

SUMTER COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Prepared by
Department of Finance

SUMTER COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**To the County Council
of Sumter County, South Carolina
Sumter, South Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Sumter County, South Carolina** (the "County"), as of and for the year ended June 30, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, 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 (GAAS) 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.

Emphasis of a Matter

As described in Note 12 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 GAAS 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 GAAS 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 (on pages 5 - 11), the budgetary comparison information for the General Fund and the Infrastructure Fund (on pages 67 - 69), and the pension and OPEB schedules as listed in the table of contents (on pages 70 – 75), 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 GAAS, 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 combining and individual nonmajor fund financial statements and schedules, the component unit fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Schedule of Court Fines, Assessments and Surcharges, as required by the State of South Carolina, are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statement and schedules, the component unit fund financial statements, the schedule of expenditures of federal awards, and the Uniform Schedule of Court Fines, Assessments, and Surcharges are 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 20, 2023, 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 County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 20, 2023

Management's Discussion and Analysis

This discussion and analysis of Sumter County's (the "County") financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the notes to the basic financial statements, financial statements, and supplementary information to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- The County's Governmental Activities net position at year end was \$105,553,491.
- The County's Business-type Activities net position at year end was \$3,162,158.
- The County invested in new capital assets in the amount of \$13,559,494 for its Governmental Activities.
- The County issued \$3,500,000 General Obligation Bonds to fund the annual vehicle and equipment replacement program.
- The County decreased its Governmental Activities long-term obligations by \$24,280,586 and decreased its Business-type Activities long-term obligations by \$16,562.

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 *supplementary information that includes combining statements* for nonmajor governmental funds. The basic financial statements are presented as follows:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *government-wide financial statements* that provide both long-term and short-term information about the County's overall financial status. The Statement of Net Position offers a snapshot of balances at the end of the fiscal year while the Statement of Activities presents the results of providing governmental goods and services over the course of the fiscal year.
- 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. The *governmental funds* balance sheet is a snapshot of available spendable financial resources and the claims against those resources at year end. The *governmental funds* statement of revenue, expenditures and changes in fund balance indicate how the government used its inflows and outflows of available spendable resources over the course of the fiscal year.
- The *proprietary fund* statements provide financial details of water services to residents of a portion of the County.
- 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.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County and its component unit as a whole in a manner 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.

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 and liabilities – 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.
- Governmental activities – Most of the County's basic services are included here, such as the police, fire, public works, and parks departments, and general administration. Property taxes and state and federal grants finance most of the activities.
- Business-type activities – This area accounts for the water and sewer service to residents of a portion of the County, including user fees, costs of providing services, and depreciation of capital assets.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant *funds*. 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 established 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* – The County provides water and sewer service to residents in a portion of the County and charges user fees based on consumption. The proprietary fund statements provide details of the fees charged, costs to provide services, capital assets and debt related to providing this service.
- *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 net assets. 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

Net position

The County's net position increased by \$26.9 million between fiscal years 2022 and 2023 ending at approximately \$105.5 million.

Summary of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 107,966,870	\$ 89,755,630	\$1,239,902	\$1,138,939	\$109,206,772	\$90,894,569
Capital assets (net)	143,475,823	137,013,732	3,296,226	3,533,139	146,772,049	140,546,871
Total assets	251,442,693	226,769,362	4,536,128	4,672,078	255,978,821	231,441,440
Deferred outflows	14,997,082	17,481,305	32,125	37,443	15,029,207	17,518,748
Long-term liabilities	8,159,237	16,838,781	1,019,220	1,088,577	9,178,457	17,927,358
OPEB liabilities	87,524,523	103,462,362	195,420	240,355		
Other liabilities	39,511,556	32,162,653	128,861	403,030	39,640,417	32,565,683
Total liabilities	135,195,316	152,463,796	1,343,501	1,491,607	136,538,817	153,955,403
Deferred inflows	25,690,968	13,128,415	62,594	24,218	25,753,562	13,152,633
Net investment in capital assets	130,068,701	115,197,699	2,211,226	2,327,139	132,279,927	117,524,838
Restricted net position	55,186,720	44,243,264	-	-	55,186,720	44,243,264
Unrestricted (deficit)	(79,701,930)	(80,782,507)	950,932	866,557	(78,750,998)	(79,915,950)
Total net position	\$ 105,553,491	\$ 78,658,456	\$ 3,162,158	\$ 3,193,696	\$ 108,715,649	\$ 81,852,152

Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program revenue:						
Charges for services	\$ 26,768,825	\$ 23,024,246	\$ 629,385	\$ 504,058	\$ 27,398,210	\$ 23,528,304
Operating grants	16,553,469	17,050,082	3,600	4,959	16,557,069	17,055,041
Capital grants and contributions	3,282,342	4,626,648	-	-	3,282,342	4,626,648
General revenue:						-
Property taxes	28,975,274	27,699,400	-	-	28,975,274	27,699,400
Other taxes	32,660,353	30,838,569	-	-	32,660,353	30,838,569
Intergovernmental	5,296,336	4,670,955	-	-	5,296,336	4,670,955
Other	4,794,982	523,956	-	4	4,794,982	523,960
Total revenue	\$118,331,581	\$108,433,856	\$ 632,985	\$ 509,021	\$118,964,566	\$108,942,877

Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Expenses						
General government administration	\$18,346,872	\$26,249,120	-	-	\$18,346,872	\$26,249,120
Public safety	32,126,534	29,939,584	-	-	32,126,534	29,939,584
Transportation	9,106,697	8,777,626	-	-	9,106,697	8,777,626
Public works	11,872,620	12,488,695	-	-	11,872,620	12,488,695
Culture and recreation	5,968,113	5,914,589	-	-	5,968,113	5,914,589
Judicial services	3,604,129	3,394,678	-	-	3,604,129	3,394,678
Health and welfare	6,732,657	5,967,716	-	-	6,732,657	5,967,716
Economic development	3,355,434	1,486,403	-	-	3,355,434	1,486,403
Interest on long term debt	323,490	342,773	-	-	323,490	342,773
Water systems	-	-	664,523	610,494	664,523	610,494
Total expenses	91,436,546	94,561,184	664,523	610,494	92,101,069	95,171,678
Change in net position	26,895,035	13,872,672	(31,538)	(101,473)	26,863,497	13,771,199
Net position, beginning of period	78,658,456	64,785,784	3,193,696	3,295,169	81,852,152	68,080,953
Net position, end of period	\$ 105,553,491	\$ 78,658,456	\$ 3,162,158	\$ 3,193,696	\$ 108,715,649	\$ 81,852,152

Changes in net position. The County's total revenues increased by \$9.9 million to \$118.3 million. Approximately 52 percent of the County's revenue comes from property and local option sales taxes, approximately 23 percent comes from fees charged for services, 17 percent is from operating and capital grants with 8 percent from other sources.

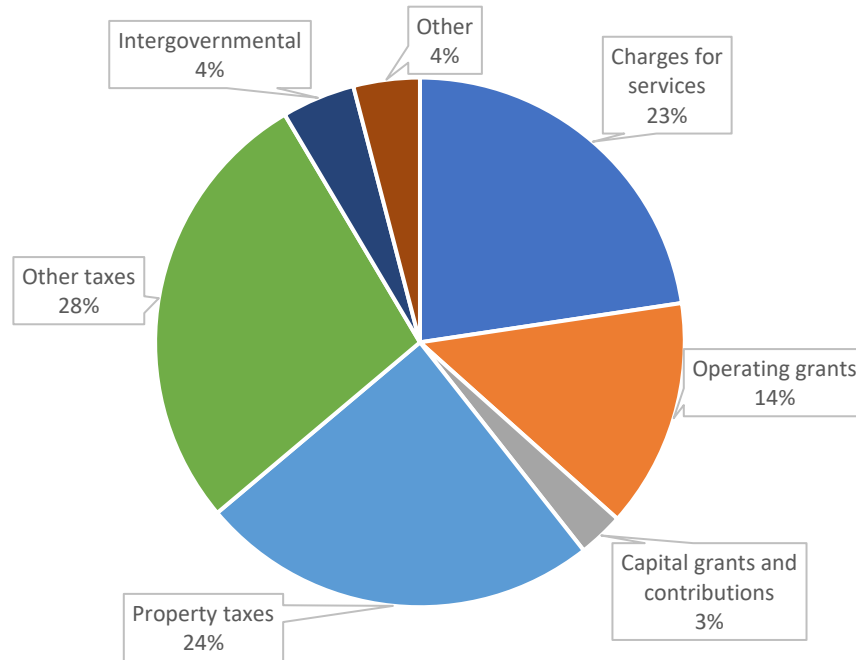
The total cost of all programs and services decreased approximately \$3.1 million, a 3 percent decrease. The County's expenses cover a range of services, with about 35 percent related to public safety and law enforcement and 37 percent related to general government administration, courts, and public works.

General Fund Budgetary Highlights

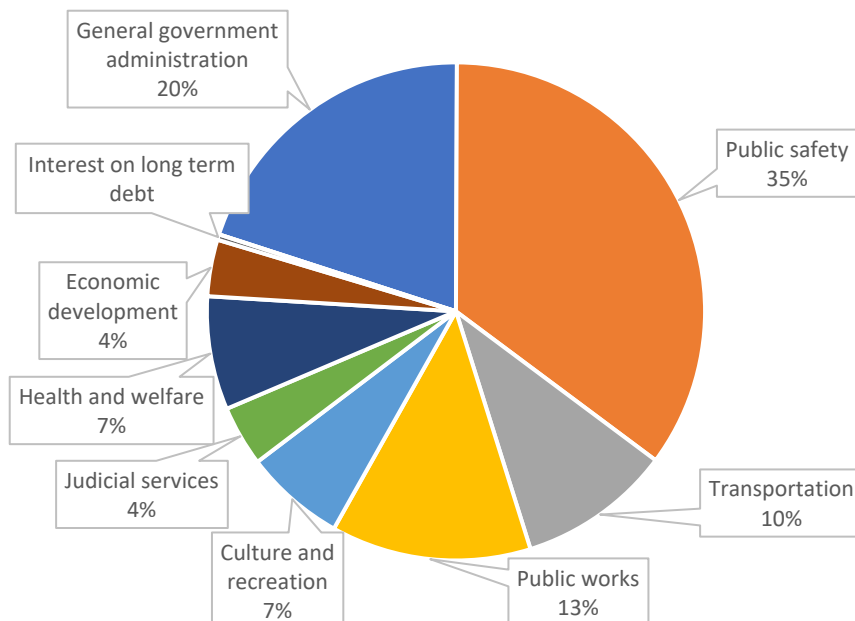
The budget for fiscal year 2023 was adopted with an approved general fund revenue budget of \$58.2 million and \$66.7 million revised. The general fund expense budget was approved at \$62.3 million and revised to \$76.2 million. The expenditures incurred during the year were under budget by \$7.8 million.

The following charts depict the allocations of revenue to fund governmental activities and the allocation of expenses incurred.

Governmental Activities - Revenue by Source



Governmental Activities - Expense by Source



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the current fiscal year, the County's governmental funds reported an ending fund balance of \$75.9 million, an increase of \$11.5 million in comparison with the prior fiscal year fund balance of \$64.4 million. Of the total ending fund balances, \$19.6 million is the *Unassigned fund balance*, while available for spending at the government's discretion also complies with the fund balance policy. *Restricted Fund Balance* is \$55.2 million to be used for capital improvements, projects and infrastructure for the County, as well as the payment of debt; *Committed Fund Balance* is \$1 million which is intended to fund capital assets and other projects for the County; and *Nonspendable Fund Balance* is \$119,937 which represents inventories.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance of the general fund was \$23.2 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 31 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$750,000 during the current fiscal year.

The County's capital projects sales tax funds had a fund balance of \$22.6 million which is restricted for penny projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the County had invested \$146 million (net of accumulated depreciation) in a broad range of capital assets. This amount represents an increase in assets of \$13.4 million and increase in accumulated depreciation of \$7.4 million.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,308,603	\$ 8,607,597	\$ 32,250	\$ 32,250	\$ 9,340,853	8,639,847
Construction in progress	12,721,772	5,480,106			12,721,772	5,480,106
Buildings and improvements	123,544,572	123,181,834	86,998	86,998	123,631,570	123,268,832
Heavy equipment and vehicles	18,339,448	17,430,407	314,537	300,772	18,653,985	17,731,179
Equipment and furnishings	21,486,439	19,010,153	-	-	21,486,439	19,010,153
Subscription asset	223,915	223,915	-	-	223,915	223,915
Infrastructure	101,026,476	99,268,118	-	-	101,026,476	99,268,118
Water systems	-	-	6,118,746	6,118,746	6,118,746	6,118,746
Accumulated depreciation	(143,175,402)	(135,964,483)	(3,256,305)	(3,005,627)	(146,431,707)	(138,970,110)
Net capital assets	<u>\$ 143,475,823</u>	<u>\$ 137,237,647</u>	<u>\$3,296,226</u>	<u>\$3,533,139</u>	<u>\$ 146,772,049</u>	<u>\$ 140,770,786</u>

This year's major capital asset additions included:

- \$8.8 million in buildings and facilities construction
- \$2.3 million for Sheriff's patrol cars, ambulances, and other vehicles
- \$1.7 million for transportation and road infrastructure

Long-term Debt

At year-end, the County had \$13.2 million in bonds, notes, and capital lease obligations outstanding – a net decrease of \$8.5 million over last year. The County issued a general obligation bond for \$3.5 million to fund the capital equipment.

The state limits the amount of general obligation debt the County can issue without special referendum to 8 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding general obligation debt subject to the limit is \$3.8 million on June 30, 2023, which is below the limit which is currently \$27.8 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate in Sumter County is slightly higher at 4.2% as of June 30, 2023, compared to 4% as of June 30, 2022. In that same time frame, unemployment in South Carolina decreased to 2.9% from 3.2% and in the United States from 3.7% down to 4.5% for the same period.

Inflationary pressures and cost of living increases in the region continue to compare favorably with state and national trends. These indicators were considered when adopting the general fund budget for 2024.

The "Penny for Progress" (P4P) is a term coined by supporters of the Sumter County Capital Projects Sales Tax referendum that was approved by voters in the general elections of November 2014. Passage of that referendum authorized Sumter County Council to levy a temporary sales tax to fund 28 capital project categories. The sales tax was implemented in May of 2016 and ended March 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 Kelsey Andrews, Finance Director, or visit the County website at www.sumtercountysc.org. Information about the County's component unit, Sumter County Library, may be obtained at its main branch at 111 North Harvin Street Sumter, SC 29150.

SUMTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Sumter County Library
ASSETS				
Cash and cash equivalents	\$ 84,991,446	\$ 1,176,087	\$ 86,167,533	\$ 424,429
Investments	5,033,892	-	5,033,892	-
Receivables:				
Taxes	2,359,298	-	2,359,298	-
Accounts	7,163,761	63,815	7,227,576	-
Due from other governments	3,884,347	-	3,884,347	-
Inventories	119,937	-	119,937	-
Prepaid expenses	-	-	-	1,370
Lease receivable	893,586	-	893,586	-
Assets held for resale	3,520,603	-	3,520,603	-
Capital assets:				
Nondepreciable	22,030,375	32,250	22,062,625	-
Depreciable, net	121,445,448	3,263,976	124,709,424	564,573
Total assets	<u>251,442,693</u>	<u>4,536,128</u>	<u>255,978,821</u>	<u>990,372</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	7,319,118	18,971	7,338,089	250,421
Pension - South Carolina Retirement System	4,371,487	13,154	4,384,641	191,011
Pension - South Carolina Police Officers Retirement System	3,306,477	-	3,306,477	-
Total deferred outflows of resources	<u>14,997,082</u>	<u>32,125</u>	<u>15,029,207</u>	<u>441,432</u>
LIABILITIES				
Accounts payable	2,572,984	25,553	2,598,537	1,776
Accrued liabilities	1,109,352	30,935	1,140,287	90
Unearned revenues	25,131,028	-	25,131,028	-
Noncurrent liabilities:				
Due within one year	10,698,192	72,373	10,770,565	23,950
Due in more than one year	8,159,237	1,019,220	9,178,457	-
Total other postemployment benefits liability	38,760,498	100,468	38,860,966	1,326,175
Net pension liability:				
South Carolina Retirement System	31,555,806	94,952	31,650,758	1,255,478
South Carolina Police Officers Retirement System	17,208,219	-	17,208,219	-
Total liabilities	<u>135,195,316</u>	<u>1,343,501</u>	<u>136,538,817</u>	<u>2,607,469</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	22,612,774	58,613	22,671,387	773,688
Pension - South Carolina Retirement System	1,323,032	3,981	1,327,013	135,394
Pension - South Carolina Police Officers Retirement System	879,498	-	879,498	-
Deferred lease receipts	875,664	-	875,664	-
Total deferred inflows of resources	<u>25,690,968</u>	<u>62,594</u>	<u>25,753,562</u>	<u>909,082</u>
NET POSITION				
Net investment in capital assets	130,068,701	2,211,226	132,279,927	564,573
Restricted for:				
General government	178,297	-	178,297	-
Public safety	3,739,246	-	3,739,246	-
Transportation	9,439,957	-	9,439,957	-
Culture and recreation	2,664,440	-	2,664,440	-
Public works	1,613,897	-	1,613,897	-
Health and welfare	731,006	-	731,006	-
Capital projects	35,162,367	-	35,162,367	-
Debt service	1,657,510	-	1,657,510	-
Unrestricted	(79,701,930)	950,932	(78,750,998)	(2,649,320)
Total net position	<u>\$ 105,553,491</u>	<u>\$ 3,162,158</u>	<u>\$ 108,715,649</u>	<u>\$ (2,084,747)</u>

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Sumter County Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 18,346,872	\$ 4,179,205	\$ 3,847,509	\$ -	\$ (10,320,158)	\$ -	\$ (10,320,158)	\$ -
Public safety	32,126,534	5,096,755	4,775,510	-	(22,254,269)	-	(22,254,269)	-
Transportation	9,106,697	5,873,170	4,022,268	-	788,741	-	788,741	-
Public works	11,872,620	6,630,264	489,647	57,341	(4,695,368)	-	(4,695,368)	-
Culture and recreation	5,968,113	1,039,581	1,132,789	-	(3,795,743)	-	(3,795,743)	-
Judicial services	3,604,129	121,112	31,968	-	(3,451,049)	-	(3,451,049)	-
Health and welfare	6,732,657	3,828,738	2,029,348	-	(874,571)	-	(874,571)	-
Economic development	3,355,434	-	224,430	3,225,001	93,997	-	93,997	-
Interest on long-term debt	323,490	-	-	-	(323,490)	-	(323,490)	-
Total governmental activities	91,436,546	26,768,825	16,553,469	3,282,342	(44,831,910)	-	(44,831,910)	-
Business-type activities:								
Shiloh Water System	326,175	177,888	-	-	-	(148,287)	(148,287)	-
Wedgefield Statesburg Water District	338,348	451,497	3,600	-	-	116,749	116,749	-
Total business-type activities	664,523	629,385	3,600	-	-	(31,538)	(31,538)	-
Total primary government	\$ 92,101,069	\$ 27,398,210	\$ 16,557,069	\$ 3,282,342	(44,831,910)	(31,538)	(44,863,448)	-
Component unit:								
Sumter County Library	\$ 1,415,767	\$ 33,739	\$ 1,614,644	\$ -	-	-	-	232,616
General revenues:								
Property taxes levied for:								
General purposes					28,975,274	-	28,975,274	-
Solid waste					1,548,316	-	1,548,316	-
Debt service					5,136,541	-	5,136,541	-
Capital projects					278,567	-	278,567	-
Local option sales taxes					25,696,929	-	25,696,929	-
Other taxes and licenses					3,086,168	-	3,086,168	-
Grants and contributions not restricted for a specific purpose					5,296,336	-	5,296,336	-
Unrestricted investment earnings					1,558,664	-	1,558,664	-
Miscellaneous					150,150	-	150,150	-
Total general revenues					71,726,945	-	71,726,945	-
Change in net position					26,895,035	(31,538)	26,863,497	232,616
Net position, beginning of year					78,658,456	3,193,696	81,852,152	(2,317,363)
Net position, end of year					\$ 105,553,491	\$ 3,162,158	\$ 108,715,649	\$ (2,084,747)

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

	General	Capital Penny Sales Tax II	Infrastructure	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 44,734,400	\$ 13,659,745	\$ 5,444,471	\$ 1,637,311	\$ 19,515,519	\$ 84,991,446
Investments	515,724	4,516,977	-	1,191	-	5,033,892
Taxes receivable, net	2,112,837	-	45,481	147,780	53,200	2,359,298
Accounts receivable, net	2,514,686	2,821,641	1,300,000	-	527,434	7,163,761
Due from other governments	3,500,770	-	-	-	383,577	3,884,347
Due from other funds	-	1,595,341	-	-	605,549	2,200,890
Lease receivables	893,586	-	-	-	-	893,586
Inventories	119,937	-	-	-	-	119,937
Assets held for resale	-	-	3,520,603	-	-	3,520,603
Total assets	<u>\$ 54,391,940</u>	<u>\$ 22,593,704</u>	<u>\$ 10,310,555</u>	<u>\$ 1,786,282</u>	<u>\$ 21,085,279</u>	<u>\$ 110,167,760</u>
LIABILITIES						
Accounts payable	\$ 1,748,027	\$ 8,400	\$ 112,194	\$ -	\$ 704,363	\$ 2,572,984
Due to other funds	313,223	-	-	-	1,887,667	2,200,890
Accrued liabilities	845,799	-	-	-	109,817	955,616
Unearned revenue	25,131,028	-	-	-	-	25,131,028
Total liabilities	<u>28,038,077</u>	<u>8,400</u>	<u>112,194</u>	<u>-</u>	<u>2,701,847</u>	<u>30,860,518</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,677,727	-	32,880	128,772	46,370	1,885,749
Unavailable revenue - EMS charges for services	615,069	-	-	-	-	615,069
Deferred lease receipts	875,664	-	-	-	-	875,664
Total deferred inflows of resources	<u>3,168,460</u>	<u>-</u>	<u>32,880</u>	<u>128,772</u>	<u>46,370</u>	<u>3,376,482</u>
FUND BALANCES						
Nonspendable:						
Inventories	119,937	-	-	-	-	119,937
Restricted for:						
General government	-	-	-	-	178,297	178,297
Public safety	-	-	-	-	3,739,246	3,739,246
Transportation	-	-	-	-	9,439,957	9,439,957
Culture and recreation	-	-	-	-	2,664,440	2,664,440
Public works	-	-	-	-	1,613,897	1,613,897
Health and welfare	640,000	-	-	-	91,006	731,006
Capital projects	-	22,585,304	10,165,481	-	2,411,582	35,162,367
Debt service	-	-	-	1,657,510	-	1,657,510
Committed:						
General government	1,039,694	-	-	-	-	1,039,694
Unassigned	21,385,772	-	-	-	(1,801,363)	19,584,409
Total fund balances	<u>23,185,403</u>	<u>22,585,304</u>	<u>10,165,481</u>	<u>1,657,510</u>	<u>18,337,062</u>	<u>75,930,760</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 54,391,940</u>	<u>\$ 22,593,704</u>	<u>\$ 10,310,555</u>	<u>\$ 1,786,282</u>	<u>\$ 21,085,279</u>	<u>\$ 110,167,760</u>

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances for governmental funds:	\$ 75,930,760
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.	143,475,823
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,500,818
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.	
General obligation bonds, net of original issue premiums	\$ (10,379,218)
Financed purchase obligations	(183,055)
Subscription Liability	(110,849)
Loans payable	(2,734,000)
Other post-employment benefits, net of related deferred outflows and deferred inflows of resources	(54,054,154)
Post-closure care liabilities	(3,314,885)
Compensated absences payable	(2,135,422)
Net pension liability, net of related deferred outflows and deferred inflows of resources	<u>(43,288,591)</u>
	(116,200,174)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(153,736)</u>
Net position of governmental activities	<u><u>\$ 105,553,491</u></u>

SUMTER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Capital Penny Sales Tax II	Infrastructure	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 26,975,758	\$ -	\$ 1,934,853	\$ 5,265,313	\$ 1,906,133	\$ 36,082,057
Sales taxes	9,519,075	16,177,854	-	-	-	25,696,929
Other taxes	-	-	-	-	3,054,756	3,054,756
Intergovernmental	10,514,768	200,000	3,025,001	-	8,984,540	22,724,309
Licenses, permits and fees	2,459,233	-	-	-	79,183	2,538,416
Fines and forfeitures	1,507,355	-	-	-	2,084,898	3,592,253
Charges for services	10,237,735	-	-	-	8,871,954	19,109,689
Interest revenue (loss)	1,469,056	89,562	-	46	-	1,558,664
Other revenues	3,473,556	311,710	-	-	330,678	4,115,944
Total revenues	66,156,536	16,779,126	4,959,854	5,265,359	25,312,142	118,473,017
EXPENDITURES						
Current:						
General government	14,563,938	2,105,337	-	-	1,644,337	18,313,612
Public safety	24,673,166	-	-	-	6,170,083	30,843,249
Transportation	528,981	-	-	-	6,611,071	7,140,052
Public works	3,618,934	-	-	-	7,885,251	11,504,185
Culture and recreation	4,756,099	-	-	-	29,520	4,785,619
Judicial services	3,604,129	-	-	-	-	3,604,129
Health and welfare	5,844,283	-	-	-	413,851	6,258,134
Economic development	722,634	-	2,632,800	-	-	3,355,434
Capital outlay	9,331,808	2,354,692	500,000	-	178,270	12,364,770
Debt service:						
Principal	623,968	-	-	11,048,000	-	11,671,968
Interest	120,720	-	-	758,443	-	879,163
Fiscal charges	-	-	-	825	-	825
Total expenditures	68,388,660	4,460,029	3,132,800	11,807,268	22,932,383	110,721,140
Excess (deficiency) of revenues over (under) expenditures	(2,232,124)	12,319,097	1,827,054	(6,541,909)	2,379,759	7,751,877
OTHER FINANCING SOURCES (USES)						
Transfers in	1,540,729	-	-	6,913,250	2,327,479	10,781,458
Transfers out	(2,327,479)	(6,913,250)	(875,800)	-	(664,929)	(10,781,458)
Issuance of bonds	3,500,000	-	-	-	-	3,500,000
Sale of capital assets	269,383	-	-	-	-	269,383
Total other financing sources (uses), net	2,982,633	(6,913,250)	(875,800)	6,913,250	1,662,550	3,769,383
Net change in fund balances	750,509	5,405,847	951,254	371,341	4,042,309	11,521,260
Fund balances, beginning of year	22,434,894	17,179,457	9,214,227	1,286,169	14,294,753	64,409,500
Fund balances, end of year	\$ 23,185,403	\$ 22,585,304	\$ 10,165,481	\$ 1,657,510	\$ 18,337,062	\$ 75,930,760

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net change in fund balances - total governmental funds	\$	11,521,260
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlay	\$ 13,559,494		
Depreciation and amortization expense	<u>(6,911,441)</u>		6,648,053

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.		(409,877)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(141,436)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Also, any refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the Statement of Activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 11,671,968		
Issuance of long-term debt	(3,500,000)		
Amortization of premium on long-term debt	<u>460,858</u>		8,632,826

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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Pension liability	\$ 1,296,137		
Landfill post-closure liability	(188,182)		
Compensated absences	(101,897)		
Accrued interest on long-term debt	95,640		
Other postemployment benefits liability	<u>(457,489)</u>		644,209
			<u>\$ 26,895,035</u>

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

	Nonmajor Enterprise Funds		Totals
	Wedgefield Statesburg Water District Fund	Shiloh Water System Fund	
ASSETS			
CURRENT ASSETS			
Cash	\$ 439,724	\$ 736,363	\$ 1,176,087
Accounts receivable, net of allowance	42,429	21,386	63,815
Total current assets	482,153	757,749	1,239,902
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	-	32,250	32,250
Depreciable, net of accumulated depreciation	1,557,824	1,706,152	3,263,976
Total noncurrent assets	1,557,824	1,738,402	3,296,226
Total assets	2,039,977	2,496,151	4,536,128
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits	17,453	1,518	18,971
Pension - South Carolina Retirement System	11,400	1,754	13,154
Total deferred outflows of resources	28,853	3,272	32,125
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	6,349	19,204	25,553
Accrued liabilities	869	775	1,644
Accrued interest	29,291	-	29,291
Current portion - compensated absences	373	-	373
Current portion - revenue bonds payable	72,000	-	72,000
Total current liabilities	108,882	19,979	128,861
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	6,220	-	6,220
Revenue bonds payable, net of current portion	1,013,000	-	1,013,000
Total other postemployment benefits liability	92,431	8,037	100,468
Net pension liability - South Carolina Retirement System	82,292	12,660	94,952
Total noncurrent liabilities	1,193,943	20,697	1,214,640
Total liabilities	1,302,825	40,676	1,343,501
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits	53,924	4,689	58,613
Pension - South Carolina Retirement System	3,450	531	3,981
Total deferred inflows of resources	57,374	5,220	62,594
NET POSITION			
Net investment in capital assets	472,824	1,738,402	2,211,226
Unrestricted	235,807	715,125	950,932
Total net position	\$ 708,631	\$ 2,453,527	\$ 3,162,158

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Funds		
	Wedgefield		
	Statesburg Water	Shiloh Water	
	District Fund	System Fund	Totals
OPERATING REVENUES			
Charges for services:			
Customer sales	\$ 451,497	\$ 177,888	\$ 629,385
Total operating revenues	<u>451,497</u>	<u>177,888</u>	<u>629,385</u>
OPERATING EXPENSES			
Salaries and fringe benefits	47,443	40,396	87,839
Supplies	21,340	14,198	35,538
Utilities	17,621	12,127	29,748
Machinery, equipment repairs and maintenance	61,905	30,156	92,061
Professional services	83,880	-	83,880
Miscellaneous	32	30,554	30,586
Depreciation	51,934	198,744	250,678
Total operating expenses	<u>284,155</u>	<u>326,175</u>	<u>610,330</u>
Operating income (loss)	<u>167,342</u>	<u>(148,287)</u>	<u>19,055</u>
NON-OPERATING INCOME (EXPENSE)			
Interest expense	(54,193)	-	(54,193)
Intergovernmental grants	3,600	-	3,600
Total non-operating expense, net	<u>(50,593)</u>	<u>-</u>	<u>(50,593)</u>
Change in net position	116,749	(148,287)	(31,538)
Net position, beginning of year	<u>591,882</u>	<u>2,601,814</u>	<u>3,193,696</u>
Net position, end of year	<u>\$ 708,631</u>	<u>\$ 2,453,527</u>	<u>\$ 3,162,158</u>

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Funds		
	Wedgefield		
	Statesburg Water	Shiloh Water	
	District Fund	System Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 449,278	\$ 153,678	\$ 602,956
Payments to suppliers	(184,551)	(79,491)	(264,042)
Payments to employees	(48,493)	(41,890)	(90,383)
Net cash provided by operating activities	<u>216,234</u>	<u>32,297</u>	<u>248,531</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(13,765)	(13,765)
Intergovernmental grant	3,600	-	3,600
Principal paid on revenue bonds	(121,000)	-	(121,000)
Interest paid	(42,832)	-	(42,832)
Net cash used in capital and related financing activities	<u>(160,232)</u>	<u>(13,765)</u>	<u>(173,997)</u>
Net change in cash and cash equivalents	56,002	18,532	74,534
Cash and cash equivalents:			
Beginning of year	<u>383,722</u>	<u>717,831</u>	<u>1,101,553</u>
End of year	<u>\$ 439,724</u>	<u>\$ 736,363</u>	<u>\$ 1,176,087</u>

(Continued)

SUMTER COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Funds		Totals
	Wedgefield Statesburg Water District Fund	Shiloh Water System Fund	
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 167,342	\$ (148,287)	\$ 19,055
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	51,934	198,744	250,678
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,219)	21,830	19,611
Decrease in deferred outflows of resources	4,823	495	5,318
Increase in accounts payable	1,239	7,544	8,783
Decrease in accrued liabilities	(1,422)	(1,265)	(2,687)
Decrease in total other postemployment benefits liability	(48,811)	(4,245)	(53,056)
Increase in compensated absences	372	-	372
Decrease in due to other funds	-	(46,040)	(46,040)
Increase in net pension liability	7,038	1,083	8,121
Increase in deferred inflows of resources	35,938	2,438	38,376
Net cash provided by operating activities	<u>\$ 216,234</u>	<u>\$ 32,297</u>	<u>\$ 248,531</u>

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2023

		Custodial Funds
ASSETS		
Cash		\$ 14,568,255
Receivables		51,714
Total assets		14,619,969
LIABILITIES		
Due to others		3,735,014
Total liabilities		3,735,014
NET POSITION		
Restricted for individuals, organizations, and other governments		10,884,955
Total net position		\$ 10,884,955

The accompanying notes are an integral part of these financial statements.

