

***CITY OF SUMTER,
SUMTER, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023***



Issued by:
City of Sumter
Finance Department

Mary E. (Beth) Reames, CGFO
Finance Director

Deron L. McCormick
City Manager

**CITY OF SUMTER, SOUTH CAROLINA
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December 5, 2023

Honorable Mayor, Members of City Council, and Citizens of the City of Sumter, South Carolina,

State law requires that all general-purpose local governments annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Sumter (the City) for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by The Brittingham Group, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Regulatory section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Sumter, chartered in 1845, is located near the geographic center of the state, approximately 100 miles west of the Atlantic Ocean and approximately 175 miles east of the Blue Ridge Mountains. The City currently serves a population in excess of 40,000 and encompasses a land mass of approximately 27 square miles. The government is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Sumter holds the distinction of being the first to adopt the council-manager form of government in 1912 and still operates under this form of government today. Policy-making and legislative authority are vested in a governing council

consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the directors of various departments. The Council is elected through a non-partisan election process. Council members and the mayor are elected to four-year terms in staggered elections. The mayor is elected at-large and council members are elected by ward.

The City provides a full range of services, including: police and fire protection; the construction and maintenance of streets and other infrastructure; parks, recreational/cultural activities and events; sanitation services; water and sewer services; and storm water services.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager in the spring of each year. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review. The council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The budget can be amended throughout the year with the approval of council. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager, who may make transfers of appropriations within and among functions and funds as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented beginning on page 33 as part of the basic financial statements for the governmental funds.

Local Economy

Industry Sectors

The most critical economic driver for the Sumter area continues to be Shaw Air Force Base. Employing over 9,000 active duty military and civilians, the base is by far the City's largest employer. Both the City and Sumter County governments have adopted policies that help protect the ongoing mission of this community asset. We are also seeing continued growth in the manufacturing sector, which is Sumter's leading (non-military) sector. After military and manufacturing, the industries in Sumter with the highest workforce employment are healthcare, retail, accommodation and food services, and educational services.

Notable Conditions and Trends

Sumter's economy has remained stable despite some unfavorable economic conditions such as rising prices, labor shortages, and supply chain disruptions. Hospitality tax revenues increased by over \$500,000 in fiscal year 2023 compared to 2022, and Accommodations tax revenues increased by more than \$50,000 in comparison to the previous year. In addition, Sumter's unemployment rate has decreased to pre-pandemic levels and median household income is historically high. While we are optimistic about the future we will continue to monitor the overall economic environment in order to strategize for any future potential impacts.

Sumter Central Business District

Downtown Sumter represents the historic center of government, commerce, spirituality, and health care for both the City and the County of Sumter. In the past this area has experienced disinvestment due to more suburban style development patterns. In recent years this trend is reversing locally and nationwide. Downtown Sumter has seen significant investment in new buildings, improvements to existing buildings, and improvements to public spaces. While it is still a work in progress, Downtown Sumter is becoming a more active, lively centerpiece for all facets of community life. The City plans to continue investing, and to seek new investment into the development of the downtown area.

Long Term Financial Planning

Understanding existing conditions and trends within the community and surrounding areas is vital to the City's development of long term financial plans. Under the guidance of City Council, City officials are in constant communication with the state surrounding local governments and private sector businesses, as well as individual citizens of the community, in efforts to shape our financial planning to a mold that is consistent with the goals and objectives of the community as a whole. As a result of this "Team Sumter" approach, the City, along with our public and private counterparts, has been able to build comprehensive plans to help the Sumter community meet its challenges, achieve goals, and effect positive change. The goals developed during this process may require many different methods and actions but they all involve the planned expenditure of budgeted funds. While many initiatives may progress substantially throughout a single year, some of them require more time, effort, and resources. Although not required by law, in recognition of the need for long-term capital planning, the City

is constantly administering and critiquing multi-year capital plans for both its governmental and business-type activities. The City's planning and needs evaluation process involves an assessment of ongoing projects and initiatives as well as the identification of new projects and initiatives in an effort to maximize the value of services and support provided by the City. The City takes a collaborative approach by engaging with City Council and the public to develop methods and actions in advancing priorities of the City and chipping away at long term capital plans and objectives.

Ongoing projects include the installation of fiber and security cameras at City parks and other public spaces, expansion and renovation of the historic Sumter Opera House, further construction of the Shot Pouch Greenway, a new 3.4 mile nature trail that connects Dillon Park to Swan Lake-Iris Gardens. Other Initiatives include neighborhood parks and downtown redevelopment, various quality of life projects, and continued investment in water & sewer infrastructure, and other public infrastructure. In addition, the City will continue to support efforts to keep Shaw Air Force Base open as it remains to be a key factor in the overall progress of the local economy. Historically, the funding for capital projects has come from a variety of sources including state appropriations, the capital penny sales tax (Penny for Progress), Community Development Block Grants and other various grants, Hospitality Tax revenues, Accommodations Tax revenues, charges for services, General Fund revenues, and revenue bonds.

Acknowledgements

We would like to express our appreciation to the entire Finance staff for their dedicated services in the timely preparation of this report. Credit must also be given to those from other departments who helped compile the necessary information to prepare this report in its entirety.

In closing, we would also like to thank the Mayor and City Council for their continued support, leadership, and service to the City of Sumter.

Respectfully submitted,



Deron McCormick, City Manager



Beth Reames, CGFO, Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sumter
South Carolina**

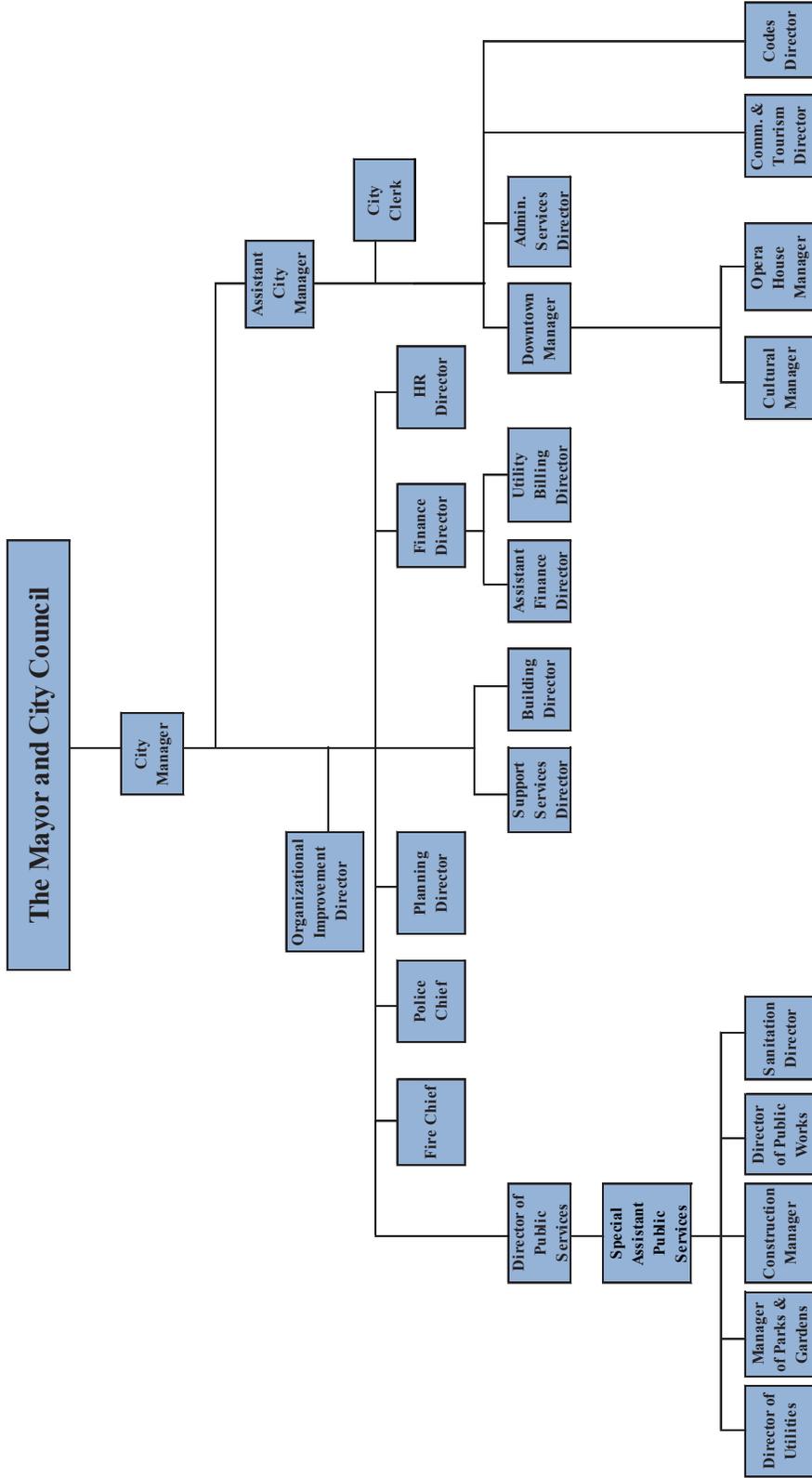
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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City of Sumter
South Carolina
29151

OPERA HOUSE
P.O. BOX 1449

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ELECTED AND APPOINTED OFFICIALS

MAYOR

David P. Merchant

CITY COUNCIL

Anthony Gibson
Ward 1

James B. Blassingame
Ward 2

Calvin K. Hastie, Sr.
Ward 3

Steven H. Corley
Ward 4

Colin C. Davis
Ward 5

Gifford M. Shaw
Ward 6

CITY MANAGER
Deron L. McCormick

ASST. CITY MANAGER
Howard (Howie) J. Owens

ORGANIZATIONAL IMPROVEMENT DIRECTOR
Mark W. Partin

POLICE CHIEF
Russell F. Roark

CITY CLERK
Linda D. Hammett

FIRE CHIEF
C. Karl Ford

PLANNING DIRECTOR
Helen M. Roodman

HUMAN RESOURCES DIRECTOR
Audrey M. Shirley

FINANCE DIRECTOR
Mary E. (Beth) Reames

CODES DIRECTOR
John F. Macloskie

UTILITY BUSINESS DIRECTOR
Candi D. Quiroz

ASST. FINANCE DIRECTOR
Jonathan E. Flinchum

PUBLIC SERVICES DIRECTOR
Michael E. Geddings, Jr.

SUPPORT SERVICES DIRECTOR
Lefford L. Fate

BUILDING DIRECTOR
Charles W. (Steve) Campbell

ADMINISTRATIVE SERVICES DIRECTOR
Staci L. Johnson

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FINANCIAL SECTION

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THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

501 STATE STREET
POST OFFICE BOX 5949
WEST COLUMBIA, SOUTH CAROLINA 29171

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INDEPENDENT AUDITORS' REPORT

City Council
City of Sumter
21 North Main Street
Post Office Box 1449
Sumter, South Carolina 29151

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note III to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going 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 17–24, the Schedule of Employer's Proportionate Share of Net Pension Liability and Employer Contributions on pages 68-69 and Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of Employer Contributions to OPEB on pages 71-72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, Uniform Schedule of Court, Fines, Assessments, and Surcharges (per ACT 96), Schedule of Revenues, Expenditures, and Changes in Fund Balance – E911 Fund, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Uniform Schedule of Court, Fines, Assessments, and Surcharges (per ACT 96), Schedule of Revenues, Expenditures, and Changes in Fund Balance – E911 Fund, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprised the introductory and statical sections but not does not include the basic financial statements and our auditor's report thereon.

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023, on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Brittingham Group LLP

West Columbia, South Carolina
December 5, 2023

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

As management of the City of Sumter ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$163,633,797. (*net position*).
- The City's total net position increased by \$32,191,935 during the current period as a result of an increase from governmental activities of \$25,545,225 and an increase from business-type activities of \$6,646,710.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$54,028,530, an increase of \$17,170,475 in comparison with the prior year. Approximately 30% of this total amount, \$16,316,094 is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,521,883, or approximately 29% of total general fund expenditures.
- The City's total outstanding long-term obligations decreased by \$3,297,542 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government administration, public safety and law enforcement, public works, parks, recreation and culture, community development, economic development, and interest and other charges. The business-type activities of the City include water and sewer services and storm water services.

The government-wide financial statements can be found on pages 27-28 of this report.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City reports one major governmental fund, the general fund, and one non-major fund, the special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. Individual fund data for each of the special revenue funds that comprise the non-major governmental fund is provided in the *other supplementary information* of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29-34 of this report.

Proprietary funds are used to account for activities where the determination of net income is necessary or useful to provide sound financial administration. The activities reported in proprietary funds are primarily supported by fees and charges. The City's proprietary funds include two *enterprise funds* – one major and one non-major. The City's water and sewer operation is its major enterprise fund, while the storm water operation is the non-major enterprise fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund and the storm water utility fund. Both activities are reported together in the government-wide statements.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of 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 City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The *Private-purpose trust fund* is used to report resources held in trust for charitable purposes. The *Custodial fund* reports resources held by the City in a custodial capacity for individuals, organizations, and other governments.

The fiduciary fund financial statements can be found on pages 38-39 of this report.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's proportionate share of the net pension liability in relation to its participation in a cost-sharing multiple-employer defined benefit pension plan and its contributions to said plan. In addition, this section reports on the City's progress in funding its obligation to provide other post-employment benefits to its employees. The required supplementary information can be found on pages 68-73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 75-89 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$163,633,797 at the close of the most recent fiscal year.

