36,102)	15,629	(400)	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	71,545	19,290	116	42,995	91,071	(25,892)	5,021	215
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 29,388</u>	<u>\$ 24,522</u>	<u>\$ 116</u>	<u>\$ 72,997</u>	<u>\$ 54,969</u>	<u>\$ (10,263)</u>	<u>\$ 4,621</u>	<u>\$ 215</u>

McCormick County

McCormick, South Carolina

Exhibit 19 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds, Continued

For the year ended June 30, 2022

	Sheriff's Operations	EMS Grant	LEMPG Supplement	MCSO K-9	EMS Grant In Aid	EMS Memorial	Misc Grants	GLEAMNS Breezeway Expansion	Sex Offender Fees
REVENUES									
Intergovernmental - Federal funds	\$ 13,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State funds	-	-	-	-	-	-	-	-	-
Intergovernmental - Local funds	-	52,658	-	-	-	-	-	-	600
Total revenues	13,849	52,658	-	-	-	-	-	-	600
EXPENDITURES									
Current									
Cultural and recreation	-	-	-	-	-	-	-	-	-
Health and human services	-	75,650	-	1,005	9,924	-	-	-	-
Public safety	16,746	-	-	-	-	-	-	-	1,112
Public works and utilities	-	-	-	-	-	-	-	-	-
Total current	16,746	75,650	-	1,005	9,924	-	-	-	1,112
Total expenditures	16,746	75,650	-	1,005	9,924	-	-	-	1,112
Excess (deficiency) of revenues over (under) expenditures	(2,897)	(22,992)	-	(1,005)	(9,924)	-	-	-	(512)
OTHER FINANCING SOURCES (USES)									
Transfers in	1,766	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,766	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,131)	(22,992)	-	(1,005)	(9,924)	-	-	-	(512)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	14,597	11,359	94	14,546	(2,857)	199	266	5,016	3,554
FUND BALANCES (DEFICIT), END OF YEAR	\$ 13,466	\$ (11,633)	\$ 94	\$ 13,541	\$ (12,781)	\$ 199	\$ 266	\$ 5,016	\$ 3,042

McCormick County

McCormick, South Carolina

Exhibit 19 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds, Continued

For the year ended June 30, 2022

	Dorn Boating Facility	McCormick Health Care	DUI Prosecution	Veterans' Donations	National Forest Funds	Clerk of Court Incentive	Process Server	Total all Funds
REVENUES								
Intergovernmental - Federal funds	\$ -	\$ -	\$ -	\$ -	\$ 23,620	\$ -	\$ -	\$ 201,349
Intergovernmental - State funds	-	-	-	-	-	25,102	1,848	354,966
Intergovernmental - Local funds	13,645	-	-	-	-	-	-	108,486
Total revenues	13,645	-	-	-	23,620	25,102	1,848	664,801
EXPENDITURES								
Current								
Cultural and recreation	3,787	-	-	-	-	-	-	3,787
Health and human services	-	-	-	-	33,050	-	-	269,769
Public safety	-	-	-	-	-	271	-	429,264
Public works and utilities	-	-	-	-	-	-	-	-
Total current	3,787	-	-	-	33,050	271	-	702,820
Total expenditures	3,787	-	-	-	33,050	271	-	702,820
Excess (deficiency) of revenues over (under) expenditures	9,858	-	-	-	(9,430)	24,831	1,848	(38,019)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	1,766
Transfers out	-	-	-	-	-	-	(1,766)	(1,766)
Total other financing sources (uses)	-	-	-	-	-	-	(1,766)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	9,858	-	-	-	(9,430)	24,831	82	(38,019)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	36,587	278	-	26	35,221	113,293	509	437,049
FUND BALANCES (DEFICIT), END OF YEAR	\$ 46,445	\$ 278	\$ -	\$ 26	\$ 25,791	\$ 138,124	\$ 591	\$ 399,030

McCormick County
McCormick, South Carolina
Exhibit 20 - Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2022

	Recreation Complex PARD Grant	Mack Maintenance Agreement	Photo Mapping	Keturah Amphitheater	Economic Development	Highway 378/ Tobacco Grant	Sewer Treatment Impact Fee	2008 G O Bond Administrative Building	Total
ASSETS									
Cash and cash equivalents	\$ -	\$ 14,346	\$ 24,844	\$ 1,684	\$ 238,415	\$ 7,166	\$ 609,183	\$ 10,829	\$ 906,467
Intergovernmental receivables	-	-	-	-	1,114	-	11,765	-	12,879
Total assets	<u>\$ -</u>	<u>\$ 14,346</u>	<u>\$ 24,844</u>	<u>\$ 1,684</u>	<u>\$ 239,529</u>	<u>\$ 7,166</u>	<u>\$ 620,948</u>	<u>\$ 10,829</u>	<u>\$ 919,346</u>
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 31,932	\$ -	\$ -	\$ -	\$ 31,932
Cash overdraft	31	-	-	-	-	-	-	-	31
Total liabilities	<u>31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,963</u>
Fund balances (deficits)									
Restricted	-	-	-	1,684	-	7,166	-	10,829	19,679
Committed	-	14,346	24,844	-	207,597	-	620,948	-	867,735
Unassigned (deficit)	(31)	-	-	-	-	-	-	-	(31)
Total fund balances (deficits)	<u>(31)</u>	<u>14,346</u>	<u>24,844</u>	<u>1,684</u>	<u>207,597</u>	<u>7,166</u>	<u>620,948</u>	<u>10,829</u>	<u>887,383</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 14,346</u>	<u>\$ 24,844</u>	<u>\$ 1,684</u>	<u>\$ 239,529</u>	<u>\$ 7,166</u>	<u>\$ 620,948</u>	<u>\$ 10,829</u>	<u>\$ 919,346</u>