SUMTER COUNTY, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS	
Taxes	\$ 92,154,815
Funds from state and municipalities	12,928,446
Fines and fees	54,705
Total additions	105,137,966
DEDUCTIONS	
Taxes and fees paid to other governments	102,793,065
Total deductions	105,220,996
Change in net position	(83,030)
Net position, beginning of year	10,967,985
Net position, end of year	\$ 10,884,955

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SUMTER COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Sumter County, South Carolina, (the "County") is a political subdivision of the State of South Carolina. The County operates under a Council-Administrator form of government and is governed by an elected seven-member council, one of whom is the chair. The Council is the legislative body of the County and is responsible for determining the policies and direction of the County government. The administrator is responsible for the County's daily operations.

The basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable. The blended component unit discussed below is included in the County's reporting entity because of its significant financial relationship to the County. A discretely presented component unit, also discussed below, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County government.

Blended Component Unit - Sumter County Community Development Corporation (CDC) - The CDC was incorporated in 2009. The CDC's purpose is to initiate, develop, and maintain projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital. The Board of Directors promotes development of sustainable business, government and community alliances to help lessen the burdens of government, reduction of physical and economic blight, combating community deterioration by fostering business attraction, retention and expansion in areas in need of permanent job opportunities, work force advancement and general growth opportunities. The CDC is reported as a special revenue fund of the County and does not issue separate financial statements. The County Council appoints the board of the CDC and can impose its will on the CDC by significantly influencing the activities of the CDC.

Discretely Presented Component Unit - Sumter County Library (the "Library") - The Library was created in 1979 pursuant to Ordinance #554-79 to serve the needs of citizens in Sumter County. The Library's Board of Trustees is appointed by County Council. The County owns the land and buildings used by the Library. County Council appropriates a significant portion of the Library's annual budget. The Library meets the criteria set forth in generally accepted accounting principles (GAAP) for inclusion as a discretely presented component unit of Sumter County, South Carolina. The Library does not issue separate financial statements.

Basis of Presentation

The basic financial statements of the County have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to avoid the double-counting of interfund activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed primarily by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position reports all financial and capital resources of the County and reports the differences between assets plus deferred outflows and liabilities plus deferred inflows as net position. The Statement of Activities presents a comparison between direct expenses and program revenues for each activity of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular activity. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by the programs and (b) grants and contributions that are restricted to meet the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts comprised of assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures or expenses, as appropriate. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major fund types:

General Fund - 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.

Capital Penny Sales Tax II Fund - The Capital Penny Sales Tax II fund accounts for the sales tax revenues approved by county voters in 2014 that are restricted to improve, repair, and construct infrastructure for the County.

Infrastructure Fund - The Infrastructure Fund accounts for tax revenues and intergovernmental revenues for use on County infrastructure projects.

Debt Service Fund - The Debt Service Fund accounts for the tax revenues levied and payments made on the County's General Obligation Debt.

The County reports the following nonmajor governmental fund types:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service and major capital projects) that are legally restricted or committed to expenditure for specified purposes.

Capital Projects Funds - The capital projects funds are used to account for financial resources used for all general construction projects other than enterprise fund construction.

Enterprise Funds - The Enterprise Funds are used to account for the activities of the County's water system in the Wedgefield-Statesburg and Shiloh areas of the County.

The County reports the following additional fund types:

Fiduciary Funds - These fiduciary funds are custodial in nature and are used to account for monies received, held, and disbursed on behalf of other governments, special tax districts, and certain County departments related to the collection of taxes and court related transactions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Statements

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The custodial funds also use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all earning requirements have been satisfied.

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. For the two water utility funds, principal operating revenues include sales to existing customers for continuing water service. Operating expenses 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.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as the amounts become susceptible to accrual by becoming measurable and available to finance the County's operations. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 60 days thereafter. The primary revenues susceptible to accrual include property, business license, other local taxes, EMS fees, and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt and certain other general long-term obligations, such as compensated absences, landfill closure and post-closure care costs, and Subscription-Based Information Technology Arrangements (SBITAs), are recognized only to the extent they have matured. General capital asset acquisitions are reported as capital outlays in governmental funds. The issuance of general long-term debt and acquisitions under financed purchase obligations are reported as other financing sources. The effect of interfund activity has not been eliminated from the governmental fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Pooled Cash and Investments - The County maintains cash and temporary investments for its funds in a pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. State statutes authorize the government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of South Carolina and its political subdivisions, (3) financial institutions if their deposits are insured by an agency of the federal government, and (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) above which are held by a third party. Investments, consisting of repurchase agreements, money market mutual funds, U.S. Treasury and U.S. Agency securities, are stated at fair value. Certificates of deposit are stated at amortized cost which approximates fair value.

Cash and Cash Equivalents - 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. For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent amounts maintained in the reporting entity's investment pool as they are considered to be demand deposits for the purpose of complying with accounting principles.

The County's discretely presented component unit maintains separate cash and investment accounts, generally in the form of cash in the bank and certificates of deposit.

Receivables - All trade and property tax receivables are shown net of an allowance for uncollectibles. Receivables in governmental funds include revenue accruals that are recognized when they become measurable and available, as previously defined. Property taxes receivable represents delinquent and unpaid real and personal property tax billing, less an allowance for amounts estimated to be uncollectible.

Property Tax Calendar - Property is valued for taxation at December 31 of the prior fiscal year with the tax bills due between September 30 and January 15 of the current fiscal year. Unpaid taxes are assessed a 3% penalty during the period January 16 to February 1, an additional 7% penalty is assessed February 2 to March 16, and a further 5% is assessed for tax bills unpaid after March 16. South Carolina law attaches a lien on the property at the December 31 valuation date. The County Treasurer transfers the delinquent tax accounts to the delinquent tax collector after March 17 for collection efforts as prescribed by state law.

Motor vehicle taxes are billed annually to coincide with the vehicles registration month and are due by the last day of that month. Real property taxes billed but not collected within 60 days of year-end are reflected in the Governmental Funds Balance Sheet as taxes receivable and unavailable revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance (Continued)

Inventories and Prepaid Items - Inventories are valued at cost using the average cost method. The consumption method of accounting for inventories is used. Under this method, inventories are expensed as they are consumed as operating supplies and spare parts in the period to which they apply. Inventories in the general fund consist of fuel, medical and office supplies, and promotional items. Payments to vendors that reflect costs applicable to future periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items consist primarily of insurance coverage paid in advance.

Restricted Assets - Restricted assets are liquid assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Real Estate Held for Resale - Real estate held for resale is recorded at cost.

Capital Assets - Capital assets, which include property, plant, equipment, subscription assets, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary fund. Capital assets are defined by the County as personal property with a unit or system cost in excess of \$5,000 and an estimated useful life in excess of two years and land, depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$50,000.

Such assets are recorded at 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 do 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.

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:

Machinery and equipment	3 to 10 years
Subscription Assets	3 years
Vehicles	5 to 10 years
Buildings and improvements	15 to 40 years
Water and sewer systems	40 to 75 years
Infrastructure	10 to 20 years

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance (Continued)

Long-term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

There are a number of limitations and restrictions in the County's debt instruments. The County is in compliance with all significant limitations and restrictions.

Interfund Receivables and Payables - Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts as "due to/from" funds.

Compensated Absences - County employees may accumulate up to 360 hours of unused vacation and carry it forward from one year to the next. Employees separating from service are paid their regular pay rate for accrued and unused leave. Employees may accumulate sick leave, but the County does not pay employees separating from service for unused sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability is reported in governmental funds only when they mature because an employee resigns or retires.

Deferred Outflows of Resources - In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets applicable to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows related to pension and other post-employment benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance (Continued)

Deferred Inflows of Resources - In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets applicable to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The County has deferred inflows related to pension, other post-employment benefits, and deferred lease receipts which are reported on the government-wide and proprietary funds statements of net position, as applicable. Additionally, the County reports deferred inflows of resources on the Governmental Funds Balance Sheet for unavailable revenues from property taxes, EMS charges, and intergovernmental revenues and deferred lease receipts.

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

Total Other Postemployment Benefit (OPEB) - For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows of resources, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position - Net position is comprised of three categories: Net investment in capital assets; Restricted net position; and Unrestricted net position. The first category of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds that are attributable to these capital assets. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Net position, which is neither restricted nor related to net investment in capital assets, is reported as unrestricted net position.

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance (Continued)

Committed Fund Balance - The County Council, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by ordinance. As a result, all unrestricted amounts directed toward a purpose are shown as committed.

Assigned Fund Balance - Balances shown as assigned represent balances management has allocated for a specific purpose but which is neither restricted nor committed.

Unassigned Fund Balance - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances. County Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) in the General Fund. The target level is set at two months of general fund expenditures (approximately 17%). The amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a two-year period.

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.

Revenues

Program Revenues - The County's Governmental activities charges for services include ambulance fees, recreation fees, various rentals, landfill fees, and stormwater fees. The business type activities charges for services are water system revenues. The governmental activities also report operating and capital grants received to fund various programs.

General Revenues - The County's general revenues include property taxes, local option sales taxes, licenses and permits, and state aid not restricted to specific programs.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance (Continued)

Leases

The County is the lessor for certain noncancellable leases of real property. The County recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in accordance with these transactions. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the County (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: the lease agreements entered into by the County as lessor do not include stated interest rates. Therefore, the County generally uses its estimated incremental borrowing rate as the discount rate for leases; the lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the County will receive over the term of the lease agreement. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease.

Subscription-Based Information Technology Arrangements

Sumter County is a lessee for noncancellable SBITAs. The County recognizes a subscription liability and subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance (Continued)

Subscription-Based Information Technology Arrangements (Continued)

Key estimates and judgments related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) payments:

- The County uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

For the year ended June 30, 2023, the County's Solid Waste Tire Fund, the Capital Penny Sales Tax I Fund, and the Home Improvement Program fund reported deficit fund balances of \$202,959, \$1,597,574, and \$830, respectively. These deficits will be eliminated through the receipt of future revenues.

Budgetary Information

In February of each year, all agencies/departments of the County submit requests for appropriations to the County Administrator so that a budget may be prepared. By the end of March, the proposed budget is presented to County Council for review. The County Council holds public hearings, and a final budget must be prepared and adopted by way of a County Ordinance no later than June 30. The budget ordinance appropriates amounts by activity for all governmental funds certain funds which are budgeted on a project and/or grant-by-grant basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

The adopted budgets specify expenditure limits appropriated to each County department. The County Administrator can approve transfers within and among departments. County Council must approve transfers between funds. The budgets are prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

Excess of Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in various departments of the General Fund, Infrastructure Fund, Solid Waste Tire Fund, Sumter County Drug Unit Fund, Sumter County CDC Fund, Wastewater Fund, Road User Fund, and Debt Service Fund. These over-expenditures were funded by (1) greater than anticipated revenues and/or (2) the use of available fund balance.

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2023, are summarized below:

As reported in the *Statement of Net Position*:

Primary government	
Cash and cash equivalents	\$ 86,167,533
Investments	5,033,892
Custodial Fund - cash and cash equivalents	14,568,255
Discretely Presented Component Unit	
Cash and cash equivalents	424,429
	<u>\$ 106,194,109</u>
Cash deposited with financial institutions	\$ 101,160,217
SC Local Government Investment Pool	2,550,491
Certificates of deposit	493,390
Money market mutual funds	65,582
U.S. Treasury securities	279,938
U.S. Agency securities	1,644,491
	<u>\$ 106,194,109</u>

Custodial credit risk – Deposits. This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2023, the carrying amount of the County's deposits was \$101,653,607 and the bank balance was \$105,584,649.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

All of the County's and Library's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's or Library's name. Petty cash funds of \$8,890 are reflected as cash.

As of June 30, 2023, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
SC Local Government Investment Pool	\$ 2,550,491	\$ 2,550,491	\$ -	\$ -
Certificates of deposit	493,390	248,115	245,275	-
Money market mutual funds	65,582	65,582	-	-
U.S. Treasury securities	279,938	194,594	85,344	-
U.S. Agency securities	1,644,491	246,361	1,374,010	24,120
	<u>\$ 5,033,892</u>	<u>\$ 3,305,143</u>	<u>\$ 1,704,629</u>	<u>\$ 24,120</u>

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2023.

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
U.S. Treasury securities	\$ 279,938	\$ -	\$ -	\$ 279,938
U.S. Agency securities	-	1,644,491	-	1,644,491
Money market mutual funds:				
Mutual fund taxable fixed income	65,582	-	-	65,582
Total mutual funds	65,582	-	-	65,582
Total investments by fair value level	<u>\$ 345,520</u>	<u>\$ 1,644,491</u>	<u>\$ -</u>	<u>1,990,011</u>

Investments not subject to fair value level disclosure:

SC Local Government Investment Pool	2,550,491
Certificates of deposit	493,390
Total investments	<u>\$ 5,033,892</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The investments in money market mutual funds, U.S. Treasuries, and U.S. Agencies classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for identical assets. The investment in U.S. Agencies classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no investments classified in Level 3 of the fair value hierarchy.

The South Carolina Local Government Investment Pool (LGIP) is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy. The LGIP is an investment trust fund, created by state legislation, in which public monies in excess of current needs, which are under the custody of any governing body of a political subdivision of the State, may be deposited. The LGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of the at least two nationally recognized rating services. The LGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for liquidity, attention to credit quality, portfolio diversification, and maintenance of short average maturity of fixed and floating rate investments.

Funds may be deposited at any time and may be withdrawn upon 24-hour notice. Monthly investment income is distributed to participants in the form of additional units in the pool and is calculated on the accrual basis of accounting, including accrued interest and amortization of premium or discount. Unrealized gains and losses on investments are not distributed to participants until realized. The LGIP does not carry any legally binding guarantees to protect participants against potential loss of investment value.

The County's deposits in the LGIP are carried at fair value based upon quoted market prices. The total fair value of the pool is apportioned to the entities with funds invested on an equal basis for each share owned. The fair value of the County's position in the pool is the same as the value of the pool shares. Shares are acquired at \$1 cost per share. The LGIP is unrated. Financial statements for the LGIP may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

Similarly, the County's and the Library's investment in certificates of deposit are not disclosed in the fair value hierarchy. The investments in certificates of deposit are reported at amortized cost.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Credit risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Treasuries and Agencies, including the Federal Farm Credit Banks (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and the Federal National Mortgage Association (FNMA), were rated AA+ by Standard & Poor's and AAA by Moody's Investor Services. As of June 30, 2023, the County owned \$1,644,491 of government sponsored entity (GSE) debt securities and \$279,938 of U.S. Treasury debt securities. These investments are either directly or indirectly guaranteed by the U.S. Treasury. The County is invested in certificates of deposit with varying maturity dates and the LGIP. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance. The LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

Interest Rate Risk. This is the risk that the fair value of securities in the portfolio will fall due to changes in the market interest rates. The County's policy is to minimize interest rate risk by investing operating funds in primarily shorter-term securities, money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Concentration of credit risk. This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized, although there is no formal limit on the amount the County may invest in any one issuer.