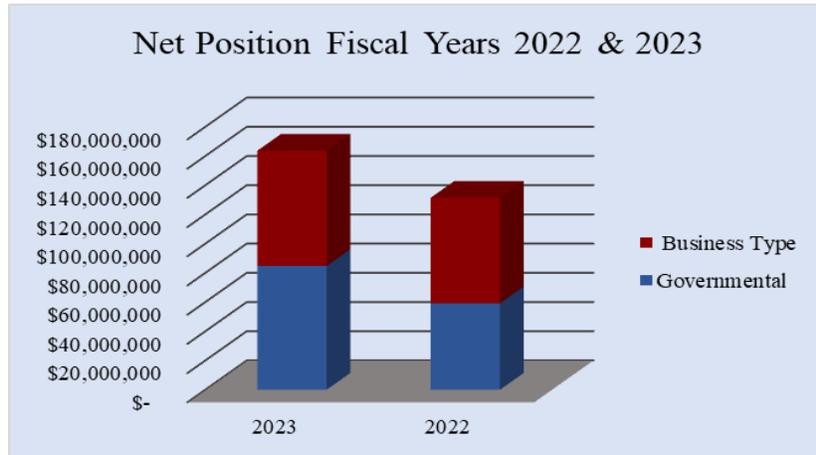
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 60,013,339	\$ 44,259,905	\$ 25,798,733	\$ 19,545,394	\$ 85,812,072	\$ 63,805,299
Capital assets	95,761,037	89,734,138	105,501,324	107,575,033	201,262,361	197,309,171
Total assets	<u>155,774,376</u>	<u>133,994,043</u>	<u>131,300,057</u>	<u>127,120,427</u>	<u>287,074,433</u>	<u>261,114,470</u>
Total deferred outflows of resources	<u>8,741,352</u>	<u>8,597,237</u>	<u>3,473,345</u>	<u>3,567,858</u>	<u>12,214,697</u>	<u>12,165,095</u>
Liabilities						
Noncurrent liabilities	70,547,406	66,127,364	53,290,270	54,386,902	123,837,676	120,514,266
Other liabilities	4,105,385	5,578,441	1,518,057	1,614,918	5,623,442	7,193,359
Total liabilities	<u>74,652,791</u>	<u>71,705,805</u>	<u>54,808,327</u>	<u>56,001,820</u>	<u>129,461,118</u>	<u>127,707,625</u>
Total deferred inflows of resources	<u>5,141,882</u>	<u>11,709,645</u>	<u>1,052,333</u>	<u>2,420,433</u>	<u>6,194,215</u>	<u>14,130,078</u>
Net position						
Net investment in capital assets	82,443,370	75,531,689	66,631,154	66,774,411	149,074,524	142,306,100
Restricted	33,285,503	17,032,392	5,034,604	1,492,804	38,320,107	18,525,196
Unrestricted	(31,007,818)	(33,388,251)	7,246,984	3,998,817	(23,760,834)	(29,389,434)
Total net position	<u>\$ 84,721,055</u>	<u>\$ 59,175,830</u>	<u>\$ 78,912,742</u>	<u>\$ 72,266,032</u>	<u>\$ 163,633,797</u>	<u>\$ 131,441,862</u>

By far the largest portion of the City's net position (91%) reflects its investment in capital assets (e.g., land, buildings, machinery, vehicles, equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (23%) represents resources that are subject to external restrictions on how they may be used.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**



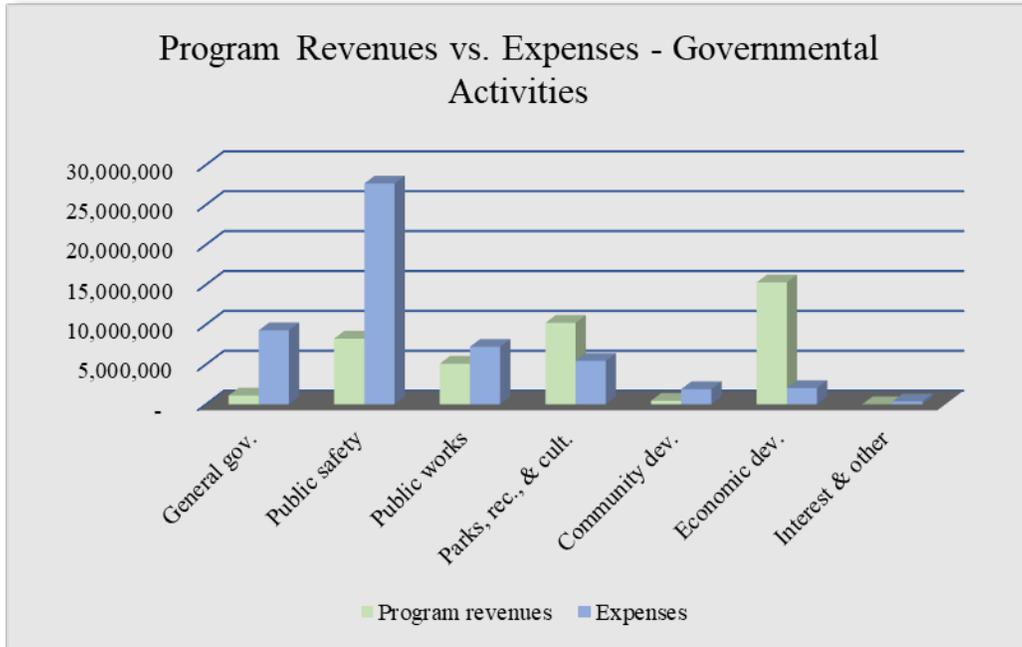
The City's overall net position increased by \$32,191,935 from the prior fiscal year. The key components of this increase are discussed in the following sections for governmental and business-type activities.

Governmental Activities: Governmental activities increased the City's net position by \$25,545,225 from the prior fiscal year for an ending balance of \$84,721,055.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 11,073,639	\$ 9,203,779	\$ 27,767,282	\$ 26,387,895	\$ 38,840,921	\$ 35,591,674
Operating grants and contributions	5,103,125	8,143,982	-	2,889,638	5,103,125	11,033,620
Capital grants and contributions	24,187,294	22,457,824	5,748,480	2,821,469	29,935,774	25,279,293
Total program revenues:	40,364,058	39,805,585	33,515,762	32,099,002	73,879,820	71,904,587
General Revenues:						
Property taxes	10,413,842	10,367,700	-	-	10,413,842	10,367,700
Sales taxes - local option	6,631,311	6,600,876	-	-	6,631,311	6,600,876
Sales taxes - local accommodations and hospitality	4,734,880	4,139,662	-	-	4,734,880	4,139,662
Business and franchise fees	11,812,953	11,947,378	-	-	11,812,953	11,947,378
State shared taxes	1,081,345	1,032,791	-	-	1,081,345	1,032,791
Other	2,266,608	748,623	869,462	225,381	3,136,070	974,004
Total general revenues	36,940,939	34,837,030	869,462	225,381	37,810,401	35,062,411
Total revenues	77,304,997	74,642,615	34,385,224	32,324,383	111,690,221	106,966,998
Expenses						
General government	9,267,996	8,271,476	-	-	9,267,996	8,271,476
Public safety	27,670,154	27,364,813	-	-	27,670,154	27,364,813
Public works	7,211,635	7,267,741	-	-	7,211,635	7,267,741
Parks, recreation and culture	5,440,059	5,413,470	-	-	5,440,059	5,413,470
Community development	1,895,737	828,125	-	-	1,895,737	828,125
Economic development	2,028,246	2,742,698	-	-	2,028,246	2,742,698
Interest and other charges	359,690	395,911	-	-	359,690	395,911
Water and sewer services	-	-	25,624,769	26,532,523	25,624,769	26,532,523
Total expenses	53,873,517	52,284,234	25,624,769	26,532,523	79,498,286	78,816,757
Increase (decrease) in net position before transfers	23,431,480	22,358,381	8,760,455	5,791,860	32,191,935	28,150,241
Transfers	2,113,745	2,081,905	(2,113,745)	(2,081,905)	-	-
Change in net position	25,545,225	24,440,286	6,646,710	3,709,955	32,191,935	28,150,241
Net position - beginning of year	59,175,830	34,735,544	72,266,032	68,556,077	131,441,862	103,291,621
Net position - end of year	\$ 84,721,055	\$ 59,175,830	\$ 78,912,742	\$ 72,266,032	\$ 163,633,797	\$ 131,441,862

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**



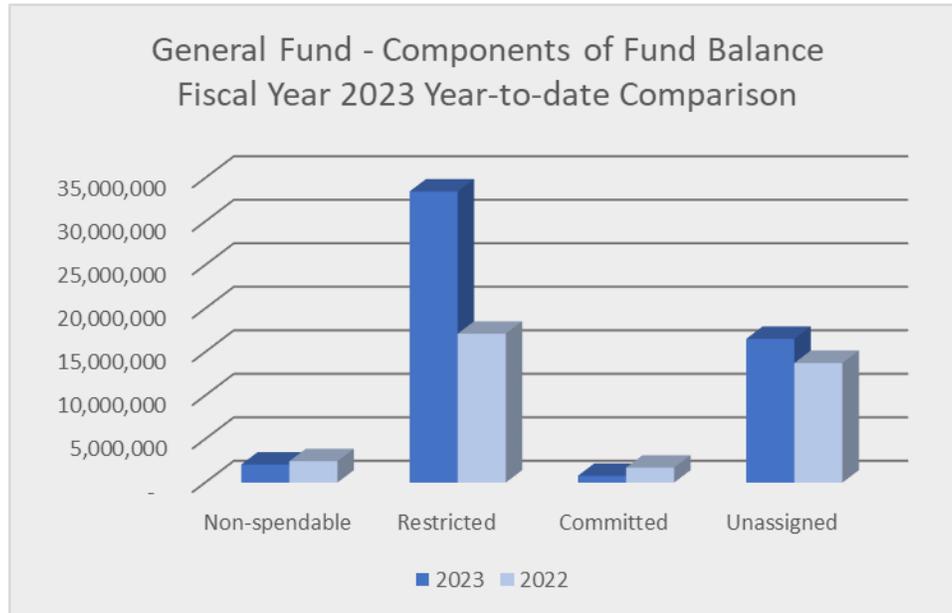
Business-Type Activities: Business-type activities increased the City’s net position during the current year by \$6,646,710, a 9.2% increase, for an ending balance of \$78,912,742. Total operating revenues increased by \$1,379,387 (5.2%) while total operating expenses decreased by \$907,754 (-3.4%).

Financial Analysis of the Government’s Funds

Governmental Funds. The focus of the City’s *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the government itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

As of June 30, 2023, the City’s governmental funds reported combined fund balances of \$54,028,530, an increase of \$17,170,475 in comparison with the prior year. Approximately 30% of this amount (\$16,316,094) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either non-spendable, restricted or committed to indicate that it is 1) not in spendable form (\$2,072,318), 2) restricted for specific purposes (\$34,858,669) or 3) committed for the specific purposes determined by a formal action of the City’s government (\$781,449).

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**



The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$16,521,883 with a total fund balance of \$52,829,611. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 29% of total general fund expenditures while total fund balance represents 92% of that same amount.

The fund balance of the City’s general fund increased by \$17,799,747 during the current fiscal year. The increase is primarily in relation to fiscal year 2023 capital grants and contributions. The City received state appropriations for a new Military Museum (\$8,000,000), the purchase of land for Shaw Base protection (\$4,405,778), and several parks projects (\$9,750,000), including, Shot Pouch Greenway, South Sumter Park, Bobby Richardson Park, Westend Neighborhood Park, and Swan Lake Iris Gardens. The chart above is an illustration of the change in fund balance. Both restricted and unassigned fund balance increased for fiscal year 2023.

Proprietary Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer operations and the storm water operations at the end of the fiscal year was \$7,246,984. The unrestricted net position increased by \$3,248,167 from the prior fiscal year. Total net position increased by \$6,646,710.

General Fund Budgetary Highlights

Original budget compared to final budget. Revenues were \$27,408,253 (67%) greater compared to the final budget while expenditures were \$8,043,558 (16%) more than the final budget. The positive variance in revenues is related primarily to higher than projected revenues from State and federal governments (\$24,291,971), Interest income and investment return (\$1,271,266), Property and Sales taxes (\$801,568), and Licenses, permits and franchise fees (\$612,722). The negative variance in expenditures is mostly related to capital expenditures which were paid for with debt proceeds and other funding sources from a prior and over-budget revenues in the current year.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

Capital Assets and Debt Administration

Capital assets. As reflected in the table below, the City's investment in capital assets for its governmental and business type activities as of June 30, 2023, was \$201,262,361 (net of accumulated depreciation).

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 20,506,308	\$ 15,596,695	\$ 1,430,894	\$ 1,417,254	\$ 21,937,202	\$ 17,013,949
Other non-depreciable	1,240,482	1,099,640	-	-	1,240,482	1,099,640
Buildings	45,908,192	39,786,517	2,569,983	2,682,938	48,478,175	42,469,455
Plants, machinery and equipment	9,996,026	9,246,861	42,014,498	44,165,806	52,010,524	53,412,667
Distribution and collection system	-	-	54,438,247	53,179,438	54,438,247	53,179,438
Wells and tanks	-	-	3,864,865	4,280,398	3,864,865	4,280,398
Infrastructure	12,511,817	12,914,642	-	-	12,511,817	12,914,642
Construction in progress	5,598,212	11,089,783	1,182,837	1,849,199	6,781,049	12,938,982
Totals	\$ 95,761,037	\$ 89,734,138	\$ 105,501,324	\$ 107,575,033	\$ 201,262,361	\$ 197,309,171

Major capital asset events during the current fiscal year included the following:

- Purchase of three land parcels (982 acres) at a cost of \$4,405,778 for the protection of Shaw Air Force Base and other land costs associated with the Shot Pouch Greenway project in the amount of \$503,835.
- Routine replacement of vehicles, lease purchases of sanitation and fire trucks and various equipment at a cost of \$4,320,954. Additionally, a Fire Pumper was completed and placed in service during the year at a cost of \$526,783. The Pumper had a Construction in progress balance of \$495,768 at the end of fiscal year 2022.
- Completion of construction projects include the pro-shop and parking lot portions of the Palmetto Tennis Center Phase II expansion and new support facilities at the Shaw Welcome Center. The total cost of these construction projects completed and placed into service for governmental activities during the year was \$8,257,667.
- Completion of water and sewer projects in the amount of \$1,493,090. The projects include water and sewer infrastructure to accommodate the expansion of Nova Molecular Technologies and a wastewater inflow/infiltration study. The projects completed during fiscal year 2023 were included in the City's Construction in process at the end of fiscal year 2022. The combined project balance at that time was \$1,283,974.
- Additional costs for ongoing construction in progress for various water, wastewater and storm water projects in the amount of \$617,612.
- Routine replacement of equipment and vehicles for water and sewer and storm water operations at a cost of \$1,024,871.

Additional information on the City's capital assets can be found in Note II. D on pages 50-52.