McCormick County

McCormick, South Carolina

Exhibit 21 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the year ended June 30, 2022

	Recreation Complex PAR D Grant	Mack Maintenance Agreement	Photo Mapping	Keturah Amphitheater	Economic Development	Highway 378/ Tobacco Grant	Sewer Treatment Impact Fee	2008 G O Bond Administrative Building	Total
REVENUES									
Intergovernmental - Local	\$ -	\$ -	\$ 4,046	\$ -	\$ 140,251	\$ -	\$ 157,647	\$ -	\$ 301,944
Total revenues	-	-	4,046	-	140,251	-	157,647	-	301,944
EXPENDITURES									
Current									
Capital outlay	-	-	-	-	228,349	-	-	-	228,349
Total expenditures	-	-	-	-	228,349	-	-	-	228,349
Excess (deficiency) of revenues over (under) expenditures	-	-	4,046	-	(88,098)	-	157,647	-	73,595
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	4,046	-	(88,098)	-	157,647	-	73,595
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(31)</u>	<u>14,346</u>	<u>20,798</u>	<u>1,684</u>	<u>295,695</u>	<u>7,166</u>	<u>463,301</u>	<u>10,829</u>	<u>813,788</u>
FUND BALANCES (DEFICIT) , END OF YEAR	<u>\$ (31)</u>	<u>\$ 14,346</u>	<u>\$ 24,844</u>	<u>\$ 1,684</u>	<u>\$ 207,597</u>	<u>\$ 7,166</u>	<u>\$ 620,948</u>	<u>\$ 10,829</u>	<u>\$ 887,383</u>

McCormick County

McCormick, South Carolina

Exhibit 22 - Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Budget and Actual - Water and Sewer Authority

For the year ended June 30, 2022

	Original and Final Budget	Actual	Variance
Operating revenues			
User charges	\$ 3,396,900	\$ 3,874,577	\$ 477,677
Miscellaneous	2,000	296,737	294,737
Total operating revenues	<u>3,398,900</u>	<u>4,171,314</u>	<u>772,414</u>
Operating expenses			
Salaries and fringe benefits	837,978	827,177	10,801
Costs of services	2,262,191	2,418,104	(155,913)
Depreciation	350,000	598,103	(248,103)
Total operating expenses	<u>3,450,169</u>	<u>3,843,384</u>	<u>(393,215)</u>
Operating income	<u>(51,269)</u>	<u>327,930</u>	<u>379,199</u>
Nonoperating revenues (expenses)			
Investment income	7,604	7,597	(7)
Interest expense	(70,930)	(64,797)	6,133
Total nonoperating revenues (expenses)	<u>(63,326)</u>	<u>(57,200)</u>	<u>6,126</u>
Change in net position	<u>(114,595)</u>	<u>270,730</u>	<u>385,325</u>
Net position, beginning of year	<u>11,497,274</u>	<u>11,497,274</u>	<u>-</u>
Net position, end of year	<u>\$ 11,382,679</u>	<u>\$ 11,768,004</u>	<u>\$ 385,325</u>

McCormick County*McCormick, South Carolina**Exhibit 23 - Fines, Assessments and Surcharges**For the year ended June 30, 2022*

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	16,546	273,782	-	290,328
Court fines and assessments remitted to State Treasurer	16,388	68,425	-	84,813
Total Court Fines and Assessments retained	158	205,357	-	205,515
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	1,286	1,502	-	2,788
Total Surcharges and Assessments retained for victim services	1,286	1,502	-	2,788

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	-	(134,136)	(134,136)
Victim Service Revenue:			-
Victim Service Fines Retained by City/County Treasurer	-	197,035	197,035
Victim Service Assessments Retained by City/County Treasurer	-	8,480	8,480
Victim Service Surcharges Retained by City/County Treasurer	-	2,788	2,788
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	-	74,167	74,167
Expenditures for Victim Service Program:	Municipal	County	Total
Operating Expenditures	-	10,478	10,478
Transferred to General Fund	-	189,105	189,105
Total Expenditures from Victim Service Fund/Program (B)	-	199,583	199,583
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	(125,416)	(125,416)
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	-	(125,416)	(125,416)



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

McCormick County Council
McCormick County
McCormick, South Carolina

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of McCormick County, South Carolina (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Manley Garvin, LLC". The signature is written in a cursive style and is positioned above the printed text of the address and date.

Greenwood, South Carolina
December 16, 2022

McCormick County

McCormick, South Carolina

Schedule of Findings and Responses

For the year ended June 30, 2022

Section I. Financial Statement Findings

None noted.

McCormick County

McCormick, South Carolina

Summary Schedule of Prior Year Audit Findings

For the year ended June 30, 2022

Section I. Financial Statement Findings

Material Weakness

2021-001: Unrecorded payroll transactions

Condition:	The County failed to correctly record all transactions related to payroll for a pay period during fiscal year 2021 in the general ledger program.
Criteria:	The County should appropriately account for all transactions related to expenditures related to payroll as they are incurred.
Effect:	The County's payroll expenditures were understated for fiscal year 2021.
Cause:	The County's internal control over recording its transactions related to payroll expenditures did not function to ensure proper recording and reporting during the fiscal year.
Recommendation:	We recommend the County review its internal control procedures for recording expenditures related to payroll to ensure proper recording and reporting under generally accepted accounting principles.
Status:	The finding was not repeated in the current year under audit.