Custodial credit risk. This is the risk that, in the event of a failure of the counterparty, the County may not be able to recover the value of investments or collateral securities that are in possession of an outside party. The County's policy is to minimize custodial credit risk by limiting investments to the types of securities allowed by law and pre-qualifying the financial institutions, broker/dealer, intermediaries and advisors with which the County will do business.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of year-end for the County's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Penny Sales Tax II	Debt Service	Infrastructure	Nonmajor Governmental
Taxes receivable	\$ 6,989,419	\$ -	\$ 469,452	\$ 53,507	\$ 159,449
Leases receivable	893,586	-	-	-	-
Accounts receivable	27,415,060	2,821,641	-	1,300,000	564,220
Due from other governments	3,500,770	-	-	-	383,577
Less: allowance for uncollectible accounts	(29,776,956)	-	(321,672)	(8,026)	(143,035)
Net receivables	<u>\$ 9,021,879</u>	<u>\$ 2,821,641</u>	<u>\$ 147,780</u>	<u>\$ 1,345,481</u>	<u>\$ 964,211</u>

	Wedgefield Statesburg Water	Shiloh Water System
Accounts receivable	\$ 107,693	\$ 49,258
Less: allowance for uncollectible accounts	<u>(65,264)</u>	<u>(27,872)</u>
Net receivables	<u>\$ 42,429</u>	<u>\$ 21,386</u>

NOTE 5. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund receivables and payables at June 30, 2023, were as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 292,326
Nonmajor Governmental Funds	General Fund	313,223
Capital Penny Sales Tax II Fund	Nonmajor Governmental Funds	1,595,341
		<u>\$ 2,200,890</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances normally clear within one to two months.

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds.

Total transfers during the year ended June 30, 2023, consisted of the following individual amounts:

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 664,929
Debt Service Fund	Capital Penny Sales Tax II Fund	6,913,250
Nonmajor Governmental Funds	General Fund	2,327,479
General Fund	Infrastructure Fund	875,800
		<u>\$ 10,781,458</u>

The transfers noted above were used to: (1) provide operational funds, (2) provide salary subsidies, and/or (3) provide funds for the construction costs associated with infrastructure for economic development for the Golden Corner Commerce Park. All were made in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
Governmental activities					
Capital assets not being depreciated					
Land	\$ 8,607,597	\$ 701,006	\$ -	\$ -	\$ 9,308,603
Construction in progress	5,480,106	8,256,337	-	(1,014,671)	12,721,772
Total capital assets not being depreciated	14,087,703	8,957,343	-	(1,014,671)	22,030,375
Capital assets being depreciated					
Buildings and improvements	123,181,834	570,749	-	(208,011)	123,544,572
Heavy equipment and vehicles	17,430,407	1,360,238	-	(451,197)	18,339,448
Equipment and furnishings	19,010,153	927,519	(166,527)	1,715,294	21,486,439
Subscription asset	223,915	-	-	-	223,915
Infrastructure	99,268,118	1,743,645	-	14,713	101,026,476
Total capital assets being depreciated	259,114,427	4,602,151	(166,527)	1,070,799	264,620,850
Less accumulated depreciation					
Buildings and improvements	(36,948,263)	(2,938,597)	-	190,613	(39,696,247)
Heavy equipment and vehicles	(13,389,203)	(1,380,983)	-	43,095	(14,727,091)
Equipment and furnishings	(12,472,350)	(1,423,186)	64,761	(172,381)	(14,003,156)
Subscription asset	-	(87,946)	-	-	(87,946)
Infrastructure	(73,154,667)	(1,080,729)	-	(425,566)	(74,660,962)
Total accumulated depreciation	(135,964,483)	(6,911,441)	64,761	(364,239)	(143,175,402)
Total capital assets being depreciated, net	123,149,944	(2,309,290)	(101,766)	706,560	121,445,448
Governmental activities capital assets, net	\$ 137,237,647	\$ 6,648,053	\$ (101,766)	\$ (308,111)	\$ 143,475,823

Depreciation expense was charged to governmental functions/programs as follows:

General government	\$ 1,418,535
Public safety	1,752,208
Health and welfare	415,127
Public works	179,387
Culture and recreation	1,180,507
Transportation	1,965,677
Total Governmental Activities Depreciation Expense	<u>\$ 6,911,441</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Business-type activities					
Capital assets not being depreciated					
Land	\$ 32,250	\$ -	\$ -	\$ -	\$ 32,250
Total capital assets not being depreciated	32,250	-	-	-	32,250
Capital assets being depreciated					
Infrastructure	6,118,746	-	-	-	6,118,746
Buildings and improvements	86,998	-	-	-	86,998
Equipment and vehicles	300,772	13,765	-	-	314,537
Total capital assets being depreciated	6,506,516	13,765	-	-	6,520,281
Less accumulated depreciation					
Infrastructure	(2,758,625)	(237,986)	-	-	(2,996,611)
Buildings and improvements	(43,136)	(1,437)	-	-	(44,573)
Equipment and vehicles	(203,866)	(11,255)	-	-	(215,121)
Total accumulated depreciation	(3,005,627)	(250,678)	-	-	(3,256,305)
Total capital assets being depreciated, net	3,500,889	(236,913)	-	-	3,263,976
Business-type activities capital assets, net	<u>\$ 3,533,139</u>	<u>\$ (236,913)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,296,226</u>

Capital asset activity for the Sumter County Library, the discretely presented component unit, for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets Being Depreciated				
Books and periodicals	\$ 3,028,386	\$ 73,805	\$ (30,230)	\$ 3,071,961
Equipment	331,203	13,769	-	344,972
Buildings and improvements	141,882	78,936	-	220,818
Vehicles	94,231	125,108	-	219,339
Total capital assets being depreciated	3,595,702	291,618	(30,230)	3,857,090
Less Accumulated Depreciation				
Books and periodicals	(2,870,178)	(39,531)	30,230	(2,879,479)
Equipment	(225,800)	(23,649)	-	(249,449)
Buildings and improvements	(101,497)	(9,307)	-	(110,804)
Vehicles	(24,858)	(27,927)	-	(52,785)
Total Accumulated Depreciation	(3,222,333)	(100,414)	30,230	(3,292,517)
Total capital assets being depreciated, net	<u>\$ 373,369</u>	<u>\$ 191,204</u>	<u>\$ -</u>	<u>\$ 564,573</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations for the year ended June 30, 2023, for the County's governmental activities is as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within One Year
Governmental activities					
General obligation bonds	\$ 16,046,000	\$ 3,500,000	\$ (9,726,000)	\$ 9,820,000	\$ 8,445,000
General obligation bonds - direct placement	1,645,000	-	(1,322,000)	323,000	323,000
General obligation bond premiums	697,076	-	(460,858)	236,218	-
Total general obligation bonds	18,388,076	3,500,000	(11,508,858)	10,379,218	8,768,000
Financed purchase obligations	291,957	-	(108,902)	183,055	73,256
Loans payable	3,136,000	-	(402,000)	2,734,000	416,000
Post-closure care costs	3,126,703	188,182	-	3,314,885	165,037
Subscription liability	223,915	-	(113,066)	110,849	110,849
Compensated absences	2,033,525	1,266,947	(1,165,050)	2,135,422	1,165,050
Net pension liability	44,232,660	4,531,365	-	48,764,025	-
Total other postemployment benefit liability	59,229,702	-	(20,469,204)	38,760,498	-
	<u>\$ 130,662,538</u>	<u>\$ 9,486,494</u>	<u>\$ (33,767,080)</u>	<u>\$ 106,381,952</u>	<u>\$ 10,698,192</u>

The General Fund has typically been used in prior year to liquidate the liability for compensated absences, the total OPEB liability, the landfill post-closure care costs, and the subscription liabilities. Details by type of obligation and a summary of debt service requirements follows.

General Obligation Bonds. The County has issued general obligation bonds to provide for construction and purchase of capital assets used in carrying out its governmental activities. General obligation bonds have been issued only for governmental activities. General obligation bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. Article X, Section 14 of the Constitution of the State of South Carolina, 1895, permits the counties to issue general obligation indebtedness in an amount not exceeding eight percent of the assessed value of taxable property of said county without a referendum of voters' approving the issuance.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued). General obligation bonds are liquidated by the debt service funds. General obligation bonds outstanding as of year-end are as follows:

General Obligation Bonds	
\$40,000,000 Series 2016A, payable in semi-annual installments ranging from \$4,935,000 to \$6,595,000 including interest at 1.34%, maturing in March 2024.	\$ 6,595,000
\$2,800,000 Series 2019, payable in semi-annual installments ranging from \$443,000 to \$494,000 including interest at 1.955%, maturing in March 2025.	950,000
\$3,500,000 Series 2020, payable in semi-annual installments ranging from \$430,000 to \$1,300,000 including interest at 1.40%, maturing in March 2026.	1,335,000
\$3,500,000 Series 2022, payable in semi-annual installments ranging from \$940,000 to \$2,560,000 including interest at 2.91%, maturing in March 2024.	940,000
	<u>9,820,000</u>
Original issue premiums on general obligation bonds, net of accumulated amortization	236,218
Total general obligation bonds	<u><u>\$ 10,056,218</u></u>

General Obligation Bonds - Direct Placements	
\$2,500,000 Series 2018, payable in semi-annual installments ranging from \$288,000 to \$974,000 including interest at 2.881%, maturing in March 2024.	\$ 323,000
Total general obligation bonds - direct placements	<u><u>\$ 323,000</u></u>

Loans Payable. Loans payable at year end were as follows:

Loans Payable	
\$5,262,000 South Carolina Jobs-Economic Development Authority Taxable Qualified Energy Conservation Note (South Carolina SAVES Green Community Program - Sumter County, South Carolina) Series 2015. The note accrued interest at 3.73% and is payable in 13 annual principal and interest installments ranging from \$513,044 to \$521,684.	\$ 2,734,000

Financed Purchase Obligations. Financed Purchase Obligations at year end were as follows:

Financed Purchase Obligations	
Financed purchase obligation for the acquisition of equipment commencing in November 2020. Payments are due in annual installments including interest at 5.22%, maturing in October 2025.	\$ 120,237
Financed purchase obligation for the acquisition of equipment commencing in December 2020. Payments are due in monthly installments including an implicit interest rate of 1.14% maturing in November 2023.	8,368
Financed purchase obligation for the acquisition of equipment commencing in August 2021. Payments are due in monthly installments including an implicit interest rate of 1.14% maturing in August 2025.	54,450
Total financed purchase obligations	<u><u>\$ 183,055</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of debt service requirements to maturity by year for the County's governmental activities:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 8,445,000	\$ 390,896	\$ 8,835,896
2025	925,000	19,587	944,587
2026	450,000	5,130	455,130
	<u>\$ 9,820,000</u>	<u>\$ 415,613</u>	<u>\$ 10,235,613</u>

Year Ending June 30,	General Obligation Bonds - Direct Placement		
	Principal	Interest	Total
2024	\$ 323,000	\$ 9,306	\$ 332,306
	<u>\$ 323,000</u>	<u>\$ 9,306</u>	<u>\$ 332,306</u>

Year Ending June 30,	Loans Payable		
	Principal	Interest	Total
2024	\$ 416,000	\$ 103,755	\$ 519,755
2025	431,000	87,968	518,968
2026	447,000	71,612	518,612
2027	463,000	54,648	517,648
2028	480,000	37,077	517,077
2029-2032	497,000	18,861	515,861
	<u>\$ 2,734,000</u>	<u>\$ 373,921</u>	<u>\$ 3,107,921</u>

Year Ending June 30,	Financed Purchase Obligations		
	Principal	Interest	Total
2024	\$ 73,256	\$ 851	\$ 74,107
2025	65,322	364	65,686
2026	44,477	6	44,483
	<u>\$ 183,055</u>	<u>\$ 1,221</u>	<u>\$ 184,276</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Landfill Closure and Post-closure Costs. State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. In accordance with state law, the County closed its municipal solid waste landfill in fiscal year 2001. The County closed Area B of its C & D landfill in November 2010 and opened Area C, which it considers a separate site. Management estimates that Area C was at 58% of capacity as of year-end. Capacity is being increased by opening additional cells.

Although closure and post-closure care costs are paid only near or after the date that landfills stop accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,314,885 reported as the accrual for landfill closure and post-closure costs at June 30, 2023, is calculated as follows:

	<u>MSW</u>	<u>C&D Area B</u>	<u>C&D Area C</u>	<u>Total</u>
Total estimated current closure and post-closure care cost	\$ 504,523	\$ 609,242	\$ 3,553,062	
Percentage of landfill capacity used to date	<u>100%</u>	<u>100%</u>	<u>62%</u>	
Reported liability for closure and post-closure care cost	<u>\$ 504,523</u>	<u>\$ 609,242</u>	<u>\$ 2,201,120</u>	<u>\$ 3,314,885</u>
Total estimated current closure and post-closure care cost remaining to be recognized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,351,942</u>	
Landfill's approximate remaining life in years	<u>-</u>	<u>-</u>	<u>6</u>	

The County's landfill closure and post-closure liability represents what it would cost to perform all closure and post-closure care at June 30, 2023, and is based on engineering estimates subject to change due to inflation, deflation, technology, and/or applicable laws and regulations. Federal and state statutes and regulations require that all permitted landfills have a financial assurance mechanism in place to ensure that funds are available for clean-up of the facility at the time of closure to cover any post-closure care that may be required. The County has adopted a pay-as-you-go policy, anticipating that future available resources will be the primary source of funds to pay the cost of closure and post-closure care.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in long-term obligations for the year ended June 30, 2023, for the County's business-type activities is as follows:

Business-type activities	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within One Year
Compensated absences	\$ 6,220	\$ 373	\$ -	\$ 6,593	\$ 373
Revenue bonds payable	1,206,000	-	(121,000)	1,085,000	72,000
Net pension liability	86,831	-	8,121	94,952	-
Total other postemployment benefit liability	153,524	(53,056)	-	100,468	-
	<u>\$ 1,452,575</u>	<u>\$ (52,683)</u>	<u>\$ (112,879)</u>	<u>\$ 1,287,013</u>	<u>\$ 72,373</u>

Revenue Bonds. The County is obligated for revenue bonds, proceeds of which were used to finance construction and expansion of a water system. These bonds are secured by liens on and pledges of water revenue net of system operating and maintenance costs. The revenue bonds are liquidated by the proprietary funds. Water revenue bonds outstanding at year end were as follows:

Revenue Bonds - Direct Placement

\$1,206,000 Waterworks System Refunding Revenue Bond, Series 2021, payable in semi-annual installments ranging from \$50,000 to \$96,000 including interest at 2.35%, maturing in June 2036.	\$ 1,085,000
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Following is a summary of debt service requirements to maturity by year for the County's business-type activities:

Year Ending June 30,	Revenue Bonds - Direct Placement		
	Principal	Interest	Total
2024	\$ 72,000	\$ 25,498	\$ 97,498
2025	74,000	23,806	97,806
2026	76,000	22,067	98,067
2027	78,000	20,281	98,281
2028	79,000	18,448	97,448
2029-2033	425,000	63,450	488,450
2034-2037	281,000	13,325	294,325
	<u>\$ 1,085,000</u>	<u>\$ 186,875</u>	<u>\$ 1,271,875</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in long-term obligations for the year ended June 30, 2023, for the Library, the discretely presented component unit, is as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within One Year
Sumter County Library					
Compensated absences	\$ 18,300	\$ 14,581	\$ (8,931)	\$ 23,950	\$ 23,950
Total OPEB liability	2,026,522	-	(700,347)	1,326,175	-
Net pension liability	1,099,016	156,462	-	1,255,478	-
	<u>\$ 3,143,838</u>	<u>\$ 171,043</u>	<u>\$ (709,278)</u>	<u>\$ 2,605,603</u>	<u>\$ 23,950</u>

NOTE 8. 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 job-related illnesses and accidents. The County carries insurance for these risks of loss. Premiums for workers' compensation are paid to a public entity risk pool. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with the insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

The County is also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS

Overview

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

For purposes of measuring 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 GAAP. For this purpose, revenues are recognized when earned, and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on 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 ACFR of the state.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (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.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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; be a coroner in a full-time permanent position; 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Benefits

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

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. 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. 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. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by one percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the schedule contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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

Required employee contribution rates are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Contributions (Continued)

Required employer contribution rates are as follows:

South Carolina Retirement System

Employee Class Two	17.41% of earnable compensation
Employee Class Three	17.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	19.84% of earnable compensation
Employee Class Three	19.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Actuarial Assumptions and Methods

Actuarial valuations of the 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 ended June 30, 2019.