Long-term Debt. At the end of the current fiscal year, the City had total debt outstanding of \$55,375,790. Of this amount, \$4,039,000 of general obligation debt is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises revenue bonds, leases, and notes payable.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

Outstanding Debt. Bonds, Notes Payable and Leases:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 4,039,000	\$ 4,551,000	\$ -	\$ -	\$ 4,039,000	\$ 4,551,000
Tax increment financing bonds	2,685,000	3,045,000	-	-	2,685,000	3,045,000
Revenue bonds (hospitality)	3,389,000	4,017,000	-	-	3,389,000	4,017,000
Notes payable	258,000	314,000	-	-	258,000	314,000
Lease obligations	4,501,741	4,228,744	613,049	309,553	5,114,790	4,538,297
Revenue bonds (water & sewer)	-	-	39,890,000	42,220,000	39,890,000	42,220,000
Total	\$ 14,872,741	\$ 16,155,744	\$ 40,503,049	\$ 42,529,553	\$ 55,375,790	\$ 58,685,297

The City's total debt decreased by \$3,309,507 (5.6%) during the current fiscal year. The City entered into a lease agreement in the amount of \$2,285,000 to purchase certain capital equipment during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation of property. The current debt limitation for the City is \$12,677,835, which is in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note II, E on pages 53-55.

Economic Factors and Next Year's Budgets and Rates

In addition to the constant evaluation and need for capital improvements to the water and sewer and storm water systems, City management continues to prioritize capital investment in parks, public spaces, and downtown development. Moving forward, the funding for these capital improvements will come from various outside funding sources, including state appropriations, federal grants, and private donations.

The fiscal year 2023-2024 budget was adopted with an appropriation of \$50,169,830 for the General Fund (including TIF fund appropriations). The City's total millage rate for 2023-2024 is 107, which is a 5 mill increase compared to fiscal year 2022-2023.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Post Office Box 1449, Sumter, South Carolina 29151.

BASIC FINANCIAL STATEMENTS

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CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents	\$ 16,544,543	\$ 8,962,904	\$ 25,507,447
Investments	1,517,782	8,279,239	9,797,021
Receivables, net of allowance for doubtful accounts	5,432,216	3,521,986	8,954,202
Inventories	503,102	-	503,102
Property held for resale	1,569,216	-	1,569,216
Restricted cash and cash equivalents	14,946,480	5,034,604	19,981,084
Restricted investments	19,500,000	-	19,500,000
Capital assets, not being depreciated	27,345,002	2,613,731	29,958,733
Capital assets, depreciable, net of accumulated depreciation	68,416,035	102,887,593	171,303,628
Total Assets	155,774,376	131,300,057	287,074,433
Deferred Outflows of Resources			
Deferred loss on bond refunding	-	1,632,879	1,632,879
Deferred pension charges	7,030,506	1,412,756	8,443,262
Deferred other post employment benefits charges	1,710,846	427,710	2,138,556
Total Deferred Outflows of Resources	8,741,352	3,473,345	12,214,697
Liabilities			
Current liabilities:			
Accounts payable	2,947,667	921,309	3,868,976
Retainage payable	18,092	-	18,092
Accrued interest payable	199,821	123,929	323,750
Accrued salaries and payroll withholdings	652,371	78,181	730,552
Court bonds and confiscated funds payable	212,066	-	212,066
Customer deposits	2,700	394,638	397,338
Unearned revenue	72,668	-	72,668
Noncurrent liabilities:			
Due within one year	4,982,267	2,831,408	7,813,675
Due in more than one year	15,345,331	38,372,460	53,717,791
Net pension liability	42,269,472	10,098,817	52,368,289
Net other post employment benefits liability	7,950,336	1,987,585	9,937,921
Total Liabilities	74,652,791	54,808,327	129,461,118
Deferred Inflows of Resources			
Deferred revenue - local option sales tax	818,063	-	818,063
Deferred revenue - grants and contributions	621,007	-	621,007
Deferred pension credits	1,190,977	424,374	1,615,351
Deferred other post employment benefits credits	2,511,835	627,959	3,139,794
Total Deferred Inflows of Resources	5,141,882	1,052,333	6,194,215
Net Position			
Net investment in capital assets	82,443,370	66,631,154	149,074,524
Restricted for:			
Capital Projects	-	3,501,925	3,501,925
Debt service	-	1,532,679	1,532,679
Parks, recreation and culture	22,747,415	-	22,747,415
Community development	119,536	-	119,536
Economic development	9,109,480	-	9,109,480
Public safety and law enforcement	1,309,072	-	1,309,072
Unrestricted	(31,007,818)	7,246,984	(23,760,834)
Total Net Position	\$ 84,721,055	\$ 78,912,742	\$ 163,633,797

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government administration	\$ 9,267,996	\$ 111,182	\$ 994,569	\$ -	\$ (8,162,245)	\$ -	\$ (8,162,245)
Public safety and law enforcement	27,670,154	5,935,568	2,305,148	-	(19,429,438)	-	(19,429,438)
Public works	7,211,635	4,343,371	748,914	-	(2,119,350)	-	(2,119,350)
Parks, recreation and culture	5,440,059	495,590	43,883	9,667,064	4,766,478	-	4,766,478
Community development	1,895,737	-	447,061	-	(1,448,676)	-	(1,448,676)
Economic development	2,028,246	187,928	563,550	14,520,230	13,243,462	-	13,243,462
Interest on long-term debt	359,690	-	-	-	(359,690)	-	(359,690)
Total governmental activities	53,873,517	11,073,639	5,103,125	24,187,294	(13,509,459)	-	(13,509,459)
Business-type activities:							
Water and sewer	25,624,769	27,767,282	-	5,748,480	-	7,890,993	7,890,993
Total business-type activities	25,624,769	27,767,282	-	5,748,480	-	7,890,993	7,890,993
Total	\$ 79,498,286	\$ 38,840,921	\$ 5,103,125	\$ 29,935,774	\$ (13,509,459)	\$ 7,890,993	\$ (5,618,466)
General revenues:							
Property taxes					\$ 10,413,842	\$ -	\$ 10,413,842
Sales taxes - local option					6,631,311	-	6,631,311
Sales taxes - local accommodations and hospitality					4,734,880	-	4,734,880
Franchise taxes and business licenses					11,812,953	-	11,812,953
Grants and contributions not restricted to specific programs					1,081,345	-	1,081,345
Gain (loss) on sale or disposition of capital assets					742,644	-	742,644
Unrestricted interest income					1,341,444	746,628	2,088,072
Other					182,520	122,834	305,354
Transfers					2,113,745	(2,113,745)	-
Total general revenues and transfers					39,054,684	(1,244,283)	37,810,401
Change in net position					25,545,225	6,646,710	32,191,935
Net position - beginning of year					59,175,830	72,266,032	131,441,862
Net position - end of year					\$ 84,721,055	\$ 78,912,742	\$ 163,633,797

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 13,733,990	\$ 2,810,553	\$ 16,544,543
Investments	1,517,782	-	1,517,782
Receivables, net of allowance for doubtful accounts	3,034,727	2,397,489	5,432,216
Due from other funds	3,247,873	-	3,247,873
Restricted cash and cash equivalents	13,990,915	955,565	14,946,480
Restricted investments	19,500,000	-	19,500,000
Inventories	503,102	-	503,102
Property held for resale	1,569,216	-	1,569,216
Total assets	<u>\$ 57,097,605</u>	<u>\$ 6,163,607</u>	<u>\$ 63,261,212</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 2,194,384	\$ 753,283	\$ 2,947,667
Retainage payable	18,092	-	18,092
Accrued salaries and payroll withholdings	631,567	20,804	652,371
Customer Deposits	1,200	1,500	2,700
Unearned Revenue	51,978	20,690	72,668
Escrow for seized funds and bonds	2,793	209,273	212,066
Due to other funds	-	3,247,873	3,247,873
Total liabilities	<u>2,900,014</u>	<u>4,253,423</u>	<u>7,153,437</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	281,760	-	281,760
Unavailable revenue - local option sales tax	818,063	-	818,063
Unavailable revenue - notes and mortgages	267,183	91,232	358,415
Unavailable revenue - grants and contributions	974	620,033	621,007
Total deferred inflows of resources	<u>1,367,980</u>	<u>711,265</u>	<u>2,079,245</u>
Fund Balances:			
Nonspendable			
Inventories	503,102	-	503,102
Property held for resale	1,569,216	-	1,569,216
Restricted			
Purchase of capital assets	617,601	955,565	1,573,166
Parks, recreation and culture	22,747,415	-	22,747,415
Community development	-	119,536	119,536
Economic development	9,109,480	-	9,109,480
Public safety and law enforcement	979,465	329,607	1,309,072
Committed			
General government administration	721,762	-	721,762
Community development	59,687	-	59,687
Unassigned	16,521,883	(205,789)	16,316,094
Total fund balances	<u>52,829,611</u>	<u>1,198,919</u>	<u>54,028,530</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 57,097,605</u>	<u>\$ 6,163,607</u>	<u>\$ 63,261,212</u>

The accompanying notes are an integral part of these statements.

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

Amounts reported for government activities in the statement of net position are different because:	
Total fund balance of governmental funds (page 29)	\$ 54,028,530
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	95,761,037
Other long-term assets are not available to pay for current-period expenditures and therefore, are considered deferred inflows of resources in the funds:	
Property taxes	281,760
Mortgages/Contributions	358,415
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds:	
Accrued compensated absences	(5,454,857)
Accrued interest	(199,821)
Bonds and leases payable	(14,872,741)
Net pension liability	(42,269,472)
Net other post employment benefits liability	(7,950,336)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred pension charges	7,030,506
Deferred other post employment benefits charges	1,710,846
Deferred pension credits	(1,190,977)
Deferred other post employment benefits credits	(2,511,835)
Net position of governmental activities (page 27)	<u>\$ 84,721,055</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Property and vehicle and fire fees	\$ 10,497,223	\$ -	\$ 10,497,223
Sales	6,631,311	4,734,880	11,366,191
Licenses, permits, and franchise fees	11,836,408	632,213	12,468,621
Intergovernmental revenue			
State and federal government	25,353,721	1,909,055	27,262,776
Local governments	6,638,111	-	6,638,111
Charges for services			
Sanitation fees and container rentals	4,329,553	-	4,329,553
Other	478,230	-	478,230
Fines, fees, and forfeitures	182,371	16,206	198,577
Interest income and investment return	1,297,066	44,378	1,341,444
Other	1,348,161	56,270	1,404,431
Total revenues	<u>68,592,155</u>	<u>7,393,002</u>	<u>75,985,157</u>
Expenditures			
Current			
General government administration	8,124,861	446,624	8,571,485
Public safety and law enforcement	23,949,928	1,286,532	25,236,460
Public works	5,299,487	9,341	5,308,828
Parks, recreation and culture	3,380,075	579,526	3,959,601
Community development	1,099,500	469,649	1,569,149
Economic development	712,093	918,607	1,630,700
Debt Service			
Principal retirement-bond obligations	872,000	684,000	1,556,000
Principal retirement-lease obligations	1,590,390	-	1,590,390
Interest and fiscal charges	306,116	81,322	387,438
Capital Outlay			
Public safety	1,584,502	56,101	1,640,603
Public works	2,983,655	-	2,983,655
Parks, recreation and culture	2,712,253	1,218,850	3,931,103
Economic development	5,006,313	310,508	5,316,821
Total expenditures	<u>57,621,173</u>	<u>6,061,060</u>	<u>63,682,233</u>
Excess (deficiency) of revenues over (under) expenditures	10,970,982	1,331,942	12,302,924
Other financing sources (uses)			
Transfers in	4,188,844	854,699	5,043,543
Transfers out	(113,885)	(2,815,913)	(2,929,798)
Sale of capital assets	890,419	-	890,419
Issuance of debt - lease	1,863,387	-	1,863,387
Total other financing sources	<u>6,828,765</u>	<u>(1,961,214)</u>	<u>4,867,551</u>
Net change in fund balances	17,799,747	(629,272)	17,170,475
Fund balances, beginning of year	35,029,864	1,828,191	36,858,055
Fund balances, end of year	<u>\$ 52,829,611</u>	<u>\$ 1,198,919</u>	<u>\$ 54,028,530</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities (page 28) are different because:

Net change in fund balances -- total governmental funds (page 31) \$ 17,170,475

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. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays capitalized	13,872,182
Depreciation expense not recorded in funds	(8,222,133)
Loss on disposition of capital assets	(147,775)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes	(83,382)
Donated capital assets	524,625
Mortgages/Contributions	135,953

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Payments on long-term debt	3,146,390
Issuance of long-term debt	(1,863,387)

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:

Accrued interest	27,748
Compensated absences	(152,012)

Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State Retirement Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities

592,888

Changes in the City's net other post employment benefits (OPEB) liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities

543,653

Change in net position of governmental activities (page 28)

\$ 25,545,225

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2023

Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 16,199,180	\$ 16,326,966	\$ 10,497,223	\$ (5,829,743)
Sales	-	-	6,631,311	6,631,311
Licenses, permits and franchise fees	11,189,686	11,223,686	11,836,408	612,722
Intergovernmental revenue				
State and federal government	1,061,750	1,061,750	25,353,721	24,291,971
Local governments	5,936,499	6,290,383	6,638,111	347,728
Charges for services				
Sanitation fees and container rentals	4,253,242	4,268,242	4,329,553	61,311
Other	617,825	602,825	478,230	(124,595)
Fines, fees, and forfeitures	196,250	196,250	182,371	(13,879)
Interest income and investment return	25,800	25,800	1,297,066	1,271,266
Other	184,000	1,188,000	1,348,161	160,161
Total revenues	39,664,232	41,183,902	68,592,155	27,408,253
EXPENDITURES				
General government administration:				
Administration	3,183,556	3,173,027	3,165,777	(7,250)
City store	117,368	117,368	113,677	(3,691)
Planning	950,365	952,165	810,145	(142,020)
Business license department	377,198	363,498	260,433	(103,065)
Appropriations to other agencies	257,481	267,481	267,538	57
General insurance	875,000	1,375,000	1,379,995	4,995
Retiree insurance	515,716	570,716	807,969	237,253
Maintenance contracts	906,817	935,451	838,424	(97,027)
Miscellaneous	188,882	383,882	480,903	97,021
	7,372,383	8,138,588	8,124,861	(13,727)
Public Safety and Law Enforcement:				
Police	14,133,693	14,127,194	14,049,090	(78,104)
Fire	8,044,510	8,034,493	8,241,929	207,436
Building inspection	937,583	940,778	859,619	(81,159)
Codes enforcement	469,849	469,849	522,129	52,280
Municipal court	254,152	254,152	277,161	23,009
	23,839,787	23,826,466	23,949,928	123,462
Public Works:				
Construction	869,576	869,576	562,989	(306,587)
Public works	1,203,364	1,247,083	1,364,911	117,828
Buildings and grounds maintenance	5,000	5,000	897	(4,103)
Sanitation	3,370,330	3,359,830	3,273,278	(86,552)
Vehicle maintenance	151,583	151,583	97,412	(54,171)
	5,599,853	5,633,072	5,299,487	(333,585)