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in PEBA's report were determined by their consulting actuary, Gabriel, Roeder, Smith, and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Actuarial Assumptions and Methods (Continued)

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 the future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
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%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. As of June 30, 2023 (June 30, 2022 measurement date), the County's proportionate share of the NPL amounts for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$56,454,779,872	\$32,212,626,932	\$24,242,152,940	57.1%	0.130561%
PORS	\$ 8,937,686,946	\$ 5,938,707,767	\$ 2,998,979,179	66.4%	0.573803%

As of June 30, 2023 (June 30, 2022 measurement date), the Library's proportionate share of the NPL amounts for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Library's Proportionate Share of the Collective Net Pension Liability
SCRS	\$56,454,779,872	\$32,212,626,932	\$24,242,152,940	57.1%	0.005179%

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Net Pension Liability (Continued)

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital markets assumptions. The long-term expected rate of returns represents 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 2022 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 total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private equity	9.0%	8.75%	0.79%
Private debt	7.0%	6.00%	0.42%
Real assets	12.0%		
Real estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
	100%		
Total expected real return			4.79%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.04%

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

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 State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all 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 County's and the Library's NPL calculated using the discount rate of 7.00 percent, as well as what the NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's portion - SCRS	\$ 40,580,177	\$ 31,650,758	\$ 24,227,106
County's portion - PORS	\$ 23,995,825	\$ 17,208,219	\$ 11,651,924
Library's portion - SCRS	\$ 1,609,678	\$ 1,255,478	\$ 961,007

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the County recognized pension expense of \$2,232,055 for SCRS Plan and \$1,459,788 for the PORS Plan. For the year ended June 30, 2023, the Library recognized pension expense of \$29,347 for SCRS Plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

At June 30, 2023, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 274,986	\$ 137,933
Changes of assumptions	1,015,114	-
Net difference between projected and actual earnings on pension plan investments	48,812	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	4,240	1,189,080
Employer contributions subsequent to the measurement date	3,041,489	-
Total	<u>\$ 4,384,641</u>	<u>\$ 1,327,013</u>
 PORS	 Deferred Outflows of Resources	 Deferred Inflows of Resources
Differences between expected and actual experience	\$ 288,719	\$ 340,178
Changes of assumptions	716,578	-
Net difference between projected and actual earnings on pension plan investments	51,964	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	300,285	539,320
Employer contributions subsequent to the measurement date	1,948,931	-
Total	<u>\$ 3,306,477</u>	<u>\$ 879,498</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

The County reported \$3,041,489 for the SCRS Plan and \$1,948,931 for the PORS Plan as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the measurement year ended June 30, 2023 (County's fiscal year ended June 30, 2024). Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the County's proportionate share of the net balance of remaining deferred outflows and inflows of resources at June 30, 2023.

Year ended June 30:	<u>SCRS</u>	<u>PORS</u>
2024	\$ 124,994	\$ 320,048
2025	(34,915)	223,237
2026	(899,373)	(734,116)
2027	825,433	668,879

At June 30, 2023, the Library reported deferred outflows and inflows of resources related to pensions from the following sources:

SCRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,908	\$ 5,471
Changes of assumptions	40,266	-
Net difference between projected and actual earnings on pension plan investments	1,936	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,145	129,923
Employer contributions subsequent to the measurement date	<u>120,756</u>	<u>-</u>
Total	<u><u>\$ 191,011</u></u>	<u><u>\$ 135,394</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLANS INFORMATION (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

The Library reported \$120,756 for the SCRS Plan as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the measurement year ended June 30, 2023 (Library's fiscal year ended June 30, 2024). Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the Library's proportionate share of the net balance of remaining deferred outflows and inflows of resources at June 30, 2023.

Year ended June 30:	SCRS
2024	\$ (43,203)
2025	(29,745)
2026	(24,933)
2027	32,742

NOTE 10. DEFERRED COMPENSATION PLANS

Certain County employees participate in one of two optional deferred compensation plans which are available to them in conjunction with the State Retirement System. The multiple employer plans, created under Internal Revenue Code Sections 457 and 401(k), are administered for the State Retirement System by third parties. Compensation deferred under the plans is placed in trust for the contributing employee. The County has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate their employment with the County. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The County's defined benefit OPEB plan, Sumter County Retiree Benefits Plan (SCRBP), is a healthcare plan that covers eligible employees of the County. The OPEB plan is a single employer defined benefit plan that is self-funded for eligible retirees and their dependents. The County has the ability to amend the benefit terms and financing requirements of the Plan at any time. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB 75. Separate, publicly available financial statements are not issued for the OPEB Plan. The employees of the Sumter County Library, a discretely presented component unit of the County, are generally also eligible for participation in the plan.

Eligibility

Funded Retirees. Sumter County retirees are those whose employer contributes to their retiree insurance premiums and whose last five years of employment were continuous and consecutive in a regular, full-time position with an employer that participates in the state insurance program. Funded retirees must meet one of the following guidelines:

1. Hire Date June 30, 2009, or earlier:
 - a. Retirees who are eligible and have 10 or more years earned SCRS service credit with an employer who participates in the state insurance program.
 - b. Employees who leave employment before they are eligible to retire but who have 20 or more years of earned SCRS service credit with an employer that participates in the state insurance program. However, they are not eligible for insurance coverage until they are eligible to receive a retirement check at age 60. Employees who qualify under the PORS become eligible at age 55.
2. Hire date July 1, 2009, and afterwards:
 - a. Retirees who are eligible and have 15 or more years, but fewer than 25 years earned service credit, are eligible for 50% of the employer's share of the funded premium, and the retiree shall pay the retiree's share plus the remaining 50 percent of the employer's contribution.
 - b. Retirees who are eligible and have 25 years or more of earned service credit with an employer that participates in the state insurance program are eligible for 100 percent of the employers share of the funded premium, and the retiree is responsible for the entire retiree premium.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Eligibility

Non-funded Retirees. Non-funded retirees are those who do not qualify for funded benefits (see Funded Retirees) and who must pay the full premium, which includes the retiree share plus the employer contribution. To qualify, a retiree's last five years of employment must have been in an insurance eligible position with an employer participating in the state insurance program. Non-funded retirees include:

1. Hire Date June 30, 2009, or earlier:
 - a. Employees who are eligible and have 15 or more years, but fewer than 25 years earned service credit are eligible for 50 percent of the employer's share of the funded premium and the retiree shall pay the retiree's share plus the remaining 50 percent of the employer's contribution.
2. Hire date July 1, 2009, and afterwards:
 - a. Employees who retire with five years, but fewer than 15 years, of earned service credit shall pay the full premium. There is no employer contribution.

County contributions are neither guaranteed nor mandatory. County Council has retained the right to modify its payments for retiree health care benefits.

At June 30, 2022 (the measurement date), the following table depicts a summary of plan participants:

Active participants	500
Retirees and beneficiaries currently receiving benefits	<u>162</u>
Total	<u><u>662</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions and other inputs:

Discount rate:	3.69% as of June 30, 2022
Healthcare cost trend rate:	6.00% - 4.00%, Ultimate Trend after 13 years
Inflation rate:	2.25%
Salary increase:	3.50% - 10.50% for PORS eligible employees and 3.00% - 9.50% for SCRS eligible employees per annum
Participation rate:	90.00% of retirees for funded premiums 60% of retirees for partially funded premiums 15% of retirees not eligible for any subsidy

Demographic assumptions are based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes in the Total OPEB Liability

The changes in the total OPEB liability are as follows for the fiscal year ended June 30, 2023, (measurement period ended June 30, 2022):

	Total OPEB Liability
Balances beginning of year	\$ 61,409,748
Changes for the year:	
Service cost	3,482,154
Interest	1,202,561
Difference between actual and expected experience	(12,064,147)
Assumption changes	(12,808,298)
Benefit payments and implicit subsidy	(1,034,877)
Net changes	<u>(21,222,607)</u>
Balances end of year	<u><u>\$ 40,187,141</u></u>

The required schedule of changes in the total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.69% as of June 30, 2022. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.69% as determined by the Bond Buyer 20- Bond GO Index Rate as of June 30, 2022.

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

The following presents the plan's total OPEB liability, calculated using a discount rate of 3.69%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 46,787,306	\$ 40,187,141	\$ 34,872,782

NOTES TO FINANCIAL STATEMENTS

NOTE 11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

The following presents the plan's total OPEB liability, calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 34,011,907	\$ 40,187,141	\$ 48,086,871

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the County and the Library recognized OPEB expense as follows:

<u>Description</u>	
Service cost	\$ 3,482,154
Interest on the total OPEB liability	1,202,561
Recognition of outflow (inflow) of resources due to liabilities	(3,661,159)
Amortization of prior year outflow (inflow) of resources due to liabilities	<u>481,966</u>
Total OPEB expense	<u><u>\$ 1,505,522</u></u>

At June 30, 2023, the County and the Library reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 505,684	\$ 11,288,924
Changes of assumptions	6,051,632	12,156,151
Employer contributions subsequent to the measurement date	<u>1,031,194</u>	<u>-</u>
Total	<u><u>\$ 7,588,510</u></u>	<u><u>\$ 23,445,075</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The County and the Library reported deferred outflows of resources related to gross contributions subsequent to the measurement date of \$1,031,194 which will be recognized as a reduction of the total OPEB liability in the measurement year ended June 30, 2023 (County's and Library's fiscal year ended June 30, 2024). Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense in future years. The following schedule reflects the amortization of the net balance of remaining deferred outflows and inflows of resources at June 30, 2023.

Sumter County Health Care Plan

Year ended June 30:

2024	\$ (3,179,193)
2025	(2,922,819)
2026	(2,308,094)
2027	(2,322,480)
2028	(3,269,657)
Thereafter	(2,885,516)
	<u>\$ (16,887,759)</u>

NOTE 12. OTHER INFORMATION

Intergovernmental Agreements

The County has entered into various agreements with the City of Sumter, South Carolina, (the "City") regarding fire and emergency 911 services. The City assists with fire protection services in the unincorporated areas of the County by providing training, oversight, and emergency backup for the County's all-volunteer fire stations. The City provides seven full-time firefighters to the County, and the County reimburses the City for their salaries and benefits. The City manages emergency 911 services throughout Sumter County, and pursuant to an agreement with the City, the County collects a 911 emergency fee from telephone utility enterprises in the community and remits the fees to the City.

Commitments

The County had commitments for construction contracts not yet complete at year end totaling \$2,635,316.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER INFORMATION (CONTINUED)

Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute liabilities of the applicable funds. The amount, if any, of expenditures which may be disallowed by a grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Tax Abatements

The State of South Carolina has enacted Fee-in-Lieu of Tax Acts and Special Source Revenue Credit Acts as part of Title 12 of the South Carolina Code of Laws in support of economic development. The legislation allows the County to enter into negotiated fee-in-lieu of property tax (FILOT) arrangements with entities in exchange for making investments in facilities and jobs in the County. The County can recapture abated property taxes if investment targets are not met. The FILOT's typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT's also include Special Source Revenue Credits which further reduce the negotiated fee by a percentage for some time period.

As of June 30, 2023, the County has five entities with active FILOT's which resulted in a net tax abatement of \$3.0 million.

Implementation of GASB Statement No. 96

As of July 1, 2022, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement requires recognition of certain subscription assets and liabilities for SBITAs that previously were classified as capital outlay based on the payment provisions of the contract. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a subscription liability and an intangible subscription asset.

REQUIRED SUPPLEMENTARY INFORMATION

SUMTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Taxes:				
Ad valorem taxes	\$ 29,678,119	\$ 27,929,215	\$ 26,975,758	\$ (953,457)
Local option taxes	7,900,000	9,648,904	9,519,075	(129,829)
Intergovernmental	6,650,163	8,747,061	10,514,768	1,767,707
Licenses, permits and fees	2,538,000	2,538,000	2,459,233	(78,767)
Fines and forfeitures	1,530,200	1,530,200	1,507,355	(22,845)
Charges for services	6,954,900	11,001,900	10,237,735	(764,165)
Interest revenue	100,000	1,342,383	1,469,056	126,673
Other revenues	2,865,374	3,952,620	3,473,556	(479,064)
Total revenues	58,216,756	66,690,283	66,156,536	(533,747)
EXPENDITURES:				
Current:				
General government:				
County council	464,384	464,385	435,233	29,152
Register of deeds	448,621	487,642	374,987	112,655
Finance department	564,667	577,867	540,247	37,620
Non-departmental expenditures	3,024,237	3,024,237	3,278,971	(254,734)
Human resources	353,328	353,328	352,895	433
Information technology	1,677,938	1,852,735	1,783,598	69,137
Master-in-equity	233,680	233,680	218,094	15,586
Auditor	536,195	536,195	502,834	33,361
Treasurer	929,300	932,013	806,457	125,556
Purchasing	350,377	350,377	345,707	4,670
County attorney	185,343	185,343	185,620	(277)
Administrator's office	721,798	837,683	757,034	80,649
Voter registration/elections	577,265	579,489	637,082	(57,593)
Assessor	1,021,229	1,021,306	1,010,431	10,875
Other agencies	3,293,336	3,327,336	3,334,748	(7,412)
Total general government	14,381,698	14,763,616	14,563,938	199,678
Public safety:				
Sheriff's department	12,209,918	14,197,133	13,427,110	770,023
Detention center	6,530,149	6,626,405	5,591,448	1,034,957
Traffic unit	20,000	20,000	9,589	10,411
Special operations	2,500	2,500	-	2,500
Investigations	15,000	15,000	1,614	13,386
Animal control	40,250	40,250	46,191	(5,941)
Emergency management	238,773	366,157	209,782	156,375
Fire services	4,247,597	4,278,565	4,525,282	(246,717)
Canine	45,000	45,000	43,707	1,293
Metro poly unit	7,000	7,000	103	6,897
Inmate program	754,000	743,774	818,340	(74,566)
Total public safety	24,110,187	26,341,784	24,673,166	1,668,618
Transportation:				
County airport	243,910	557,105	528,981	28,124
Total transportation	243,910	557,105	528,981	28,124
Public works:				
Public buildings	1,771,049	1,835,377	1,751,810	83,567
Public works	1,497,877	1,497,877	1,470,679	27,198
Vector control	123,143	123,143	65,806	57,337
Litter	377,164	382,166	198,409	183,757
Maintenance shop	114,500	150,474	132,230	18,244
Total public works	3,883,733	3,989,037	3,618,934	370,103

(Continued)

SUMTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (CONTINUED):				
Current (Continued):				
Culture and recreation:				
Patriot hall	\$ 627,516	\$ 628,285	\$ 483,393	\$ 144,892
Recreation programs	283,170	285,238	271,974	13,264
Parks and centers	993,680	1,723,057	1,696,076	26,981
Museum	400	400	215,509	(215,109)
Shiloh	27,398	27,398	31,272	(3,874)
SSRC	196,138	280,313	151,917	128,396
Recreation	1,537,775	1,538,960	1,474,584	64,376
Crystal lakes golf course	394,343	578,224	431,374	146,850
Total culture and recreation	4,060,420	5,061,875	4,756,099	305,776
Judicial services:				
Clerk of court	843,079	847,079	797,531	49,548
Family court	653,208	653,039	593,569	59,470
Summary Court	1,428,958	1,428,958	1,275,560	153,398
Probate court	456,387	456,387	454,096	2,291
Coroner	444,979	461,765	483,373	(21,608)
Total judicial services	3,826,611	3,847,228	3,604,129	243,099
Health and welfare:				
EMS	6,573,804	6,587,576	5,650,510	937,066
Veteran's affairs	197,195	198,195	193,773	4,422
Total health and welfare	6,770,999	6,785,771	5,844,283	941,488
Economic development:				
Development board	750,373	755,373	722,634	32,739
Capital outlay	3,760,154	13,560,745	9,331,808	4,228,937
Debt service				
Principal	475,926	475,926	623,968	(148,042)
Interest	133,698	133,698	120,720	12,978
Total debt service	609,624	609,624	744,688	(135,064)
Total expenditures	62,397,709	76,272,158	68,388,660	7,883,498
Deficiency of revenues under expenditures	(4,180,953)	(9,581,875)	(2,232,124)	7,349,751
OTHER FINANCING SOURCES (USES)				
Transfers in	968,420	968,420	1,540,729	572,309
Transfers out	(2,028,479)	(2,028,479)	(2,327,479)	(299,000)
Issuance of bonds	3,500,000	3,500,000	3,500,000	-
Sale of capital assets	85,000	85,000	269,383	184,383
Total other financing sources, net	2,524,941	2,524,941	2,982,633	457,692
Net change in fund balances	(1,656,012)	(7,056,934)	750,509	7,807,443
Fund balances, beginning of year	22,434,894	22,434,894	22,434,894	-
Fund balances, end of year	\$ 20,778,882	\$ 15,377,960	\$ 23,185,403	\$ 7,807,443

SUMTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL INFRASTRUCTURE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,365,000	\$ 1,365,000	\$ 1,934,853	\$ 569,853
Intergovernmental	-	3,000,000	3,025,001	25,001
	<u>1,365,000</u>	<u>4,365,000</u>	<u>4,959,854</u>	<u>594,854</u>
EXPENDITURES				
Economic development	-	2,500,000	2,632,800	(132,800)
Capital outlay	190,000.00	690,000	500,000	190,000
Total expenditures	<u>190,000</u>	<u>3,190,000</u>	<u>3,132,800</u>	<u>57,200</u>
Excess of revenues over expenditures	1,175,000	1,175,000	1,827,054	652,054
OTHER FINANCING USES				
Transfers out	-	-	(875,800)	875,800
Total other financing uses	<u>-</u>	<u>-</u>	<u>(875,800)</u>	<u>875,800</u>
Net change in fund balance	1,175,000	1,175,000	951,254	1,527,854
Fund balances, beginning of year	<u>9,214,227</u>	<u>9,214,227</u>	<u>9,214,227</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,389,227</u>	<u>\$ 10,389,227</u>	<u>\$ 10,165,481</u>	<u>\$ 1,527,854</u>

SUMTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEARS ENDED JUNE 30,

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.130561%	\$ 31,650,758	\$ 15,546,349	203.6%	57.1%
2021	0.133743%	28,943,722	15,299,145	189.2%	60.7%
2020	0.138467%	35,380,792	15,447,886	229.0%	50.7%
2019	0.140303%	32,036,964	14,815,604	216.2%	54.4%
2018	0.137204%	30,743,043	14,218,149	216.2%	54.1%
2017	0.137890%	31,041,257	13,912,638	223.1%	53.3%
2016	0.135906%	29,029,321	13,160,696	220.6%	52.9%
2015	0.133690%	25,354,953	12,535,055	202.3%	57.0%
2014	0.134105%	23,088,435	12,175,016	189.6%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.57380%	\$ 17,208,219	\$ 9,081,360	189.5%	66.4%
2021	0.59760%	15,375,769	9,023,863	170.4%	70.4%
2020	0.57740%	19,147,892	8,722,516	219.5%	58.8%
2019	0.57704%	16,537,668	8,369,756	197.6%	62.7%
2018	0.59989%	16,998,048	8,303,331	204.7%	61.7%
2017	0.62282%	17,062,615	8,387,409	203.4%	60.9%
2016	0.67263%	17,061,166	8,575,182	199.0%	60.4%
2015	0.68673%	14,967,168	8,507,584	175.9%	64.6%
2014	0.67312%	12,886,317	8,095,872	159.2%	67.5%

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

SUMTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY PENSION CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30,

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 3,041,489	\$ 3,041,489	\$ -	\$ 17,320,550	17.56%
2022	2,574,475	2,574,475	-	15,546,349	16.56%
2021	2,352,428	2,352,428	-	15,299,145	15.38%
2020	2,403,691	2,403,691	-	15,447,886	15.56%
2019	2,157,152	2,157,152	-	14,815,604	14.56%
2018	1,927,981	1,927,981	-	14,218,149	13.56%
2017	1,608,301	1,608,301	-	13,912,638	11.56%
2016	1,455,573	1,455,573	-	13,160,696	11.06%
2015	1,366,321	1,366,321	-	12,535,055	10.90%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 1,948,931	\$ 1,948,931	\$ -	\$ 9,629,107	20.24%
2022	1,747,254	1,747,254	-	9,081,360	19.24%
2021	1,639,059	1,639,059	-	9,023,863	18.16%
2020	1,590,987	1,590,987	-	8,722,516	18.24%
2019	1,442,946	1,442,946	-	8,369,756	17.24%
2018	1,348,461	1,348,461	-	8,303,331	16.24%
2017	1,194,367	1,194,367	-	8,387,409	14.24%
2016	1,178,230	1,178,230	-	8,575,182	13.74%
2015	1,140,867	1,140,867	-	8,507,584	13.41%

SUMTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY PENSION CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30,

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

Actuarial assumptions used in determining the statutorily required contribution are as follows.

System	SCRS	PORS
Calculation date	July 1, 2020	July 1, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	27-year maximum, closed period	27-year maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 15 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 125% and female rates are multiplied by 111%.

SUMTER COUNTY LIBRARY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEARS ENDED JUNE 30,

South Carolina Retirement System

Plan Year Ended June 30,	Library's proportion of the net pension liability	Library's proportionate share of the net pension liability	Library's covered payroll	Library's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.005179%	\$ 1,255,478	\$ 616,686	203.6%	57.1%
2021	0.005078%	1,099,016	574,062	191.4%	60.7%
2020	0.006042%	1,543,899	674,094	229.0%	50.7%
2019	0.006394%	1,459,999	675,179	216.2%	54.4%
2018	0.006443%	1,443,708	667,692	216.2%	54.1%
2017	0.006950%	1,564,557	701,272	223.1%	53.3%
2016	0.007865%	1,524,453	691,085	220.6%	52.9%
2015	0.007306%	1,385,618	684,982	202.3%	57.0%
2014	0.007657%	1,318,282	676,037	195.0%	59.9%

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

SUMTER COUNTY LIBRARY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF LIBRARY PENSION CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30,

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Library's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 120,756	\$ 120,756	\$ -	\$ 687,671	17.56%
2022	102,123	102,123	-	616,686	16.56%
2021	89,324	89,324	-	574,062	15.56%
2020	104,889	104,889	-	674,094	15.56%
2019	98,306	98,306	-	675,179	14.56%
2018	90,539	90,539	-	667,692	13.56%
2017	81,067	81,067	-	701,272	11.56%
2016	76,434	76,434	-	691,085	11.06%
2015	74,663	74,663	-	684,982	10.90%

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

Actuarial assumptions used in determining the statutorily required contribution are as follows.

System	SCRS	PORS
Calculation date	July 1, 2020	July 1, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	27-year maximum, closed period	27-year maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 15 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 125% and female rates are multiplied by 111%.

SUMTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE FISCAL YEARS ENDED JUNE 30,

Total OPEB liability	2023	2022	2021	2020	2019	2018
Service cost	\$ 3,482,154	\$ 2,444,792	\$ 1,897,711	\$ 1,595,553	\$ 1,646,191	\$ 2,016,037
Interest on the total OPEB liability	1,202,561	1,439,918	1,516,491	1,540,041	1,568,446	1,355,454
Difference between actual and expected experience	(12,064,147)	(32,884)	805,885	45,908	(2,946,946)	43,061
Assumption changes	(12,808,298)	497,608	6,824,097	3,579,334	(777,656)	(4,678,119)
Benefit payments	(1,034,877)	(978,881)	(1,012,701)	(995,841)	(963,399)	(864,013)
Net change in total OPEB liability	(21,222,607)	3,370,553	10,031,483	5,764,995	(1,473,364)	(2,127,580)
Total OPEB liability - beginning	61,409,748	58,039,195	48,007,712	42,242,717	43,716,081	45,843,661
Total OPEB liability - ending	\$ 40,187,141	\$ 61,409,748	\$ 58,039,195	\$ 48,007,712	\$ 42,242,717	\$ 43,716,081
 Covered-employee payroll	 \$ 26,411,310	 \$ 24,410,171	 \$ 24,261,299	 \$ 23,185,359	 \$ 22,521,484	 \$ 22,428,615
 Total OPEB liability as a percentage of covered-employee payroll	 152.16%	 251.57%	 239.23%	 207.06%	 187.57%	 194.91%
 Discount Rate	 3.69%	 1.92%	 2.45%	 3.13%	 3.62%	 3.56%

The above schedule will present 10 years of information once it is accumulated.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

The assumptions used in the preparation of the above schedule are disclosed in Note 11 to the financial statements.

COMBINING STATEMENTS AND SCHEDULES

SUMTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

Special Revenue Funds											
	Accommodations Fee	Grants	Solicitor	Public Defender	Title IV-D Funds	Victims Assistance	C Funds	Solid Waste Tire	Sumter County Drug Unit	Hospitality and Accommodations Fees	Sumter County CDC
ASSETS											
Cash and cash equivalents	\$ 8,545	\$ 178,360	\$ 1,276,802	\$ 642,943	\$ 1,086,662	\$ 175,488	\$ 8,421,620	\$ -	\$ 387,141	\$ 2,577,982	\$ 91,948
Taxes receivable, net	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	11,314	71,519	722	-	32,614	225	86,458	559
Due from other governments	-	-	105,728	-	-	-	277,124	-	-	-	-
Due from other funds	-	-	-	-	-	-	396,444	-	-	-	7,957
Total assets	8,545	178,360	1,382,530	654,257	1,158,181	176,210	9,095,188	32,614	387,366	2,664,440	100,464
LIABILITIES											
Accounts payable	6,091	63	96,976	1,401	428	982	-	-	515	-	714
Due to other funds	2,454	-	-	-	-	-	-	235,573	-	-	7,847
Accrued liabilities	-	-	42,759	29,740	2,883	2,445	-	-	-	-	897
Total liabilities	8,545	63	139,735	31,141	3,311	3,427	-	235,573	515	-	9,458
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)											
Restricted for:											
General government	-	178,297	-	-	-	-	-	-	-	-	-
Public safety	-	-	1,242,795	623,116	1,154,870	172,783	-	-	386,851	-	-
Transportation	-	-	-	-	-	-	9,095,188	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	2,664,440	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	91,006
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(202,959)	-	-	-
Total fund balances (deficits)	-	178,297	1,242,795	623,116	1,154,870	172,783	9,095,188	(202,959)	386,851	2,664,440	91,006
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,545	\$ 178,360	\$ 1,382,530	\$ 654,257	\$ 1,158,181	\$ 176,210	\$ 9,095,188	\$ 32,614	\$ 387,366	\$ 2,664,440	\$ 100,464

Special Revenue Funds						Capital Project Funds				Total Nonmajor Governmental Funds
Home Improvement Program	Wastewater System	Solid Waste	Stormwater	Road User	Public Safety Answering Point (PSAP) E911	Capital Improvement	Capital Penny Sales Tax I	RZEDB Projects	Behavioral Health Building	
\$ -	\$ 46,439	\$ 753,486	\$ 876,183	\$ 383,390	\$ -	\$ 2,410,437	\$ -	\$ 152,473	\$ 45,620	\$ 19,515,519
-	-	44,333	-	-	-	8,867	-	-	-	53,200
-	-	317,663	-	-	6,360	-	-	-	-	527,434
-	-	-	725	-	-	-	-	-	-	383,577
-	-	201,148	-	-	-	-	-	-	-	605,549
-	46,439	1,316,630	876,908	383,390	6,360	2,419,304	-	152,473	45,620	21,085,279
-	3,410	566,001	2,311	23,238	-	-	2,233	-	-	704,363
830	-	-	-	-	2	-	1,595,341	-	45,620	1,887,667
-	-	7,141	8,569	15,383	-	-	-	-	-	109,817
830	3,410	573,142	10,880	38,621	2	-	1,597,574	-	45,620	2,701,847
-	-	38,648	-	-	-	7,722	-	-	-	46,370
-	-	38,648	-	-	-	7,722	-	-	-	46,370
-	-	-	-	-	-	-	-	-	-	178,297
-	-	-	-	-	6,358	-	-	152,473	-	3,739,246
-	-	-	-	344,769	-	-	-	-	-	9,439,957
-	-	-	-	-	-	-	-	-	-	2,664,440
-	43,029	704,840	866,028	-	-	-	-	-	-	1,613,897
-	-	-	-	-	-	-	-	-	-	91,006
-	-	-	-	-	-	2,411,582	-	-	-	2,411,582
(830)	-	-	-	-	-	-	(1,597,574)	-	-	(1,801,363)
(830)	43,029	704,840	866,028	344,769	6,358	2,411,582	(1,597,574)	152,473	-	18,337,062
\$ -	\$ 46,439	\$ 1,316,630	\$ 876,908	\$ 383,390	\$ 6,360	\$ 2,419,304	\$ -	\$ 152,473	\$ 45,620	\$ 21,085,279

SUMTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

Special Revenue Funds											
	Accommodations Fee	Grants	Solicitor	Public Defender	Title IV-D Funds	Victims Assistance	C Funds	Solid Waste Tire	Sumter County Drug Unit	Hospitality and Accommodations Fees	Sumter County CDC
Revenues:											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	2,551,587	-	-	503,169	-
Intergovernmental	31,412	1,641,424	853,750	1,468,600	469,886	-	4,022,268	169,939	-	-	77,290
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	74,014
Fines and forfeitures	-	-	1,479,705	-	-	179,018	-	-	426,175	-	-
Other revenue	-	-	272,263	-	-	-	-	-	1,070	-	-
Total revenues	31,412	1,641,424	2,605,718	1,468,600	469,886	179,018	6,573,855	169,939	427,245	503,169	151,304
Expenditures:											
Current:											
General government	-	1,644,337	-	-	-	-	-	-	-	-	-
Public safety	-	-	2,661,908	1,659,859	181,818	140,219	-	-	64,454	-	-
Transportation	-	-	-	-	-	-	3,246,293	-	-	-	-
Public works	-	-	-	-	-	-	-	340,473	-	-	-
Culture and recreation	6,091	-	-	-	-	-	-	-	-	23,429	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	170,721
Capital outlay	-	-	-	-	-	-	-	-	13,791	-	-
Total expenditures	6,091	1,644,337	2,661,908	1,659,859	181,818	140,219	3,246,293	340,473	78,245	23,429	170,721
Excess (deficiency) of revenues over (under) expenditures	25,321	(2,913)	(56,190)	(191,259)	288,068	38,799	3,327,562	(170,534)	349,000	479,740	(19,417)
Other financing sources (uses)											
Transfers in	-	-	713,479	225,000	-	-	-	-	-	-	-
Transfers out	(25,321)	-	-	-	(408,405)	-	-	-	(231,203)	-	-
Total other financing sources (uses)	(25,321)	-	713,479	225,000	(408,405)	-	-	-	(231,203)	-	-
Net change in fund balances	-	(2,913)	657,289	33,741	(120,337)	38,799	3,327,562	(170,534)	117,797	479,740	(19,417)
Fund balances (deficits), beginning of year	-	181,210	585,506	589,375	1,275,207	133,984	5,767,626	(32,425)	269,054	2,184,700	110,423
Fund balances (deficits), end of year	\$ -	\$ 178,297	\$ 1,242,795	\$ 623,116	\$ 1,154,870	\$ 172,783	\$ 9,095,188	\$ (202,959)	\$ 386,851	\$ 2,664,440	\$ 91,006