Continued

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2023

Page 2 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final		
Parks, recreation and culture				
Parks	1,291,725	1,295,725	1,078,197	(217,528)
Gardens	845,002	1,127,183	1,136,026	8,843
Tennis	587,672	601,322	789,911	188,589
Aquatics	450,690	450,690	267,897	(182,793)
Opera House	30,800	42,600	108,044	65,444
	3,205,889	3,517,520	3,380,075	(137,445)
Community and Economic Development:				
Downtown revitalization programs	901,481	890,751	671,647	(219,104)
Liberty Center	32,000	32,000	40,446	8,446
Hope Centers	717,677	769,895	1,066,049	296,154
Youth Development	-	-	33,451	33,451
	1,651,158	1,692,646	1,811,593	118,947
Debt service				
Principal retirement-bond obligations	872,000	872,000	872,000	-
Principal retirement-lease obligations	1,476,806	1,590,416	1,590,390	(26)
Interest and fiscal charges	277,884	292,060	306,116	14,056
	2,626,690	2,754,476	2,768,506	14,030
Capital Outlay				
General government administration	53,700	4,848	-	(4,848)
Public safety	1,017,000	1,490,499	1,584,502	94,003
Public works	1,597,500	1,639,500	2,983,655	1,344,155
Parks, recreation and culture	251,100	880,000	2,712,253	1,832,253
Economic Development:	-	-	5,006,313	5,006,313
	2,919,300	4,014,847	12,286,723	8,271,876
Total expenditures	47,215,060	49,577,615	57,621,173	8,043,558
Excess (deficiency) of revenues over (under) expenditures	(7,550,828)	(8,393,713)	10,970,982	19,364,695
OTHER FINANCING SOURCES (USES)				
Transfers in	4,115,845	4,115,845	4,188,844	72,999
Transfers out	(118,248)	(118,248)	(113,885)	4,363
Sale of capital assets	614,500	936,111	890,419	(45,692)
Issuance of debt - lease	1,850,000	1,863,387	1,863,387	-
Total other financing sources (uses)	6,462,097	6,797,095	6,828,765	31,670
Net change in fund balances	(1,088,731)	(1,596,618)	17,799,747	19,396,365
Fund balances, beginning of year	35,029,864	35,029,864	35,029,864	-
Fund balances, end of year	\$ 33,941,133	\$ 33,433,246	\$ 52,829,611	\$ 19,396,365

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
June 30, 2023

Assets	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Current assets:			
Cash and cash equivalents	\$ 7,476,042	\$ 1,486,862	\$ 8,962,904
Investments	8,279,239	-	8,279,239
Accounts receivable, net of allowance for uncollectibles	3,242,604	279,382	3,521,986
Total current assets	18,997,885	1,766,244	20,764,129
Non-current assets:			
Restricted cash and cash equivalents	5,034,604	-	5,034,604
Capital assets, not being depreciated	2,336,529	277,202	2,613,731
Capital assets, depreciable, net of accumulated depreciation	99,148,061	3,739,532	102,887,593
Total non-current assets	106,519,194	4,016,734	110,535,928
Total assets	125,517,079	5,782,978	131,300,057
Deferred Outflows of Resources			
Deferred loss on bond refunding	1,632,879	-	1,632,879
Deferred pension charges	1,388,185	24,571	1,412,756
Deferred other post employment benefits charges	427,710	-	427,710
Total deferred outflows of resources	3,448,774	24,571	3,473,345
Liabilities			
Current liabilities:			
Accrued interest payable	123,929	-	123,929
Accounts payable	864,344	56,965	921,309
Accrued payroll	76,606	1,575	78,181
Customer deposits	394,638	-	394,638
Compensated absences payable	248,892	3,403	252,295
Bonds and leases payable - current portion	2,579,113	-	2,579,113
Total current liabilities	4,287,522	61,943	4,349,465
Non-current liabilities:			
Compensated absences payable	442,473	6,051	448,524
Bonds and leases payable	37,923,936	-	37,923,936
Net pension liability	9,937,549	161,268	10,098,817
Net other post employment benefits liability	1,987,585	-	1,987,585
Total non-current liabilities	50,291,543	167,319	50,458,862
Total liabilities	54,579,065	229,262	54,808,327
Deferred Inflows of Resources			
Deferred pension credits	420,089	4,285	424,374
Deferred other post employment benefits credits	627,959	-	627,959
Total deferred inflows of resources	1,048,048	4,285	1,052,333
Net Position			
Net investment in capital assets	62,614,420	4,016,734	66,631,154
Restricted for:			
Capital projects	3,501,925	-	3,501,925
Debt service	1,532,679	-	1,532,679
Unrestricted	5,689,716	1,557,268	7,246,984
Total net position	\$ 73,338,740	\$ 5,574,002	\$ 78,912,742

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Operating revenue			
Charges for services			
Water	\$ 11,772,471	\$ -	\$ 11,772,471
Sewer	12,583,683	-	12,583,683
Storm water	-	829,613	829,613
Other operating revenue	2,155,569	-	2,155,569
Total operating revenues	<u>26,511,723</u>	<u>829,613</u>	<u>27,341,336</u>
Operating expenses			
Salaries and wages	5,265,440	105,770	5,371,210
Employee benefits	2,132,383	45,999	2,178,382
Utilities	2,328,821	-	2,328,821
Purchased services	1,646,109	157,877	1,803,986
Materials and supplies	1,778,640	12,341	1,790,981
Other operating expense	3,946,191	7,215	3,953,406
Depreciation	5,902,623	342,080	6,244,703
Total operating expenses	<u>23,000,207</u>	<u>671,282</u>	<u>23,671,489</u>
Operating income	3,511,516	158,331	3,669,847
Non-operating revenues (expenses)			
Interest expense	(1,642,519)	-	(1,642,519)
Miscellaneous expense	-	(51,331)	(51,331)
Interest income and investment return	746,628	-	746,628
Gain (loss) on sale of capital assets	425,946	-	425,946
Economic Development	(259,430)	-	(259,430)
Miscellaneous revenue	122,834	-	122,834
Total non-operating revenues (expenses)	<u>(606,541)</u>	<u>(51,331)</u>	<u>(657,872)</u>
Income before contributions and transfers	2,904,975	107,000	3,011,975
Capital grants and contributions	5,266,560	481,920	5,748,480
Transfers out	(2,113,745)	-	(2,113,745)
Change in net position	<u>6,057,790</u>	<u>588,920</u>	<u>6,646,710</u>
Total net position, beginning of year	<u>67,280,950</u>	<u>4,985,082</u>	<u>72,266,032</u>
Total net position, end of year	<u>\$ 73,338,740</u>	<u>\$ 5,574,002</u>	<u>\$ 78,912,742</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 26,557,815	\$ 983,926	\$ 27,541,741
Payments to suppliers	(9,728,170)	(321,402)	(10,049,572)
Payments to employees	(8,062,098)	(162,203)	(8,224,301)
Net Cash Flows Provided by Operating Activities	<u>8,767,547</u>	<u>500,321</u>	<u>9,267,868</u>
Cash Flows from Non-capital Financing Activities			
Transfer to other fund	(2,113,745)	-	(2,113,745)
Net Cash Flows Used by Non-Capital Financing Activities	<u>(2,113,745)</u>	<u>-</u>	<u>(2,113,745)</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from capital grants	4,250,000	163,545	4,413,545
Proceeds from disposition of capital assets	486,004	-	486,004
Purchase and construction of capital assets	(2,263,649)	(631,672)	(2,895,321)
Principal paid on capital debt	(2,026,504)	-	(2,026,504)
Interest paid on capital debt	(1,556,176)	-	(1,556,176)
Net Cash Flows Used by Capital Financing Activities	<u>(1,110,325)</u>	<u>(468,127)</u>	<u>(1,578,452)</u>
Cash Flows from Investing Activities			
Interest on cash and cash equivalents	499,364	-	499,364
Net Cash Provided by Investing Activities	<u>499,364</u>	<u>-</u>	<u>499,364</u>
Increase in cash and cash equivalents	6,042,841	32,194	6,075,035
Cash and cash equivalents, beginning of year	6,467,805	1,454,668	7,922,473
Cash and cash equivalents, end of year	<u>\$ 12,510,646</u>	<u>\$ 1,486,862</u>	<u>\$ 13,997,508</u>
Reconciliation of net operating income to net cash provided by operating activities:			
Operating income	\$ 3,511,516	\$ 158,331	\$ 3,669,847
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,902,623	342,080	6,244,703
Change in current assets and liabilities:			
Decrease in accounts receivable	36,686	154,313	190,999
Increase/Decrease in deferred outflows of resources	(6,739)	5,200	(1,539)
Decrease in accrued absences	(137,495)	(2,552)	(140,047)
Increase in customer deposits	9,406	-	9,406
Decrease in accounts payable	(28,409)	(143,969)	(172,378)
Decrease in accrued payroll	(230,448)	(4,494)	(234,942)
Increase in net pension liability	787,926	16,632	804,558
Increase in net OPEB liability	265,361	-	265,361
Decrease in deferred inflows of resources	(1,342,880)	(25,220)	(1,368,100)
Net cash provided by operating activities	<u>\$ 8,767,547</u>	<u>\$ 500,321</u>	<u>\$ 9,267,868</u>
Noncash Capital and Related Financing Items			
Capital contributions	\$ 1,016,560	\$ 318,375	\$ 1,334,935
Deferred charge on refunding	(96,052)	-	(96,052)
Net Noncash Capital and Related Financing Items	<u>\$ 920,508</u>	<u>\$ 318,375</u>	<u>\$ 1,238,883</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 9,597	\$ 6,161,892
Receivables:		
Charges for services	-	103,339
Total assets	<u>9,597</u>	<u>6,265,231</u>
Liabilities		
Accounts payable	-	167,095
Accrued salaries	-	412
Due to customers	-	56,525
Total liabilities	<u>-</u>	<u>224,032</u>
Net Position		
Restricted for:		
Individuals, organizations, and other governments	<u>\$ 9,597</u>	<u>\$ 6,041,199</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For the Year Ended June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
Additions		
Charitable contributions	\$ -	\$ 2,266,567
Charges for services	-	1,223,871
Interest earned	226	160,618
Total additions	226	3,651,056
Deductions		
Distributions to/on behalf of beneficiaries	-	1,914,479
Program service expenditures	-	214,047
Utilities	-	220,595
Administrative	-	163,239
Other custodial disbursements	-	96,623
Total deductions	-	2,608,983
Change in Net Position		
	226	1,042,073
Net position, beginning of year	9,371	4,999,126
Net position, end of year	\$ 9,597	\$ 6,041,199

The accompanying notes are an integral part of these statements.

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CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sumter, South Carolina was chartered in 1845 and incorporated in 1976. The City operates under a Council-Manager form of government which it adopted in 1912. Under this form of government, the City is governed by six council members elected from single-member districts and a mayor elected at large who serves as council chair. The council is the legislative body of the City and has the major responsibility for determining the policies and direction of the municipal government. The City manager reports to Council and is responsible for the City's daily operations.

The City's financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

As required by GAAP, basic financial statements of governmental units include not only information about the reporting, (i.e., primary) government but also about component units. Component units are organizations for which the primary government is financially accountable or organizations which are sufficiently significant to the primary government that their exclusion could cause the financial statements to be misleading or incomplete. Based on the applicable criteria, the City has determined it has no component units and that it is not a component unit of another entity. Therefore, the City reports as a primary entity.

The City's fiduciary funds are not included in the government wide-financial statements. The City's fiduciary activities are used to report assets held by the City in a trustee or agency capacity and which, therefore, can't be used to support the City's own programs. The City's fiduciary funds are primarily revenue collected for water companies other than the City of Sumter's, and funds escrowed for their respective programs.

B. Basis of Presentation

The City's financial statements are presented from two perspectives, the government-wide perspective, and the fund perspective.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The two statements report information on all the non-fiduciary activities of the City (the "primary government"). Separate columns are used to distinguish between the City's *governmental activities*, which normally are supported by taxes and intergovernmental revenues, and the City's *business-type activities*, which rely to a significant extent on fees and charges for support. *Governmental activities* generally incorporate data from governmental funds (see discussion below) while *business-type activities* generally incorporate data from enterprise funds.

The Statement of Net Position reports all financial and capital resources of the City and reports the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, as net position, not as fund balance or equity. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

The use of multiple funds gives rise to interfund activity. Most, but not all, of this internal activity is eliminated from the government-wide statement of activities. Except for net residual balances which are reported as internal balances, amounts reported in the funds as interfund receivables and payables have been eliminated in the

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June 30, 2023

governmental and business-type activities columns of the Statement of Net Position. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net position as receivable from and payable to external parties.

Fund financial statements present separate information for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Funds are independent fiscal and accounting entities with self-balancing sets of accounts. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column. Fiduciary funds are reported by fund type. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental fund types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and deferred outflows of resources, and liabilities and deferred inflows of resources, (except for those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting.

The City reports one major governmental fund, the general fund. The **General Fund** is the general operating fund of the City and accounts for all revenues and expenditures of the City, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures, capital improvement costs, and general debt service that are not paid through other funds are paid from the General Fund.

In addition, the City reports one nonmajor governmental fund type, the special revenue fund. The **Special Revenue Fund**, is used to account for the proceeds of designated specific revenue sources that are restricted by law or administrative actions to expenditures for specified purposes. Special revenue funds consist of the following:

USDA Rural Business	HUD Section 108	CDBG Home
Downtown Loan	Federal/State Grants	Community Development Block Grants
Empowerment Zone	Main Street Society	Sunday Alcohol Permits
Local Hospitality Tax	State Accommodations Tax	Local Accommodations Tax
Narcotics	Victim's Assistance	E911
Firemen's		

Proprietary Funds are used to account for activities where the determination of net income is necessary or useful to provide sound financial administration. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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The City's proprietary funds include two *enterprise funds* which are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports one major enterprise fund, the *Water and Sewer Fund*, which is used to account for operations of the City's water and sewer system. The City also reports one nonmajor enterprise fund, the *Storm Water Utility Fund*.

Fiduciary Fund Types include the *Private Purpose Trust Fund* and the *Custodial Fund*. These funds are used to account for assets held by the City in a trustee capacity for individuals, organizations, and other governments. The private purpose trust fund is used to account for resources legally held in trust. The Custodial Fund is generally used to account for miscellaneous assets that the government holds on behalf of others.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. As a general rule, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effect of interfund activity has been eliminated from the government-wide financial statements, except for amounts due between the City's governmental activities and business-type activities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be identified and available means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise fees, business licenses, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred. Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria is met. Interest revenue is considered available when earned.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Proprietary funds are accounted for on a flow of economic resources measurement focus. Under this method, the accrual basis of accounting is utilized, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and deferred outflows of resources, and liabilities and deferred inflows of

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resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position by distinguishing operating revenues and expenses from non-operating 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Information

Annual budgets are adopted for the general fund, the Local Hospitality, Local Accommodations, and the Victim's Assistance special revenue funds, and the Water and Sewer and Storm Water enterprise funds. The general fund, the three special revenue, and the two enterprise funds budgets are prepared on a basis consistent with generally accepted accounting principles. The City's administration prepares the budget no later than June 30. The appropriated budget is prepared by fund, function, department, activity and object and can be amended throughout the year by City Council approval. The City Manager may make transfers of appropriations within and among functions and funds. The legal level of budgetary control is total expenditures for the four budgeted funds on an individual basis. All annual appropriations lapse at fiscal year end.

E. Assets, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents

The government'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. All investments are reported at fair value. Cash equivalents, for purposes of the statement of cash flows for proprietary funds, are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). Short-term advances between funds are accounted for in the appropriate inter-fund receivable and payable accounts as "due to/from" funds.

All trade and property tax receivables are shown net of an allowance for uncollectables. The property tax receivable allowance is equal to 75 percent of outstanding property taxes at June 30, 2023.

Notes receivable are housing rehabilitation loans which were made under terms of expired Federal grant programs and recorded as receivables with offsetting deferred inflows of resources (explained later). Revenue is recognized only when cash is received.

Inventories and Prepaid Items

Inventories are valued at cost using the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Inventories in the general fund consist of fuel, cleaning and office supplies, and promotional items. Payments to vendors that reflect costs applicable to a future period are recorded as prepaid items in both the government-wide and the fund financial statements.

Real Estate Held for Resale

Real estate held for resale is recorded at the lower of cost or its net realizable value.

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Restricted Assets

Certain proceeds of general fund bonds and leases and enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, proceeds from certain appropriations and donations are classified as restricted assets on the balance sheet because their use is limited to specified projects. If both restricted and unrestricted resources are to be used for the same purpose, it is the government’s policy to first use restricted resources. At year end the City reports restricted cash and cash equivalents in the amount of \$19,981,084 and restricted investments in the amount of \$19,500,000.

Capital Assets

Capital assets include all property, plant, equipment, vehicles, furniture, and infrastructure assets acquired or constructed. Capital assets are defined by the government as assets with a unit cost in excess of \$5,000 and an estimated useful life more than one year. These assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction in progress represents funds expended for construction of capital assets which have not yet been placed into service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Years</u>
Machinery and equipment	3 to 10
Vehicles	5 to 10
Buildings and improvements	15 to 40
Water and sewer systems	40 to 75
Infrastructure	10 to 29

Capitalized Interest

Historically, the City has capitalized interest incurred (net of interest earned for tax exempt debt) in its proprietary funds during the construction of qualifying assets, however, during fiscal year 2018, the City adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which requires construction period interest to be recognized as an expense during the period it is incurred. Accordingly, during the year ended June 30, 2023, there was no capitalized interest incurred by the Water and Sewer Enterprise Fund. In the past, the City has not capitalized interest on capital assets used in governmental activities. As such, the implementation of GASB Statement No. 89 does not affect the City’s governmental activities.

Deferred Outflows/Inflows of Resources

In addition to assets, The City reports deferred outflows of resources in a separate section of its government-wide and proprietary funds statements. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods.

In addition to liabilities, the City reports deferred inflows of resources in a separate section of its government-wide and fund statements. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods. The difference between Deferred inflows of resources in the fund statements and the government-wide statements consists primarily of unavailable revenue related to property taxes which did not meet the ‘availability’ criteria under the modified accrual basis of accounting (collected within 60 days after fiscal year end).

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Compensated Absences

City employees may accumulate up to 90 days of earned but unused sick leave, but the City does not pay employees separating from service for unused sick leave. In lieu of overtime compensation, the City may credit employees with compensatory time at the rate of 1^{1/2} hours for each overtime hour worked. Employees who are scheduled to work on a holiday may receive an alternate day off to be scheduled by their supervisor or receive holiday pay. There is no cap on accrued compensatory or holiday time/pay. Exempt employees are not eligible for compensatory or holiday time/pay. All City employees are eligible for paid vacation. Fire suppression employees may carry forward a maximum of 900 unused vacation hours from one year to the next, and other employees may carry forward up to 600 such hours. Employees who terminate employment with the City prior to retirement can be paid for up to 24 days of unused vacation, provided they work a two week notice and have not been discharged for disciplinary reasons. In the year of their retirement from service with the City, employees may use up to 30 days of annual leave and be paid for up to 45 days of unused annual leave. All compensatory, holiday, and vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only when they mature because an employee resigns or retires. The General Fund has been used in prior years to liquidate the liability for compensated absences in governmental funds.

Long-term obligations

In the government-wide financial statements and proprietary funds statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position at the face amount of the debt issued. In accordance with GASB 68, *Accounting and Financial Reporting for Pension Plans*, the City reports its share of the net pension liability in relation to the two cost-sharing, multiple-employer defined benefit pension plans that it participates in, which are administered by the South Carolina Public Employee Benefit Authority (PEBA).

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. The corresponding payments against the debt issued are reported as debt service expenditures.

Property Taxes

Taxes on real property are assessed as of January 1, levied the following September, due January 15, and become delinquent March 15. Liens attach to the property at the time the taxes are levied. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Net Position

The components of the City's net position are classified as follows:

- *Net investment in capital assets:* This represents the City's total investment in capital assets, net of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets.
- *Restricted net position:* Restricted net position includes resources in which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties such as state laws and lenders.
- *Unrestricted net position:* Unrestricted net position represents resources which may be used to meet current expenses for any purpose.

Governmental Fund Balances

Governmental fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the applicable governmental fund. The classifications are as follows:

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- *Nonspendable*: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form (e.g., inventories and prepaid amounts), or are legally or contractually required to be maintained intact.

- *Restricted*: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., city ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

- *Committed*: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the City Council. Formal action may be in the form of an ordinance or a resolution. Both actions are equally binding for purposes of committing fund balance. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to commit those amounts previously. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- *Assigned*: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or by a City official or body to which Council has delegated the authority to assign amounts to be used for specific purposes.

- *Unassigned*: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. 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

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

G. Other Post-Employment Benefits

Other Post-Employment Benefits ("OPEB") cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see note III. D for more information), regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is equal to the annual required contributions to the OPEB Plan, calculated in accordance with GASB Statement No. 75.

H. Capital Contributions

On the government-wide and enterprise fund financial statements the City reports contributions of capital as a result of outside capital asset contributions, contributions from other funds or from grants or outside contributions of resources restricted to capital acquisition and construction.

I. Leases

The City adopted GASB Statement No. 87, *Leases* ("GASB 87") beginning with fiscal year 2022. According to GASB 87, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the lease's contract for a period of time in an exchange or exchange-like transaction. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of lease contracts. At June 30, 2023, the implementation of GASB 87 has no significant impact on the City's financial statements.

J. Subscription-Based Information Technology Arrangements

According to GASB Statement No. 96 ("GASB 96"), a subscription-based information technology arrangement ("SBITA") is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The reporting requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022. Based on the applicable criteria, Management has determined that the City is not party to a reportable SBITA contract as of June 30, 2023. For more information on GASB 96, see Note III, F.

II. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash Deposits

As of June 30, 2023, the carrying amount of the government's bank deposits was \$13,767,616. Of this amount, \$1,042,606 are fiduciary in nature. The respective bank balances totaled \$14,753,745. \$2,121,119 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining balance of \$12,632,626 was collateralized with securities held by financial institutions in the government's name. Also included with the City's reported cash and equivalents is \$5,035 in cash on hand.

Investments

As of June 30, 2023, in accordance with South Carolina law applicable to local government deposits and investments, the government had the following investments:

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Investments	Maturities (in years)	Fair Value
Insured or registered, or held by the government or its agent in the government's name:		
U.S. Treasury Securities	Less than 1	\$ 17,249,019
Other:		
Investment in South Carolina Pooled Investment Fund	Less than 1	30,522,273
Federated Treasury Obligation Fund #398	Less than 1	2,144,963
Repurchase Certificates-Treasury and federal agency securities	Less than 1	11,989,757
Fidelity Prime Fund Daily Money Class	Less than 1	91,251
		\$ 61,997,263

The City's investments also include a life insurance contract on the life of an employee. At year end, this contract had a cash surrender value of \$58,245.

South Carolina Pooled Investment Fund

The South Carolina Pooled Investment Fund (the "Pool") funds are invested with the South Carolina State Treasurer's Office, which established the Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually 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, which are acquired at a cost of \$1.

The City 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; Level 3 inputs are significant unobservable inputs. The City's investments in repurchase agreements are valued using significant other observable inputs (Level 2). The SC State investment pool is measured at the Net Asset Value.

Credit Risk

State law limits local government investments to (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units; (3) savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation (FDIC); (4) certificates of deposits and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and (5) no load open and closed-end portfolios of certain investment companies with issues of the US Government. The City has no investment policy that would further limit its investment choices. As of year end, the City's investment in the South Carolina Pooled Investment Fund was unrated. The government's investments in Federated Treasury Obligation Fund #398 and Fidelity Prime Fund Daily Money Class were both rated Aaa-mf by Moody's and AAAM by Standard & Poor's.

Interest Rate Risk.

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. The City held no investments with original maturity greater than 3 months at year end. As such, management considers any interest rate risk as of June 30, 2023, to be insignificant.

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B. Receivables

Receivables as of year end for the government's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Non-Major Governmental Funds	Water and Sewer Fund	Total
Current:				
Taxes				
Property	\$ 1,248,383	\$ -	\$ -	\$ 1,248,383
Sales and franchise	-	520,548	-	520,548
Intergovernmental	60,433	1,527,709	207,334	1,795,476
Accounts	2,425,107	-	2,322,405	4,747,512
Unbilled receivables	-	-	1,136,128	1,136,128
Loans and notes	267,183	349,232	45,000	661,415
Other	-	-	81,922	81,922
Non-current:				
Notes	-	-	128,250	128,250
Gross receivables	4,001,106	2,397,489	3,921,039	10,319,634
Less, allowance for uncollectibles	(966,379)	-	(399,053)	(1,365,432)
Net total receivables	<u>\$ 3,034,727</u>	<u>\$ 2,397,489</u>	<u>\$ 3,521,986</u>	<u>\$ 8,954,202</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At year end, the City reports \$72,668 in unearned revenue in relation to charges that were received in advance of the applicable reporting period.

D. Capital Assets

Capital asset activity for the City for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 15,596,695	\$ 4,909,613	\$ -	\$ -	\$ 20,506,308
Non-depreciable Assets	1,099,640	140,842	-	-	1,240,482
Construction in progress	11,089,783	3,354,571	61,692	(8,784,450)	5,598,212
Total capital assets not being depreciated	<u>27,786,118</u>	<u>8,405,026</u>	<u>61,692</u>	<u>(8,784,450)</u>	<u>27,345,002</u>
Capital assets being depreciated:					
Infrastructure	43,791,721	1,220,412	-	-	45,012,133
Buildings and improvements	63,093,313	475,470	-	8,257,667	71,826,450
Motor vehicles and outdoor equipment	29,420,854	4,320,954	1,859,432	642,015	32,524,391
Office equipment	7,225,385	13,339	-	-	7,238,724
Total capital assets being depreciated	<u>143,531,273</u>	<u>6,030,175</u>	<u>1,859,432</u>	<u>8,899,682</u>	<u>156,601,698</u>
Less accumulated depreciation for:					
Infrastructure	30,877,079	1,623,237	-	-	32,500,316
Buildings and improvements	23,306,796	2,611,462	-	-	25,918,258
Motor vehicles and outdoor equipment	21,382,162	3,444,771	1,734,955	115,232	23,207,210
Office equipment	6,017,216	542,663	-	-	6,559,879
Total accumulated depreciation	<u>81,583,253</u>	<u>8,222,133</u>	<u>1,734,955</u>	<u>115,232</u>	<u>88,185,663</u>
Total capital assets being depreciated, net	<u>61,948,020</u>	<u>(2,191,958)</u>	<u>124,477</u>	<u>8,784,450</u>	<u>68,416,035</u>
Governmental activities capital assets, net	<u>\$ 89,734,138</u>	<u>\$ 6,213,068</u>	<u>\$ 186,169</u>	<u>\$ -</u>	<u>\$ 95,761,037</u>

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	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,417,254	\$ 13,640	\$ -	\$ -	\$ 1,430,894
Construction in progress	1,849,199	826,728	-	(1,493,090)	1,182,837
Total capital assets not being depreciated	<u>3,266,453</u>	<u>840,368</u>	<u>-</u>	<u>(1,493,090)</u>	<u>2,613,731</u>
Capital assets being depreciated:					
Buildings and improvements	3,431,761	-	-	(36,186)	3,395,575
Plants and improvements	86,953,651	63,359	-	36,186	87,053,196
Distribution and collection system	78,089,230	2,301,658	18,890	1,493,090	81,865,088
Wells and tanks	13,029,142	-	-	-	13,029,142
Machinery and equipment	15,916,263	1,024,871	573,203	96,082	16,464,013
Total capital assets being depreciated	<u>197,420,047</u>	<u>3,389,888</u>	<u>592,093</u>	<u>1,589,172</u>	<u>201,807,014</u>
Less accumulated depreciation for:					
Buildings and improvements	748,823	84,006	-	(7,237)	825,592
Plants and improvements	45,771,240	2,097,248	-	7,237	47,875,725
Distribution and collection system	24,909,792	2,527,376	10,327	-	27,426,841
Wells and tanks	8,748,744	415,533	-	-	9,164,277
Machinery and equipment	12,932,868	1,120,540	522,504	96,082	13,626,986
Total accumulated depreciation	<u>93,111,467</u>	<u>6,244,703</u>	<u>532,831</u>	<u>96,082</u>	<u>98,919,421</u>
Total capital assets being depreciated, net	<u>104,308,580</u>	<u>(2,854,815)</u>	<u>59,262</u>	<u>1,493,090</u>	<u>102,887,593</u>
Business-type activities capital assets, net	<u>\$ 107,575,033</u>	<u>\$ (2,014,447)</u>	<u>\$ 59,262</u>	<u>\$ -</u>	<u>\$ 105,501,324</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 844,982
Public safety	2,990,307
Public works	2,063,176
Parks, recreation and culture	1,537,685
Community development	329,596
Economic development	456,387
Total depreciation expense - governmental activities	<u>\$ 8,222,133</u>
Business-type activities:	
Water and sewer services	\$ 5,902,623
Storm water services	342,080
Total depreciation expense - business type activities	<u>\$ 6,244,703</u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Construction in progress and construction commitments for governmental activities and business-type activities consisted of the following at year end:

	Expenditures	Total	Contract
	To Date	Contract	Payments Remaining*
<i>Governmental Activities</i>			
Palmetto Tennis Center - Clay Courts	\$ 721,820	\$ 732,765	\$ 10,945
Shot Pouch Greenway	1,720,032	1,990,465	270,433
Stadium Rd. Fire Station Renovation-Architectural	6,000	6,000	-
Swan Lake Support Facilities Improvements	415,202	549,783	134,581
Manning Ave Park	11,520	11,520	-
Economic Development Board Building & Parking Lot Improvements	8,060	12,880	4,820
Birnie Park Expansion	603,235	604,166	931
Fiber Project	299,348	299,348	-
Security Project	104,709	104,709	-
Centennial Plaza Update	206,543	718,733	512,190
Opera House Expansion/Renovation	1,101,242	2,700,721	1,599,479
Fire Training Center Upgrade/Backup Call Center	150,704	821,480	670,776
Parking Lot - Hampton/Harvin St.	84,327	122,038	37,711
Barn Revitalization - Shaw Welcome Center	7,000	30,000	23,000
S. Sumter Art Park (Manning Ave.)	48,427	1,191,406	1,142,979
S. Sumter Park Improvements	45,686	100,756	55,070
Washington St. Lot Improvements	1,220	1,220	-
Overhead Street Signage	63,137	74,279	11,142
<i>Total Governmental</i>	<u>\$ 5,598,212</u>	<u>\$ 10,072,269</u>	<u>\$ 4,474,057</u>
<i>Business-type Activities</i>			
Public Services Administration Building	\$ 426,783	\$ 426,783	\$ -
Mayesville Elevated Tank Replacement	40,320	75,000	34,680
Deschamps Rd Water Line Extension	7,046	8,400	1,354
Water Plant #3 Storage Tank Upgrade	139,195	204,020	64,825
Miller to Morgan Storm Water Improvements	103,303	198,260	94,957
Lafayette Storm Water Improvements	133,104	249,340	116,236
Crosswell Storm Water Improvements	40,795	310,400	269,605
Dryer Drum for Wastewater Treatment Plant Biosolids System	71,708	937,160	865,452
Kolb Rd. Bridge Utility Line Relocation	20,790	38,200	17,410
Red Bay Rd. Bridge Utility Line Relocation	22,267	38,051	15,784
Manhole Rehab - Various Locations	27,450	30,300	2,850
Water Plant # 5 Expansion	74,279	112,895	38,616
Clarifier Unit Replacement	59,952	167,744	107,792
SCADA Cellular Telemetry Upgrade	15,845	130,000	114,155
<i>Total Business-type Activities</i>	<u>\$ 1,182,837</u>	<u>\$ 2,926,553</u>	<u>\$ 1,743,716</u>
	<u>\$ 6,781,049</u>	<u>\$ 12,998,822</u>	<u>\$ 6,217,773</u>

* Not intended to represent total project balance remaining. Only represents balance remaining on current contracts. Certain projects may not have a current contract in place.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

E. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2023, for both the City's governmental activities and business-type activities. Details by type of obligation and a summary of debt service requirements follow.

Summary of changes in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 4,551,000	\$ -	\$ 512,000	\$ 4,039,000	\$ 528,000
Tax increment financing bonds	3,045,000	-	360,000	2,685,000	365,000
Revenue bonds	4,017,000	-	628,000	3,389,000	640,000
Notes payable	314,000	-	56,000	258,000	60,000
Leases	4,228,744	1,863,387	1,590,390	4,501,741	1,425,517
Compensated absences	5,302,845	3,057,510	2,905,498	5,454,857	1,963,750
Governmental activity long-term liabilities	<u>\$ 21,458,589</u>	<u>\$ 4,920,897</u>	<u>\$ 6,051,888</u>	<u>\$ 20,327,598</u>	<u>\$ 4,982,267</u>
Business-type activities:					
Revenue bonds	\$ 42,220,000	\$ -	\$ 2,330,000	\$ 39,890,000	\$ 2,415,000
Leases	309,553	421,613	118,117	613,049	164,113
Compensated absences	840,866	425,721	565,768	700,819	252,295
Business-type activity long-term liabilities	<u>\$ 43,370,419</u>	<u>\$ 847,334</u>	<u>\$ 3,013,885</u>	<u>\$ 41,203,868</u>	<u>\$ 2,831,408</u>

General Obligation Bonds

The City 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 general government activities. General obligation bonds are direct obligations and pledge the City's full faith and credit. As of year end, the City had general obligation bonds outstanding as follows:

\$6,000,000 Series 2018, payable in annual installments varying from
 \$647,460 to \$648,362 including interest at 2.98%, maturing July 15, 2029 \$ 4,039,000

Tax Increment Financing (TIF) Bonds Payable

On October 13, 2016, the City issued its \$4,500,000 Tax Increment Revenue Bond, Series 2016 (TIF), to provide funds to defray the costs of certain downtown infrastructure improvements. The primary improvements to be defrayed with proceeds of the TIF are costs associated with the design and construction of a two level parking garage to be owned by the City. The TIF represents an obligation of the City payable from the incremental tax revenues generated by the Redevelopment Project Area established by the plan set forth in an ordinance adopted December 9, 1999, as amended. Additional security for this financing is provided through a junior lien pledge of the gross revenues of the City's water and sewer system. The TIF bond outstanding at year end was:

\$4,500,000 Series 2016, payable in annual installments varying from
 \$270,790 to \$428,538 including interest at 2.04%, maturing July 2029 \$ 2,685,000

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Revenue Bonds

The City has issued revenue bonds in order to fund construction projects which will enhance tourism as follows:

\$2,000,000 Hospitality Fee Revenue Bond, Series 2019, payable in semi-annual installments varying from \$41,704.00 to \$313,989 including interest at 2.71%, maturing August 2026, collateralized by assignment of hospitality fee revenue	\$ 1,189,000
\$2,550,000 Hospitality Fee Revenue Bond, Series 2021, payable in semi-annual installments varying from \$41,828.50 to \$381,587.50 including interest at 1.33% maturing August 2028, collateralized by assignment of hospitality fee revenue	<u>2,200,000</u>
Total Hospitality Fee Revenue Bonds	<u><u>\$ 3,389,000</u></u>

The City has also issued revenue bonds to finance construction and expansion of the water and sewer system. These bonds are secured by liens on and pledges of water and sewer revenue net of system operating and maintenance costs. Water and sewer revenue bonds outstanding at year end were as follows:

\$52,670,000 Series 2015, payable in annual installments varying from \$1,361,956 to \$3,877,025 including interest varying from 2 to 5%, maturing in June 2041	<u><u>\$ 39,890,000</u></u>
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Notes

The City has issued notes to finance various development projects. Notes payable at year end were as follows:

\$843,000 note payable in annual installments to the US Department of Housing and Urban Development in annual installments ranging from \$30,000 to \$69,000 including interest at 4.5%, maturing August 2026: Refinanced starting FY20 - FY26 at interest ranging from 2.54% to 2.86%; Interest savings of \$89,226 over 7 years	<u><u>\$ 258,000</u></u>
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Leases

The City has entered into lease agreements to finance the acquisition of buildings, vehicles and heavy equipment and office equipment used in its governmental and business-type activities. The lease agreements qualify as leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as follows:

Year Ending June 30,	Governmental Activities	Business-Type Activities	Totals
2024	\$ 1,560,912	\$ 175,458	\$ 1,736,370
2025	1,170,460	175,458	1,345,918
2026	911,809	161,737	1,073,546
2027	692,617	93,130	785,747
2028	320,901	46,565	367,466
Thereafter	111,126	-	111,126
Total minimum lease payments	4,767,825	652,348	5,420,173
Less: amount representing interest	(266,084)	(39,299)	(305,383)
Present value of minimum lease payments	\$ 4,501,741	\$ 613,049	\$ 5,114,790

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

The assets acquired through leases are as follows:

	Governmental	Business-type	Totals
	Activities	Activities	
Asset:			
Motor vehicles and outdoor equipment	\$ 13,626,337	\$ -	\$ 13,626,337
Machinery and equipment	-	1,274,917	1,274,917
Less: accumulated depreciation	(8,313,824)	(499,723)	(8,813,547)
Total	\$ 5,312,513	\$ 775,194	\$ 6,087,707

Summary of Debt Service Requirements

Following is a summary of debt service requirements to maturity by year for the governmental and business-type activities:

Year Ending June 30,	Debt			Lease Obligations		Totals
	Principal	Interest	Total	Principal	Interest	
Governmental Activities						
2024	\$ 1,593,000	\$ 236,642	\$ 1,829,642	\$ 1,454,614	\$ 106,298	\$ 3,390,554
2025	1,628,000	199,256	1,827,256	1,095,795	74,665	2,997,716
2026	1,670,000	160,926	1,830,926	862,645	49,164	2,742,735
2027	1,709,000	121,473	1,830,473	666,967	25,650	2,523,090
2028	1,357,000	86,325	1,443,325	313,229	7,672	1,764,226
2029-2033	2,414,000	82,594	2,496,594	108,491	2,635	2,607,720
Total	\$ 10,371,000	\$ 887,216	\$ 11,258,216	\$ 4,501,741	\$ 266,084	\$ 16,026,041
Business-Type Activities						
2024	\$ 2,415,000	\$ 1,453,944	\$ 3,868,944	\$ 159,734	\$ 15,724	\$ 4,044,402
2025	2,490,000	1,383,388	3,873,388	163,749	11,709	4,048,846
2026	2,570,000	1,304,275	3,874,275	154,177	7,560	4,036,012
2027	2,660,000	1,215,963	3,875,963	89,360	3,770	3,969,093
2028	2,760,000	1,114,213	3,874,213	46,029	536	3,920,778
2029-2033	15,235,000	4,131,775	19,366,775	-	-	19,366,775
2034-2038	6,795,000	2,038,125	8,833,125	-	-	8,833,125
2039-2043	4,965,000	337,000	5,302,000	-	-	5,302,000
Total	\$ 39,890,000	\$ 12,978,683	\$ 52,868,683	\$ 613,049	\$ 39,299	\$ 53,521,031

F. Inter-fund Receivables and Payables

Inter-fund balances arise because the City utilizes a cash pool to maximize potential interest earnings. Inter-fund balances at June 30, 2023, were:

Receivable Fund	Payable Fund	Amount
General Fund	HUD Section 8 Loans Fund	\$ 123,309
General Fund	Community Development Block Grant Fund	31,758
General Fund	State Accommodations Tax Fund	1,708,593
General Fund	Federal and State Grants	1,384,213
		\$ 3,247,873

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

G. Transfers In and Out

During the course of normal operations, the City makes numerous transactions between funds. Transfers of resources from a fund receiving revenue to a fund through which the resources are expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as non-operating revenues (expenses) in proprietary funds. Transfers into the general fund were primarily to recover overhead and related costs. Transfers to the state accommodations tax fund were made from the local accommodations tax fund to support tourism promotion. Transfers between funds for the year ended June 30, 2023, consisted of the following:

	Transfers In:				
Transfers Out:	General Fund	Nonmajor Governmental Fund	Water and Sewer Enterprise	Nonmajor Enterprise Fund	Totals
Nonmajor governmental funds	\$ 2,075,099	\$ 854,699	\$ -	\$ -	\$ 2,929,798
Water and sewer enterprise fund	2,113,745	-	-	-	2,113,745
	\$ 4,188,844	\$ 854,699	\$ -	\$ -	\$ 5,043,543

III. OTHER INFORMATION

A. Risk Management

The City 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 City 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 insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the 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 City is also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The City has enrolled substantially all its employees in the State's health insurance plans administered by the South Carolina Public Employee Benefit Authority (PEBA).

B. Employee Retirement Systems

Plan Description

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

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 for police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Membership

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

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

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

Benefits

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

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

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

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

**CITY OF SUMTER, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2023**

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent to meet the legislation’s ultimate scheduled employer rate of 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced over a 10 year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Required employee contribution rates for fiscal year 2023 are as follows:

SCRS

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

PORS

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

Required employer contribution rates for fiscal year 2023 are as follows:

SCRS

Employer Class Two	17.41 % of earnable compensation
Employer Class Three	17.41 % of earnable compensation
Employer Incidental Death Benefit	0.15 % of earnable compensation

PORS

Employer Class Two	19.84 % of earnable compensation
Employer 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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability (TPL) determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals as of June 30, 2022, for SCRS and PORS are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,262,932	\$ 24,242,152,940	57.1%
PORS	\$ 8,937,686,946	\$ 5,938,707,767	\$ 2,998,979,179	66.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 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 plan's funding requirements.

At June 30, 2023, the City reported a liability of \$31,830,586 for the SCRS and \$20,537,703 for the PORS for a total of \$52,368,289 for its proportionate share of the NPL. The NPL was measured as of June 30, 2022, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The City's portion of the NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating organizations, actuarially determined. At June 30, 2022, the City's proportion was 0.131303% for the SCRS, which is a decrease of .00511% from its proportion measured as of June 30, 2021. At June 30, 2022 the City's portion was .684823% for the PORS, which is an increase of .00258% from its proportion measured as of June 30, 2021. The General Fund has been used in prior years to liquidate the net pension liability in governmental funds.

For the year ended June 30, 2023, the City recognized a pension credit of \$470,303 for the SCRS and \$286,392 for the PORS for a total pension credit of \$756,695. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SCRS	PORS	Total	SCRS	PORS	Total
Differences between expected and actual experience	\$ 276,548	\$ 344,581	\$ 621,129	\$ 138,717	\$ 405,996	\$ 544,713
Change in assumptions	1,020,882	855,223	1,876,105	-	-	-
Net difference between projected and actual earnings on pension plan investments	49,089	62,019	111,108	-	-	-
Changes in proportionate share and difference between City contributions and proportionate share of contributions	204,929	400,039	604,968	1,057,231	13,407	1,070,638
City contributions subsequent to measurement date	2,888,085	2,341,867	5,229,952	-	-	-
Total	<u>\$ 4,439,533</u>	<u>\$ 4,003,729</u>	<u>\$ 8,443,262</u>	<u>\$ 1,195,948</u>	<u>\$ 419,403</u>	<u>\$ 1,615,351</u>

The amount of \$5,229,952 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods are aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

In accordance with GASB 68 these amounts are to be amortized over the average remaining service lives of all employees of the plan and recognized as a component of pension expense as follows:

<u>June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Combined</u>
2024	\$ 317,172	\$ 631,421	\$ 948,593
2025	202,956	492,963	695,919
2026	(994,749)	(680,222)	(1,674,971)
2027	830,121	798,297	1,628,418
	\$ 355,500	\$ 1,242,459	\$ 1,597,959

Actuarial Assumptions and Methods

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

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in the below report were determined by the 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. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for either system.