Special Revenue Funds						Capital Project Funds				Total Nonmajor Governmental Funds
Home Improvement Program	Wastewater System	Solid Waste	Stormwater	Road User	Public Safety Answering Point (PSAP) E911	Capital Improvement	Capital Penny Sales Tax I	RZEDB Projects	Behavioral Health Building	
\$ -	\$ -	\$ 1,586,964	\$ -	\$ -	\$ -	\$ 319,169	\$ -	\$ -	\$ -	\$ 1,906,133
-	-	-	-	-	-	-	-	-	-	3,054,756
241,973	-	7,998	-	-	-	-	-	-	-	8,984,540
-	-	-	-	-	79,183	-	-	-	-	79,183
-	138,123	5,406,371	665,436	2,588,010	-	-	-	-	-	8,871,954
-	-	-	-	-	-	-	-	-	-	2,084,898
-	-	-	-	-	-	-	57,345	-	-	330,678
241,973	138,123	7,001,333	665,436	2,588,010	79,183	319,169	57,345	-	-	25,312,142
-	-	-	-	-	-	-	-	-	-	1,644,337
-	-	-	-	-	1,461,825	-	-	-	-	6,170,083
-	-	-	-	3,364,778	-	-	-	-	-	6,611,071
-	143,133	6,693,748	639,211	-	-	-	68,686	-	-	7,885,251
-	-	-	-	-	-	-	-	-	-	29,520
243,130	-	-	-	-	-	-	-	-	-	413,851
-	-	-	17,898	146,581	-	-	-	-	-	178,270
243,130	143,133	6,693,748	657,109	3,511,359	1,461,825	-	68,686	-	-	22,932,383
(1,157)	(5,010)	307,585	8,327	(923,349)	(1,382,642)	319,169	(11,341)	-	-	2,379,759
-	-	-	-	-	1,389,000	-	-	-	-	2,327,479
-	-	-	-	-	-	-	-	-	-	(664,929)
-	-	-	-	-	1,389,000	-	-	-	-	1,662,550
(1,157)	(5,010)	307,585	8,327	(923,349)	6,358	319,169	(11,341)	-	-	4,042,309
327	48,039	397,255	857,701	1,268,118	-	2,092,413	(1,586,233)	152,473	-	14,294,753
\$ (830)	\$ 43,029	\$ 704,840	\$ 866,028	\$ 344,769	\$ 6,358	\$ 2,411,582	\$ (1,597,574)	\$ 152,473	\$ -	\$ 18,337,062

**SUMTER COUNTY, SOUTH CAROLINA
GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 1,767,787	\$ 1,767,787	\$ 1,641,424	\$ (126,363)
Total revenues	<u>1,767,787</u>	<u>1,767,787</u>	<u>1,641,424</u>	<u>(126,363)</u>
EXPENDITURES				
General government	1,767,787	1,767,787	1,644,337	123,450
Total expenditures	<u>1,767,787</u>	<u>1,767,787</u>	<u>1,644,337</u>	<u>123,450</u>
Net change in fund balance	-	-	(2,913)	(249,813)
FUND BALANCES, beginning of year	<u>181,210</u>	<u>181,210</u>	<u>181,210</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 181,210</u></u>	<u><u>\$ 181,210</u></u>	<u><u>\$ 178,297</u></u>	<u><u>\$ (249,813)</u></u>

**SUMTER COUNTY, SOUTH CAROLINA
SOLICITOR FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 319,310	\$ 319,310	\$ 853,750	\$ 534,440
Fines and forfeitures	1,508,855	1,508,855	1,479,705	(29,150)
Other revenue	150,000	150,000	272,263	122,263
Total revenues	<u>1,978,165</u>	<u>1,978,165</u>	<u>2,605,718</u>	<u>627,553</u>
EXPENDITURES				
Public safety	<u>2,962,952</u>	<u>2,962,952</u>	<u>2,661,908</u>	<u>301,044</u>
Total expenditures	<u>2,962,952</u>	<u>2,962,952</u>	<u>2,661,908</u>	<u>301,044</u>
Deficiency of revenues under expenditures	(984,787)	(984,787)	(56,190)	928,597
Other financing sources				
Transfers in	<u>713,479</u>	<u>713,479</u>	<u>713,479</u>	<u>-</u>
Total other financing sources	<u>713,479</u>	<u>713,479</u>	<u>713,479</u>	<u>-</u>
Net change in fund balance	(271,308)	(271,308)	657,289	928,597
FUND BALANCES, beginning of year	<u>585,506</u>	<u>585,506</u>	<u>585,506</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 314,198</u>	<u>\$ 314,198</u>	<u>\$ 1,242,795</u>	<u>\$ 928,597</u>

SUMTER COUNTY, SOUTH CAROLINA
PUBLIC DEFENDER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 1,378,735	\$ 1,361,785	\$ 1,468,600	\$ 106,815
Total revenues	<u>1,378,735</u>	<u>1,361,785</u>	<u>1,468,600</u>	<u>106,815</u>
EXPENDITURES				
Public safety	<u>1,881,094</u>	<u>1,956,094</u>	<u>1,659,859</u>	<u>296,235</u>
Total expenditures	<u>1,881,094</u>	<u>1,956,094</u>	<u>1,659,859</u>	<u>296,235</u>
Deficiency of revenues under expenditures	(502,359)	(594,309)	(191,259)	403,050
Other financing sources				
Transfers in	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Total other financing sources	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net change in fund balance	(277,359)	(369,309)	33,741	403,050
FUND BALANCES, beginning of year	<u>589,375</u>	<u>589,375</u>	<u>589,375</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 312,016</u>	<u>\$ 220,066</u>	<u>\$ 623,116</u>	<u>\$ 403,050</u>

SUMTER COUNTY, SOUTH CAROLINA
TITLE IV-D FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 395,000	\$ 395,000	\$ 469,886	\$ 74,886
Total revenues	<u>395,000</u>	<u>395,000</u>	<u>469,886</u>	<u>74,886</u>
EXPENDITURES				
Public safety	<u>316,147</u>	<u>316,147</u>	<u>181,818</u>	<u>134,329</u>
Total expenditures	<u>316,147</u>	<u>316,147</u>	<u>181,818</u>	<u>134,329</u>
Excess of revenues over expenditures	78,853	78,853	288,068	209,215
Other financing uses				
Transfers out	-	-	(408,405)	(408,405)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(408,405)</u>	<u>(408,405)</u>
Net change in fund balance	78,853	78,853	(120,337)	(199,190)
FUND BALANCES, beginning of year	<u>1,275,207</u>	<u>1,275,207</u>	<u>1,275,207</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,354,060</u>	<u>\$ 1,354,060</u>	<u>\$ 1,154,870</u>	<u>\$ (199,190)</u>

SUMTER COUNTY, SOUTH CAROLINA
VICTIMS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 125,175	\$ 125,175	\$ 179,018	\$ 53,843
Total revenues	<u>125,175</u>	<u>125,175</u>	<u>179,018</u>	<u>53,843</u>
EXPENDITURES				
Public safety	<u>159,739</u>	<u>164,506</u>	<u>140,219</u>	<u>24,287</u>
Total expenditures	<u>159,739</u>	<u>164,506</u>	<u>140,219</u>	<u>24,287</u>
Net change in fund balance	(34,564)	(39,331)	38,799	78,130
FUND BALANCES, beginning of year	<u>133,984</u>	<u>133,984</u>	<u>133,984</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 99,420</u>	<u>\$ 94,653</u>	<u>\$ 172,783</u>	<u>\$ 78,130</u>

**SUMTER COUNTY, SOUTH CAROLINA
C FUNDS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 2,400,000	\$ 2,400,000	\$ 6,573,855	\$ 4,173,855
Total revenues	<u>2,400,000</u>	<u>2,400,000</u>	<u>6,573,855</u>	<u>4,173,855</u>
EXPENDITURES				
Transportation	2,000,000.00	3,546,589	3,246,293	300,296
Total expenditures	<u>2,000,000</u>	<u>3,546,589</u>	<u>3,246,293</u>	<u>300,296</u>
Net change in fund balance	400,000	(1,146,589)	3,327,562	4,474,151
FUND BALANCES, beginning of year	<u>5,767,626</u>	<u>5,767,626</u>	<u>5,767,626</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 6,167,626</u>	<u>\$ 4,621,037</u>	<u>\$ 9,095,188</u>	<u>\$ 4,474,151</u>

SUMTER COUNTY, SOUTH CAROLINA
SOLID WASTE TIRE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 100,000	\$ 203,510	\$ 169,939	\$ (33,571)
Total revenues	<u>100,000</u>	<u>203,510</u>	<u>169,939</u>	<u>(33,571)</u>
EXPENDITURES				
Public works	<u>165,750</u>	<u>317,842</u>	<u>340,473</u>	<u>(22,631)</u>
Total expenditures	<u>165,750</u>	<u>317,842</u>	<u>340,473</u>	<u>(22,631)</u>
Net change in fund balance	(65,750)	(114,332)	(170,534)	(56,202)
FUND BALANCES (DEFICIT), beginning of year	<u>(32,425)</u>	<u>(32,425)</u>	<u>(32,425)</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u><u>\$ (98,175)</u></u>	<u><u>\$ (146,757)</u></u>	<u><u>\$ (202,959)</u></u>	<u><u>\$ (56,202)</u></u>

SUMTER COUNTY, SOUTH CAROLINA
SUMTER COUNTY DRUG UNIT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 426,175	\$ 426,175
Interest revenue	-	-	1,070	1,070
Total revenues	-	-	427,245	427,245
EXPENDITURES				
Public safety	67,000	67,000	64,454	2,546
Capital outlay	-	12,299	13,791	(1,492)
Total expenditures	67,000	79,299	78,245	1,054
Excess (deficiency) of revenues over (under) expenditures	(67,000)	(79,299)	349,000	428,299
Other financing uses				
Transfers out	-	-	(231,203)	(231,203)
Total other financing uses	-	-	(231,203)	(231,203)
Net change in fund balance	(67,000)	(79,299)	117,797	197,096
FUND BALANCES, beginning of year	269,054	269,054	269,054	-
FUND BALANCES, end of year	<u>\$ 202,054</u>	<u>\$ 189,755</u>	<u>\$ 386,851</u>	<u>\$ 197,096</u>

SUMTER COUNTY, SOUTH CAROLINA
HOSPITALITY AND ACCOMMODATIONS FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 440,000	\$ 440,000	\$ 503,169	\$ 63,169
Total revenues	<u>440,000</u>	<u>440,000</u>	<u>503,169</u>	<u>63,169</u>
EXPENDITURES				
Culture and recreation	<u>75,000</u>	<u>75,000</u>	<u>23,429</u>	<u>51,571</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>23,429</u>	<u>51,571</u>
Net change in fund balance	365,000	365,000	479,740	114,740
FUND BALANCES, beginning of year	<u>2,184,700</u>	<u>2,184,700</u>	<u>2,184,700</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 2,549,700</u></u>	<u><u>\$ 2,549,700</u></u>	<u><u>\$ 2,664,440</u></u>	<u><u>\$ 114,740</u></u>

**SUMTER COUNTY, SOUTH CAROLINA
SUMTER COUNTY CDC FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 6,000	\$ 21,000	\$ 77,290	\$ 56,290
Charges for services	81,800	81,800	74,014	(7,786)
Total revenues	<u>87,800</u>	<u>102,800</u>	<u>151,304</u>	<u>48,504</u>
EXPENDITURES				
Health and welfare	107,379	122,379	170,721	(48,342)
Total expenditures	<u>107,379</u>	<u>122,379</u>	<u>170,721</u>	<u>(48,342)</u>
Net change in fund balance	(19,579)	(19,579)	(19,417)	162
FUND BALANCES, beginning of year	<u>110,423</u>	<u>110,423</u>	<u>110,423</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 90,844</u></u>	<u><u>\$ 90,844</u></u>	<u><u>\$ 91,006</u></u>	<u><u>\$ 162</u></u>

SUMTER COUNTY, SOUTH CAROLINA
HOME IMPROVEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 46,954	\$ 1,700,300	\$ 241,973	\$ (1,458,327)
Total revenues	<u>46,954</u>	<u>1,700,300</u>	<u>241,973</u>	<u>(1,458,327)</u>
EXPENDITURES				
Health and welfare	46,954	1,877,909	243,130	1,634,779
Total expenditures	<u>46,954</u>	<u>1,877,909</u>	<u>243,130</u>	<u>1,634,779</u>
Net change in fund balance	-	(177,609)	(1,157)	176,452
FUND BALANCES, beginning of year	<u>327</u>	<u>327</u>	<u>327</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u><u>\$ 327</u></u>	<u><u>\$ (177,282)</u></u>	<u><u>\$ (830)</u></u>	<u><u>\$ 176,452</u></u>

**SUMTER COUNTY, SOUTH CAROLINA
WASTEWATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 138,121	\$ 138,121	\$ 138,123	\$ 2
Total revenues	<u>138,121</u>	<u>138,121</u>	<u>138,123</u>	<u>2</u>
EXPENDITURES				
Public works	133,300	138,129	143,133	(5,004)
Total expenditures	<u>133,300</u>	<u>138,129</u>	<u>143,133</u>	<u>(5,004)</u>
Net change in fund balance	4,821	(8)	(5,010)	(5,002)
FUND BALANCES, beginning of year	<u>48,039</u>	<u>48,039</u>	<u>48,039</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 52,860</u>	<u>\$ 48,031</u>	<u>\$ 43,029</u>	<u>\$ (5,002)</u>

**SUMTER COUNTY, SOUTH CAROLINA
SOLID WASTE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,576,842	\$ 1,576,842	\$ 1,586,964	\$ 10,122
Intergovernmental	12,000	37,448	7,998	(29,450)
Charges for services	5,135,000	5,135,000	5,406,371	271,371
Total revenues	<u>6,723,842</u>	<u>6,749,290</u>	<u>7,001,333</u>	<u>252,043</u>
EXPENDITURES				
Public works	<u>6,767,715</u>	<u>6,786,224</u>	<u>6,693,748</u>	<u>92,476</u>
Total expenditures	<u>6,767,715</u>	<u>6,786,224</u>	<u>6,693,748</u>	<u>92,476</u>
Net change in fund balance	(43,873)	(36,934)	307,585	344,519
FUND BALANCES, beginning of year	<u>397,255</u>	<u>397,255</u>	<u>397,255</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 353,382</u></u>	<u><u>\$ 360,321</u></u>	<u><u>\$ 704,840</u></u>	<u><u>\$ 344,519</u></u>

**SUMTER COUNTY, SOUTH CAROLINA
STORMWATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 681,000	\$ 681,000	\$ 665,436	\$ (15,564)
Total revenues	<u>681,000</u>	<u>681,000</u>	<u>665,436</u>	<u>(15,564)</u>
EXPENDITURES				
Public works	934,818	988,175	639,211	348,964
Capital outlay	275,000	275,000	17,898	257,102
Total expenditures	<u>1,209,818</u>	<u>1,263,175</u>	<u>657,109</u>	<u>606,066</u>
Net change in fund balance	(528,818)	(582,175)	8,327	590,502
FUND BALANCES, beginning of year	<u>857,701</u>	<u>857,701</u>	<u>857,701</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 328,883</u></u>	<u><u>\$ 275,526</u></u>	<u><u>\$ 866,028</u></u>	<u><u>\$ 590,502</u></u>