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

	<u>SCRS</u>	<u>PORS</u>
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% (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

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

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the revised 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 following table. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity¹	9.0%	8.75%	0.79%
Private Debt¹	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate ¹	9.0%	4.12%	0.37%
Infrastructure ¹	3.0%	5.88%	0.18%
Total Expected Return²	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			<u>7.04%</u>

1 - RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

2 - Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all 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 City's proportionate share of each system's NPL calculated using the discount rate of 7 percent, as well as what the City's NPL for each system would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

	Current Discount		
	1.00% Decrease (6%)	Rate (7%)	1.00 % Increase (8%)
System			
SCRS	\$ 40,810,739	\$ 31,830,586	\$ 24,364,756
PORS	\$ 28,638,591	\$ 20,537,703	\$ 13,906,365

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Annual Comprehensive Financial Report containing financial statements and required supplementary information for SCRS and PORS. The Annual Comprehensive Financial Report of the Pension Trust Funds is publicly available on PEBA's Retirement Benefit'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.

C. Deferred Compensation Plans

Some city employees may participate in additional, 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 State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate their employment with the City. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

D. Other Post-Employment Benefits

Plan Description

The City's single-employer defined benefit postemployment healthcare plan (the Plan) provides medical insurance to eligible retirees. Spouses and dependents are not covered. In accordance with the City's personnel policy, lifetime benefits are provided for retirees who retired on or before July 1, 2008, with at least 20 years of City service. Employees who retire after July 1, 2008, are eligible for benefits to age 65 depending on the amount of their service as of July 1, 2008. Those with 15 or more years of service on July 1, 2008, must have 20 years of service with the City to become eligible for benefits at retirement. Those with less than 15 years of service on July 1, 2008, must have 28 (25 for public safety) years of service with the City to become eligible for benefits at retirement. The Plan is approved each year by City Council; the contribution requirements of the City and plan members are established and amended by City Council. The contributions are neither guaranteed nor mandatory. City Council has retained the right to modify its payments for retiree health care benefits.

As of December 31, 2022, the most recent measurement date for the Plan, there were 685 covered participants; 141 members were retirees receiving benefits and 544 were active participants. The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to the Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

Funding Policy

The City establishes its contribution requirement annually during budget preparation, prior to the start of the fiscal year the calculated contribution relates to. The contributions required to support the Plan are determined following a level funding approach and consist of a normal contribution and an actuarial accrued liability contribution. The actuarial accrued liability is determined using the "entry age normal" method. Under this method, the accrued liability is the difference between the present value of expected future benefits payable and the present value of expected future normal cost. The normal contribution is determined using the "entry age normal" method. Under this method a calculation is made for OPEB benefits to determine the uniform and constant percentage rate of employer contribution. This contribution will be applied to the compensation of the average new member during the entire period of his/her anticipated covered service, ceasing when both the member and spouse are no longer members of the plan. This contribution would be required in addition to the contributions of the member to meet the cost of all benefits payable on his/her behalf.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Net OPEB Liability

The City's net OPEB liability of \$9,937,921 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2020. The General Fund has been used in prior years to liquidate the net OPEB liability in governmental funds.

Actuarial Assumptions and Methods

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00%-9.50%
PORS	3.50%-10.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.06%
Measurement Date	3.72%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025
Mortality Assumptions	PUB-2010 Mortality Tables for Employees with a 135% multiplier

The discount rate used to measure the TOL was based upon the long-term expected rate of return.

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 healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Target Allocation

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return
US Government Agency	58.0%	4.00%
US Govt MBS/CMO/CMBS	40.0%	5.60%
Cash and Cash Equivalents	2.0%	3.90%
Total	100.0%	

**CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023**

Discount Rate

The discount rate used to measure the total OPEB liability as of the measurement date was 4.75%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2020. In addition to the actuarial methods and assumptions of the December 31, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- * Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- * Active employees do not explicitly contribute to the Plan.
- * In all future years, the employer continues to contribute the full ADEC through deposit to the Trust and direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefit payments from its own resources for all periods in the projection.
- * Projected assets do not include employer contributions that fund the estimated service cost of future employees.
- * Cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to not be depleted.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the sensitivity of the City's OPEB liability to changes in the discount rate, calculated using the current discount rate of 4.75%, as well as what it would be if it were calculated using a discount rate that is 1 percentage-point lower (3.75%) or 1 percentage-point higher (5.75%) than the current rate:

	<u>Discount Rate Sensitivity</u>		
	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$11,702,036	\$9,937,921	\$8,403,156

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates:

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rate:

	<u>Health Care Cost Trend Rate Sensitivity</u>		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$8,116,275	\$9,937,921	\$12,059,448

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

The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, December 31, 2020. An expected total OPEB liability is determined as of December 31, 2022, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability as of the prior

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

measurement date, December 31, 2021, subtracts the expected benefit payments and refunds for the year, applies interest at the discount rate for the year, and then adds the annual normal cost (also called the Service Cost). The procedure used to determine the total OPEB liability as of December 31, 2022, is shown in the following table:

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of December 31, 2021	\$ 15,826,069	\$ 7,214,949	\$ 8,611,120
Changes for the year:			
Service Cost at the end of the year*	333,742	-	333,742
Interest on TOL and Cash Flows	733,471	-	733,471
Difference between expected and actual experience	(11,804)	-	(11,804)
Contributions - employer	-	778,167	(778,167)
Net investment income	-	(1,040,591)	1,040,591
Benefit payments and implicit subsidy credit	(778,167)	(778,167)	-
Plan administrative expenses	-	(8,968)	8,968
Net changes	<u>\$ 277,242</u>	<u>\$ (1,049,559)</u>	<u>\$ 1,326,801</u>
Balance as of December 31, 2022	<u>\$ 16,103,311</u>	<u>\$ 6,165,390</u>	<u>\$ 9,937,921</u>

For the year ended June 30, 2023, the City recognized an OPEB credit of \$679,566. As of June 30, 2023, the City reports deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,038,138
Changes of assumptions or other inputs	160,707	101,656
Net difference between projected and actual earnings on plan investments	1,370,924	-
City Contributions subsequent to the measurement date	606,925	-
Total	<u>\$ 2,138,556</u>	<u>\$ 3,139,794</u>

The amount of \$606,925 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024. The remaining deferred outflows/inflows of resources will be recognized as a component of OPEB expense as follows:

<u>Measurement Period Ended</u>	<u>Total</u>
December 31	
2023	\$ (342,058)
2024	(336,332)
2025	(318,342)
2026	(239,812)
2027	(370,321)
Thereafter	(1,298)
	<u>\$ (1,608,163)</u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

E. Tax Abatements

In accordance with GASB Statement No. 77 governments who enter into tax abatement agreements are required to disclose certain information about those agreements, including, the type of tax being abated, and dollar amount of taxes abated during the period being reported on. After inquiring with the appropriate entities and surrounding governments, management has determined that no current agreements exist which would give rise to a reportable tax abatement under GASB 77.

F. Impact of Recently Issued Accounting Principles

GASB Statement No. 96

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). The objective of this statement is to establish uniform accounting and financial reporting standards for subscription-based information technology arrangements (SBITAs) to improve the comparability of financial statements among governments that have entered into SBITAs, and enhance the understandability, reliability, relevance, and consistency of information about SBITAs. GASB 96 became effective beginning with fiscal year 2023. As of June 30, 2023, Management has determined that the City is not party to a SBITA contract that meets the requirements for the new reporting, however, the requirements of GASB 96 could impact the City in future reporting periods.

H. 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 City expects such amounts, if any, to be immaterial.

I. Subsequent Events

Management has evaluated subsequent events through December 5, 2023, the date the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS
For the Year Ended June 30, 2023**

Schedule of Employer's Proportionate Share of Net Pension Liability

	2023		2022		2021		2020		2019	
	<u>SCRS</u>	<u>PORS</u>								
Proportion of the Net Pension Liability	0.131303%	0.684823%	0.136409%	0.682242%	0.134639%	0.659042%	0.137970%	0.658399%	0.134819%	0.668748%
Proportionate Share of the Net Pension Liability	\$ 31,830,586	\$ 20,537,703	\$ 29,520,630	\$ 17,553,508	\$ 34,402,633	\$ 21,855,245	\$ 31,504,210	\$ 18,869,332	\$ 30,208,709	\$ 18,949,258
Covered Payroll (A)	15,638,960	10,834,092	15,419,776	10,258,804	15,020,802	9,955,807	14,569,229	9,549,815	13,971,026	9,256,478
Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	203.53%	189.57%	191.45%	171.11%	229.03%	219.52%	216.24%	197.59%	216.22%	204.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.1%	66.4%	60.7%	70.4%	50.7%	58.8%	54.4%	62.7%	54.1%	61.7%
	2018		2017		2016		2015		2014	
	<u>SCRS</u>	<u>PORS</u>								
Proportion of the Net Pension Liability	0.134521%	0.680620%	0.132601%	0.669610%	0.130615%	0.66206%	0.128281%	0.63586%	0.128281%	0.63586%
Proportionate Share of the Net Pension Liability	\$ 30,282,841	\$ 18,645,999	\$ 28,323,378	\$ 16,984,488	\$ 24,771,764	\$ 14,429,661	\$ 22,085,735	\$ 12,173,040	\$ 23,009,035	\$ 13,181,162
Covered Payroll (A)	13,579,671	9,158,752	12,833,429	8,543,885	12,246,749	8,202,053	11,777,703	7,877,669	10,956,667	7,398,493
Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	223.00%	203.59%	220.70%	198.79%	202.27%	175.93%	187.52%	154.53%	210.00%	178.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.3%	60.9%	52.90%	60.40%	57.00%	64.60%	59.90%	67.50%	56.39%	62.98%

(A) - Covered payroll as reported to SCRS/PORS for the year ended June 30, of the preceeding year.

**CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS (CONTINUED)
For the Year Ended June 30, 2023**

Schedule of Employer Contributions to SCRS

Fiscal Year	Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution ¹	Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll	Covered Payroll
2014	\$ 1,248,437	\$ 1,248,437	\$ -	\$ 11,777,703	10.60%
2015	1,334,896	1,334,896	-	12,246,749	10.90%
2016	1,419,377	1,419,377	-	12,833,429	11.06%
2017	1,569,810	1,569,810	-	13,579,671	11.56%
2018	1,894,471	1,894,471	-	13,971,026	13.56%
2019	2,121,280	2,121,280	-	14,569,229	14.56%
2020	2,337,237	2,337,237	-	15,020,802	15.56%
2021	2,399,317	2,399,317	-	15,419,776	15.56%
2022	2,566,353	2,566,353	-	15,638,960	16.41%
2023	2,888,084	2,888,084	-	16,588,649	17.41%

¹ Contribution rate multiplied by the covered payroll

² Actual employer contributions remitted to SCRS

Schedule of Employer Contributions to PORS

Fiscal Year	Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution ¹	Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll	Covered Payroll
2014	\$ 1,011,493	\$ 1,011,493	\$ -	\$ 7,877,669	12.84%
2015	1,099,895	1,099,895	-	8,202,053	13.41%
2016	1,173,930	1,173,930	-	8,543,885	13.74%
2017	1,304,206	1,304,206	-	9,158,752	14.24%
2018	1,503,252	1,503,252	-	9,256,478	16.24%
2019	1,646,388	1,646,388	-	9,549,815	17.24%
2020	1,815,939	1,815,939	-	9,955,807	18.24%
2021	1,871,206	1,871,206	-	10,258,804	18.24%
2022	2,041,143	2,041,143	-	10,834,092	18.84%
2023	2,341,867	2,341,867	-	11,803,763	19.84%

¹ Contribution rate multiplied by the covered payroll

² Actual employer contributions remitted to PORS

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
For the Year Ended June 30, 2023

Change in Benefit Terms

- None

Changes of Assumptions

- None

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
For the Year Ended June 30, 2023

<u>Year Ending December 31 (measurement date)</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost at end of year	\$ 333,742	\$ 406,270	\$ 393,270	\$ 380,848	\$ 368,593
Interest on the Total OPEB Liability	733,471	869,857	849,693	884,640	865,344
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(11,804)	(3,208,881)	(45,796)	(1,624,133)	(102,309)
Changes of assumptions or other inputs	-	(144,548)	-	370,779	-
Benefit payments*	(778,167)	(809,420)	(736,754)	(758,717)	(692,835)
Net change in Total OPEB Liability	277,242	(2,886,722)	460,413	(746,583)	438,793
Total OPEB Liability-beginning	15,826,069	18,712,791	18,252,378	18,998,961	18,560,168
Total OPEB Liability-ending (a)	\$ 16,103,311	\$ 15,826,069	\$ 18,712,791	\$ 18,252,378	\$ 18,998,961
Plan Fiduciary Net Position					
Contributions - employer**	\$ 778,167	\$ 1,701,281	\$ 1,197,473	\$ 1,226,353	\$ 1,181,239
Net investment income	(1,040,591)	(158,789)	339,439	270,031	51,452
Benefit payments*	(778,167)	(809,420)	(736,754)	(758,717)	(692,835)
Administrative expense	(8,968)	(1,250)	(8,844)	-	(7,612)
Net change in Plan Fiduciary Net Position	(1,049,559)	731,822	791,314	737,667	532,244
Plan Fiduciary Net Position - beginning	7,214,949	6,483,127	5,691,813	4,954,146	4,421,902
Plan Fiduciary Net Position - ending (b)	6,165,390	7,214,949	6,483,127	5,691,813	4,954,146
Net OPEB Liability - ending (a) - (b)	\$ 9,937,921	\$ 8,611,120	\$ 12,229,664	\$ 12,560,565	\$ 14,044,815
Plan Fiduciary Net Position as a percentage of total OPEB Liability	38.29%	45.59%	34.65%	31.18%	26.08%
Covered Payroll*	\$ 23,169,738	\$ 23,169,738	\$ 22,852,931	\$ 22,852,931	\$ 20,932,094
Net OPEB Liability as a percentage of covered payroll	42.89%	37.17%	53.51%	54.96%	67.10%

* Benefit payments are net of participant contributions and include a payment of \$107,600 for the implicit subsidy.
Benefit payments include \$670,567 paid outside the Trust.