**SUMTER COUNTY, SOUTH CAROLINA
ROAD USER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 2,670,000	\$ 2,670,000	\$ 2,588,010	\$ (81,990)
Total revenues	<u>2,670,000</u>	<u>2,670,000</u>	<u>2,588,010</u>	<u>(81,990)</u>
EXPENDITURES				
Public works	3,334,947	3,350,912	3,364,778	(13,866)
Capital outlay	181,500	181,500	146,581	34,919
Total expenditures	<u>3,516,447</u>	<u>3,532,412</u>	<u>3,511,359</u>	<u>21,053</u>
Net change in fund balance	(846,447)	(862,412)	(923,349)	(60,937)
FUND BALANCES, beginning of year	<u>1,268,118</u>	<u>1,268,118</u>	<u>1,268,118</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 421,671</u>	<u>\$ 405,706</u>	<u>\$ 344,769</u>	<u>\$ (60,937)</u>

SUMTER COUNTY, SOUTH CAROLINA
PUBLIC SAFETY ANSWERING POINT (PSAP) E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 275,000	\$ 275,000	\$ -	\$ (275,000)
Licenses and permits	275,000	275,000	79,183	(195,817)
Total revenues	550,000	550,000	79,183	(470,817)
EXPENDITURES				
Public safety	1,506,566	1,506,566	1,461,825	44,741
Total expenditures	1,506,566	1,506,566	1,461,825	44,741
Deficiency of revenues under expenditures	(956,566)	(956,566)	(1,382,642)	(426,076)
Other financing sources				
Transfers in	945,500	945,500	1,389,000	443,500
Total other financing sources	945,500	945,500	1,389,000	443,500
Net change in fund balance	(11,066)	(11,066)	6,358	17,424
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ (11,066)</u>	<u>\$ (11,066)</u>	<u>\$ 6,358</u>	<u>\$ 17,424</u>

**SUMTER COUNTY, SOUTH CAROLINA
CAPITAL IMPROVEMENTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 320,700	\$ 320,700	\$ 319,169	\$ (1,531)
Total revenues	<u>320,700</u>	<u>320,700</u>	<u>319,169</u>	<u>(1,531)</u>
Net change in fund balance	320,700	320,700	319,169	(1,531)
FUND BALANCES, beginning of year	<u>2,092,413</u>	<u>2,092,413</u>	<u>2,092,413</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 2,413,113</u></u>	<u><u>\$ 2,413,113</u></u>	<u><u>\$ 2,411,582</u></u>	<u><u>\$ (1,531)</u></u>

**SUMTER COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 5,219,000	\$ 5,219,000	\$ 5,265,313	\$ 46,313
Interest revenue	-	-	46	46
Total revenues	<u>5,219,000</u>	<u>5,219,000</u>	<u>5,265,359</u>	<u>46,359</u>
EXPENDITURES				
Debt service:				
Principal	8,488,000	8,488,000	11,048,000	(2,560,000)
Interest	782,685	782,685	758,443	24,242
Fiscal charges	1,650	1,650	825	825
Total expenditures	<u>9,272,335</u>	<u>9,272,335</u>	<u>11,807,268</u>	<u>(2,534,933)</u>
Deficiency of revenues under expenditures	(4,053,335)	(4,053,335)	(6,541,909)	(2,488,574)
Other financing sources				
Transfers in	6,913,250	6,913,250	6,913,250	-
Total other financing sources	<u>6,913,250</u>	<u>6,913,250</u>	<u>6,913,250</u>	<u>-</u>
Net change in fund balance	2,859,915	2,859,915	371,341	(2,488,574)
FUND BALANCES, beginning of year	<u>1,286,169</u>	<u>1,286,169</u>	<u>1,286,169</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 4,146,084</u></u>	<u><u>\$ 4,146,084</u></u>	<u><u>\$ 1,657,510</u></u>	<u><u>\$ (2,488,574)</u></u>

SUMTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2023

	City of Sumter Bonds Fund	School District Bonds Fund	Fireman's Fund	USC Sumter Fund	Central Carolina Technical College	Sumter TIF District Fund	City of Sumter Fund	Town of Pinewood Fund
ASSETS								
Cash and cash equivalents	\$ 5,815	\$ 8,408,689	\$ 109,237	\$ 251,061	\$ 558,034	\$ 39,991	\$ 68,518	\$ 3,260
Receivables	-	-	-	-	-	-	18,713	-
Total assets	5,815	8,408,689	109,237	251,061	558,034	39,991	87,231	3,260
LIABILITIES								
Due to others	5,815	-	-	53,465	119,351	39,991	117,950	724
Total liabilities	5,815	-	-	53,465	119,351	39,991	117,950	724
NET POSITION								
Restricted for individuals, organizations and other governments	\$ -	\$ 8,408,689	\$ 109,237	\$ 197,596	\$ 438,683	\$ -	\$ (30,719)	\$ 2,536
Total net position	\$ -	\$ 8,408,689	\$ 109,237	\$ 197,596	\$ 438,683	\$ -	\$ (30,719)	\$ 2,536

<u>Town of Mayesville Fund</u>	<u>Sumter School District Operating</u>	<u>SDF Pending Hearing Fund</u>	<u>Tax Sale Escrow Fund</u>	<u>Clerk of Court Fund</u>	<u>Magistrate Court Fund</u>	<u>Total</u>
\$ 1,858	\$ 3,170,167	\$ 545,899	\$ 757,634	\$ 414,213	\$ 233,879	\$ 14,568,255
-	30,613	2,388	-	-	-	51,714
1,858	3,200,780	548,287	757,634	414,213	233,879	14,619,969
510	3,200,780	196,428	-	-	-	3,735,014
510	3,200,780	196,428	-	-	-	3,735,014
\$ 1,348	\$ -	\$ 351,859	\$ 757,634	\$ 414,213	\$ 233,879	\$ 10,884,955
1,348	-	351,859	757,634	414,213	233,879	10,884,955

SUMTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	City of Sumter Bonds Fund	School District Bonds Fund	Fireman's Fund	USC Sumter Fund	Central Carolina Technical College	Sumter TIF District Fund	City of Sumter Fund	Town of Pinewood Fund
ADDITIONS								
Taxes	\$ 471,182	\$ 21,758,398	\$ -	\$ 668,822	\$ 1,479,394	\$ 815,474	\$ 8,696,812	\$ 32,047
Funds from state and municipalities	-	-	-	-	-	-	-	-
Fines and fees	-	-	-	-	-	-	-	-
Total additions	471,182	21,758,398	-	668,822	1,479,394	815,474	8,696,812	32,047
DEDUCTIONS								
Taxes and fees paid to other governments	471,182	20,089,037	-	471,226	1,040,711	815,474	8,727,531	29,511
Funds disbursed per court order	-	-	287,888	-	-	-	-	-
Total deductions	471,182	20,089,037	287,888	471,226	1,040,711	815,474	8,727,531	29,511
Change in fiduciary net position	-	1,669,361	(287,888)	197,596	438,683	-	(30,719)	2,536
Net position, beginning of year	-	6,739,328	397,125	-	-	-	-	-
Net position, end of year	\$ -	\$ 8,408,689	\$ 109,237	\$ 197,596	\$ 438,683	\$ -	\$ (30,719)	\$ 2,536

<u>Town of Mayesville Fund</u>	<u>Sumter School District Operating</u>	<u>SDF Pending Hearing Fund</u>	<u>Tax Sale Escrow Fund</u>	<u>Clerk of Court Fund</u>	<u>Magistrate Court Fund</u>	<u>Total</u>
\$ 25,496	\$ 58,207,190	\$ -	\$ -	\$ -	\$ -	\$ 92,154,815
-	12,917,055	-	-	-	11,391	12,928,446
-	-	54,705	-	-	-	54,705
25,496	71,124,245	54,705	-	-	11,391	105,137,966
24,148	71,124,245	-	-	-	-	102,793,065
-	-	108,562	1,860,334	171,147	-	2,427,931
24,148	71,124,245	108,562	1,860,334	171,147	-	105,220,996
1,348	-	(53,857)	(1,860,334)	(171,147)	11,391	(83,030)
-	-	405,716	2,617,968	585,360	222,488	10,967,985
\$ 1,348	\$ -	\$ 351,859	\$ 757,634	\$ 414,213	\$ 233,879	\$ 10,884,955

SUMTER COUNTY, SOUTH CAROLINA
BALANCE SHEET
COMPONENT UNIT - SUMTER COUNTY LIBRARY
JUNE 30, 2023

	Sumter County Library General Fund
ASSETS	
Cash and cash equivalents	\$ 424,429
Prepaid expenditures	1,370
Total assets	<u>425,799</u>
LIABILITIES	
Accounts payable	1,776
Accrued liabilities	90
Total liabilities	<u>1,866</u>
FUND BALANCES	
Nonspendable:	
Prepaid expenditures	1,370
Unassigned	422,563
Total fund balances	<u>423,933</u>
Total liabilities and fund balances	<u>\$ 425,799</u>
Reconciliation to the Statement of Net Position:	
Total fund balance, governmental fund	\$ 423,933
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.	
	564,573
Certain long-term liabilities, and the related deferrals, are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities and the related deferrals, both current and long-term, are reported in the Statement of Net Position.	
Net pension liability, net of related deferrals	\$ (1,199,861)
Total OPEB liability, net of the related deferrals	(1,849,442)
Compensated absences	<u>(23,950)</u>
	<u>(3,073,253)</u>
Net position of governmental activities, Library	<u><u>\$ (2,084,747)</u></u>

SUMTER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Sumter County Library General Fund
REVENUES	
Intergovernmental:	
Appropriations from primary government	\$ 1,193,804
State aid	237,665
Other intergovernmental grants	43,000
Fines	33,739
Donations and other revenues	140,175
Total revenues	<u>1,648,383</u>
EXPENDITURES	
Current:	
Personnel services	963,088
Purchased services and materials	401,788
Capital outlay	312,200
Total expenditures	<u>1,677,076</u>
Net change in fund balances	(28,693)
Fund balances, beginning of year	<u>452,626</u>
Fund balances, end of year	<u><u>\$ 423,933</u></u>
Reconciliation to the Statement of Activities:	
Change in fund balance, governmental fund	\$ (28,693)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	\$ 291,618
Depreciation expense	<u>(100,414)</u>
	191,204
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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of	
Pension liability, net of related deferrals	\$ 91,407
Compensated absences	(5,650)
OPEB liability, net of related deferrals	<u>(15,652)</u>
	<u>70,105</u>
Change in net position of governmental activities, Library	<u><u>\$ 232,616</u></u>

SUMTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ 1,451,263	\$ 1,662,079	N/A	\$ 3,113,342
Court fines and assessments remitted to State Treasurer	603,869	849,765	N/A	1,453,634
Total Court Fines and Assessments retained	847,394	812,314	N/A	1,659,708
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	92,290	11,349	N/A	103,639
Assessments retained	11,207	64,034	N/A	75,241
Total Surcharges and Assessments retained for victim services	\$ 103,497	\$ 75,383	N/A	\$ 178,880

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICES FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ 133,984	\$ 133,984
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	7	-
Victim Service Assessments Retained by City/County Treasurer	N/A	75,242	75,242
Victim Service Surcharges Retained by City/County Treasurer	N/A	103,639	103,639
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Assistance Contracts:			
(1) Town of Pinewood	N/A	137	137
(2) Town of	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)		\$ 313,009	\$ 313,002

SUMTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2023

<u>Expenditures for Victim Assistance Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 128,970	\$ 128,970
Operating Expenditures	N/A	11,249	11,249
Victim Service Contract(s):			
(1) Entity's Name	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Assistance Fund/Program (B)	N/A	\$ 140,219	\$ 140,219
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	38,799	38,799
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year		\$ 172,790	\$ 172,790

COMPLIANCE SECTION



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

**To the County Council
of Sumter County
Sumter, South Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Sumter County, South Carolina** (the "County") as of and for the year ended June 30, 2023, 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 20, 2023. Our report includes a reference to an emphasis of a matter relative to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Sumter County, South Carolina's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 20, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Council
of Sumter County
Sumter, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Sumter County, South Carolina's** (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America GAAS; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

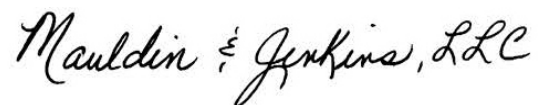
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Columbia, South Carolina
December 20, 2023

SUMTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
(Passed through the SC Department of Commerce)				
Community Development Block Grant (CDBG)/State's Program	14.228	4-RP-20-006	\$ 21,899	\$ -
Community Development Block Grant (CDBG)/State's Program	14.228	4-RP-21-007	37,918	-
(Direct award)				
Home Investment Partnerships Program	14.239	M-16-DC-45-0205	6,931	-
Home Investment Partnerships Program	14.239	M-17-DC-45-0206	3,732	-
Home Investment Partnerships Program	14.239	M-18-DC-45-0206	51,069	-
Home Investment Partnerships Program	14.239	M-21-DC-45-0206	76,844	-
Home Investment Partnerships Program	14.239	M-22-DC-45-0206	82,981	-
Home Investment Partnerships Program	14.239	M-21-DP-45-0206	20,315	-
Total U.S. Department of Housing and Urban Development			<u>301,689</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
(Direct award)				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0204	810	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0887	9,899	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01826-JAGX	9,963	-
Law Enforcement Assistance Narcotics and Dangerous Drugs Organized Crime Drug Enforcement Task Forces	16.001	SE-SC-0312	17,766	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0099	4,374	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0100	2,520	-
Equitable Sharing Program	16.922	JLEO-22-0610	7,436	-
Equitable Sharing Program	16.922	JLEO-23-0611	6,106	-
Total U.S. Department of Justice			<u>58,874</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
(Direct award)				
Airport Improvement Program	20.106	3-45-0054-024-2019	14,048	-
Airport Improvement Program	20.106	3-45-0054-027-2022	4,032,510	-
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2JC20003	1,080	-
State and Community Highway Safety	20.600	2JC21003	8,455	-
Total Highway Safety Cluster			<u>9,535</u>	<u>-</u>
Total U.S. Department of Transportation			<u>4,056,093</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
(Direct award)				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	3,177,973	-
Total U.S. Department of the Treasury			<u>3,177,973</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	21EMPG01	3,001	-
Emergency Management Performance Grants	97.042	22EMPG01	222,799	-
Total U.S. Department of Homeland Security			<u>225,800</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
(Passed through the SC Department of Social Services)				
Child Support Enforcement	93.563	G1804SCCSES	488,497	-
Total U.S. Department of Health and Human Services			<u>488,497</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 8,308,926</u>	<u>\$ -</u>

SUMTER COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE I. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Sumter County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is defined in Note 1 to the County's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE II. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2023.

NOTE III. NONCASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year-end.

SUMTER COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified?

☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516 (a)?

☐ Yes ☒ No

Identification of major programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

U.S. Department of the Treasury

COVID-19 Coronavirus State and Local Fiscal Recovery Fund

20.106

U.S. Department of Transportation

Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

SUMTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES
AND MANAGEMENT'S CORRECTIVE ACTION PLAN

2023-001. Sumter County Library Financial Close and Reporting

Criteria: Financial records are to be maintained in accordance with GAAP to include any agreed upon prior year audit adjustments and current year accruals.

Condition: The Library, a discretely presented component unit of the County, did not maintain their financial records in accordance with GAAP or make proposed adjustments from the audit.

Cause: Internal controls are not in place to ensure that adjustments and accruals are made.

Effect: Significant audit adjustments were required for the fiscal year ended June 30, 2023, to adjust general ledger balances for financial reporting in accordance with GAAP.

Recommendation: We recommend that the County's management develop and implement policies and procedures to ensure that the Library's accounting records are maintained in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding. The Library is contracting with a local public accounting firm to complete a reconciliation of all accounts and set up financials correctly in the accounting software. A write up of processes will be completed and followed by Library staff with monthly reconciliations by the accounting firm.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2022-001. Sumter County Library Financial Close and Reporting

Criteria: Financial records are to be maintained in accordance with GAAP to include any agreed upon prior year audit adjustments and current year accruals.

Condition: The Library, a discretely presented component unit of the County, did not maintain their financial records in accordance with GAAP or make proposed adjustments from the audit.

Status: Unresolved. See current year finding 2023-001.