** Employer contribution includes \$670,567 paid outside of the Trust and \$107,600 due to the implicit subsidy.

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO OPEB
For the Year Ended June 30, 2023

<u>Fiscal Year Ending June 30,</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 988,329	\$ 1,084,251	\$ 1,176,523	\$ 1,178,029	\$ 1,180,765
Contributions in relation to the ADEC	778,167	1,701,281	1,197,473	1,226,353	1,181,239
Annual contribution deficiency (excess)	\$ 210,162	\$ (617,030)	\$ (20,950)	\$ (48,324)	\$ (474)
Covered payroll*	\$ 28,392,411	\$ 26,473,052	\$ 25,678,580	\$ 24,976,609	\$ 24,119,044
Actual contributions as a percentage of covered payroll	2.74%	6.43%	4.66%	4.91%	4.90%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*Covered payroll amounts based on fiscal year

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
For the Year Ended June 30, 2023

Change of Benefit Terms:

December 31, 2022 (Valuation Date: December 31, 2020)

- None

Changes to Assumptions or other inputs:

December 31, 2022 (Valuation Date: December 31, 2020)

- None

OTHER SUPPLEMENTARY INFORMATION

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	USDA Rural Business Fund	HUD Section 108 Fund	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grants Fund	Empowerment Zone Fund	Main Street Society Fund	Sunday Alcohol Permits Fund
ASSETS									
Cash and cash equivalents	\$ 258,817	\$ -	\$ 41,293	\$ 40,181	\$ -	\$ -	\$ 68,294	\$ 14,042	\$ 37,288
Receivables, net of allowance for doubtful accounts	91,232	258,000	12	-	1,240,202	95,790	-	-	750
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 350,049</u>	<u>\$ 258,000</u>	<u>\$ 41,305</u>	<u>\$ 40,181</u>	<u>\$ 1,240,202</u>	<u>\$ 95,790</u>	<u>\$ 68,294</u>	<u>\$ 14,042</u>	<u>\$ 38,038</u>
LIABILITIES									
Liabilities									
Accounts payable	\$ -	\$ 56,384	\$ 133	\$ -	\$ 104,923	\$ 54,212	\$ 100	\$ 20	\$ -
Accrued compensation and benefits	-	-	-	-	541	3,364	-	-	-
Unearned revenue	-	-	-	-	14,290	6,400	-	-	-
Customer deposits	-	-	-	-	-	-	1,500	-	-
Escrow for seized funds and deposits	-	-	-	-	-	-	-	-	-
Due to other funds	-	123,309	-	-	1,384,213	31,758	-	-	-
Total liabilities	<u>-</u>	<u>179,693</u>	<u>133</u>	<u>-</u>	<u>1,503,967</u>	<u>95,734</u>	<u>1,600</u>	<u>20</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - notes & mortgages	91,232	-	-	-	-	-	-	-	-
Unavailable revenue - grants & contributions	-	-	-	-	620,033	-	-	-	-
Total Deferred Inflows of Resources	<u>91,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted	258,817	78,307	41,172	40,181	(883,798)	56	66,694	14,022	38,038
Total fund balances	<u>258,817</u>	<u>78,307</u>	<u>41,172</u>	<u>40,181</u>	<u>(883,798)</u>	<u>56</u>	<u>66,694</u>	<u>14,022</u>	<u>38,038</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 350,049</u>	<u>\$ 258,000</u>	<u>\$ 41,305</u>	<u>\$ 40,181</u>	<u>\$ 1,240,202</u>	<u>\$ 95,790</u>	<u>\$ 68,294</u>	<u>\$ 14,042</u>	<u>\$ 38,038</u>

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Local Hospitality Tax Fund	State Accommodations Tax Fund	Local Accommodations Tax Fund	Narcotics Fund	Victim's Assistance Fund	E911 Fund	Firemen's Fund	Total
ASSETS								
Cash and cash equivalents	\$ 1,296,576	\$ -	\$ 585,729	\$ 120,641	\$ 1,672	\$ 342,408	\$ 3,612	\$ 2,810,553
Receivables, net of allowance for doubtful accounts	353,293	191,705	76,436	-	-	90,069	-	2,397,489
Restricted cash and cash equivalents	955,565	-	-	-	-	-	-	955,565
Total assets	\$ 2,605,434	\$ 191,705	\$ 662,165	\$ 120,641	\$ 1,672	\$ 432,477	\$ 3,612	\$ 6,163,607
LIABILITIES								
Liabilities								
Accounts payable	\$ 433,237	\$ 15,580	\$ 72,402	\$ 152	\$ 25	\$ 16,115	\$ -	\$ 753,283
Accrued compensation and benefits	-	13,670	-	-	1,646	1,583	-	20,804
Unearned revenue	-	-	-	-	-	-	-	20,690
Customer deposits	-	-	-	-	-	-	-	1,500
Escrow for seized funds and deposits	-	-	-	209,273	-	-	-	209,273
Due to other funds	-	1,708,593	-	-	-	-	-	3,247,873
Total liabilities	433,237	1,737,843	72,402	209,425	1,671	17,698	-	4,253,423
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - notes & mortgages	-	-	-	-	-	-	-	91,232
Unavailable revenue - grants & contributions	-	-	-	-	-	-	-	620,033
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	711,265
FUND BALANCES								
Restricted	2,172,197	(1,546,138)	589,763	(88,784)	1	414,779	3,612	1,198,919
Total fund balances	2,172,197	(1,546,138)	589,763	(88,784)	1	414,779	3,612	1,198,919
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,605,434	\$ 191,705	\$ 662,165	\$ 120,641	\$ 1,672	\$ 432,477	\$ 3,612	\$ 6,163,607

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

Page 1 of 2

	USDA Rural Business Fund	HUD Section 108 Fund	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grants Fund	Empowerment Zone Fund	Main Street Society Fund	Sunday Alcohol Permits Fund
REVENUES									
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-	23,200
Intergovernmental revenue									
State and federal governments	-	-	-	-	776,097	447,061	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest income	2,119	8,364	-	-	591	-	-	-	-
Rent and miscellaneous	23,636	-	-	-	-	-	28,339	4,295	-
Total revenues	<u>25,755</u>	<u>8,364</u>	<u>-</u>	<u>-</u>	<u>776,688</u>	<u>447,061</u>	<u>28,339</u>	<u>4,295</u>	<u>23,200</u>
EXPENDITURES									
Current									
General government administration	-	-	-	-	446,624	-	-	-	-
Public safety	-	-	-	-	277,946	-	-	-	-
Public works	-	-	-	-	9,341	-	-	-	-
Parks, recreation and culture	-	-	-	-	24,980	-	-	-	-
Community development	-	-	22,587	-	-	447,062	-	-	-
Economic development	-	-	-	-	21,418	-	1,083	5,243	14,494
Debt service									
Bond principal	-	56,000	-	-	-	-	-	-	-
Interest and fiscal charges	-	7,745	-	-	-	-	-	-	-
Capital outlay									
Public safety	-	-	-	-	12,238	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>63,745</u>	<u>22,587</u>	<u>-</u>	<u>792,547</u>	<u>447,062</u>	<u>1,083</u>	<u>5,243</u>	<u>14,494</u>
Excess (deficiency) of revenues over (under) expenditures	25,755	(55,381)	(22,587)	-	(15,859)	(1)	27,256	(948)	8,706
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	(32,199)	-	-	-	-
Transfers out	-	-	-	-	-	-	(28,240)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,199)</u>	<u>-</u>	<u>(28,240)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,755	(55,381)	(22,587)	-	(48,058)	(1)	(984)	(948)	8,706
Fund balances, beginning of year	233,062	133,688	63,759	40,181	(835,740)	57	67,678	14,970	29,332
Fund balances, end of year	<u>\$ 258,817</u>	<u>\$ 78,307</u>	<u>\$ 41,172</u>	<u>\$ 40,181</u>	<u>\$ (883,798)</u>	<u>\$ 56</u>	<u>\$ 66,694</u>	<u>\$ 14,022</u>	<u>\$ 38,038</u>

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

	Local Hospitality Tax Fund	State Accommodations Tax Fund	Local Accommodations Tax Fund	Narcotics Fund	Victim's Assistance Fund	E911 Fund	Firemen's Fund	Total
REVENUES								
Sales taxes	\$ 3,921,052	\$ -	\$ 813,828	\$ -	\$ -	\$ -	\$ -	\$ 4,734,880
Licenses, permits and fees	-	-	-	-	-	609,013	-	632,213
Intergovernmental revenue								
State and federal governments	-	525,005	-	-	-	-	160,892	1,909,055
Fines and forfeitures	-	-	-	-	16,206	-	-	16,206
Interest income	33,304	-	-	-	-	-	-	44,378
Rent and miscellaneous	-	-	-	-	-	-	-	56,270
Total revenues	<u>3,954,356</u>	<u>525,005</u>	<u>813,828</u>	<u>-</u>	<u>16,206</u>	<u>609,013</u>	<u>160,892</u>	<u>7,393,002</u>
EXPENDITURES								
Current								
General government administration	-	-	-	-	-	-	-	446,624
Public safety	-	-	-	9,526	62,338	776,235	160,487	1,286,532
Public works	-	-	-	-	-	-	-	9,341
Parks, recreation and culture	456,954	92,188	5,404	-	-	-	-	579,526
Community development	-	-	-	-	-	-	-	469,649
Economic development	50,675	816,566	9,128	-	-	-	-	918,607
Debt service								
Bond principal	628,000	-	-	-	-	-	-	684,000
Interest and fiscal charges	73,577	-	-	-	-	-	-	81,322
Capital outlay								
Public safety	-	30,525	-	-	-	13,338	-	56,101
Parks, recreation and culture	1,198,941	-	19,909	-	-	-	-	1,218,850
Economic development	249,216	-	61,292	-	-	-	-	310,508
Total expenditures	<u>2,657,363</u>	<u>939,279</u>	<u>95,733</u>	<u>9,526</u>	<u>62,338</u>	<u>789,573</u>	<u>160,487</u>	<u>6,061,060</u>
Excess (deficiency) of revenues over (under) expenditures	1,296,993	(414,274)	718,095	(9,526)	(46,132)	(180,560)	405	1,331,942
OTHER FINANCING SOURCES (USES)								
Transfers in	701,513	140,000	-	-	45,385	-	-	854,699
Transfers out	(2,349,396)	-	(438,277)	-	-	-	-	(2,815,913)
Total other financing sources (uses)	<u>(1,647,883)</u>	<u>140,000</u>	<u>(438,277)</u>	<u>-</u>	<u>45,385</u>	<u>-</u>	<u>-</u>	<u>(1,961,214)</u>
Net change in fund balances	(350,890)	(274,274)	279,818	(9,526)	(747)	(180,560)	405	(629,272)
Fund balances, beginning of year	2,523,087	(1,271,864)	309,945	(79,258)	748	595,339	3,207	1,828,191
Fund balances, end of year	<u>\$ 2,172,197</u>	<u>\$ (1,546,138)</u>	<u>\$ 589,763</u>	<u>\$ (88,784)</u>	<u>\$ 1</u>	<u>\$ 414,779</u>	<u>\$ 3,612</u>	<u>\$ 1,198,919</u>

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-HOSPITALITY TAX FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget- Over (Under)
REVENUES				
Hospitality fees	\$ 3,200,000	\$ 3,650,000	\$ 3,921,052	\$ 271,052
Interest income	-	-	33,304	33,304
Total revenues	<u>3,200,000</u>	<u>3,650,000</u>	<u>3,954,356</u>	<u>304,356</u>
EXPENDITURES				
Quality of life projects	850,604	1,300,604	1,955,786	655,182
Debt Service	-	-	701,577	701,577
Total expenditures	<u>850,604</u>	<u>1,300,604</u>	<u>2,657,363</u>	<u>1,356,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	701,513	701,513
Transfers out	(2,349,396)	(2,349,396)	(2,349,396)	-
Total other financing sources	<u>(2,349,396)</u>	<u>(2,349,396)</u>	<u>(1,647,883)</u>	<u>701,513</u>
Net change in fund balance	-	-	(350,890)	(350,890)
Fund balance, beginning of year	2,523,087	2,523,087	2,523,087	-
Fund balance, end of year	<u>\$ 2,523,087</u>	<u>\$ 2,523,087</u>	<u>\$ 2,172,197</u>	<u>\$ (350,890)</u>

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-LOCAL ACCOMMODATIONS TAX FUND
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget-
	Original	Final		Over (Under)
REVENUES				
Accommodations fees	\$ 575,000	\$ 675,000	\$ 813,828	\$ 138,828
Total revenues	<u>575,000</u>	<u>675,000</u>	<u>813,828</u>	<u>138,828</u>
EXPENDITURES				
Quality of life projects	136,723	236,723	95,733	(140,990)
Total expenditures	<u>136,723</u>	<u>236,723</u>	<u>95,733</u>	<u>(140,990)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(438,277)	(438,277)	(438,277)	-
Total other financing uses	<u>(438,277)</u>	<u>(438,277)</u>	<u>(438,277)</u>	<u>-</u>
Net change in fund balance	-	-	279,818	279,818
Fund balance, beginning of year	309,945	309,945	309,945	-
Fund balance, end of year	<u>\$ 309,945</u>	<u>\$ 309,945</u>	<u>\$ 589,763</u>	<u>\$ 279,818</u>

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-VICTIMS ASSISTANCE FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Over (Under)
REVENUES				
Victims services	\$ 22,500	\$ 22,500	\$ 16,206	\$ (6,294)
Total revenues	<u>22,500</u>	<u>22,500</u>	<u>16,206</u>	<u>(6,294)</u>
EXPENDITURES				
Public safety	72,248	72,248	62,338	(9,910)
Total expenditures	<u>72,248</u>	<u>72,248</u>	<u>62,338</u>	<u>(9,910)</u>
OTHER FINANCING SOURCES				
Transfers in	49,748	49,748	45,385	(4,363)
Total other financing sources	<u>49,748</u>	<u>49,748</u>	<u>45,385</u>	<u>(4,363)</u>
Net change in fund balance	-	-	(747)	(747)
Fund balance, beginning of year	748	748	748	-
Fund balance, end of year	<u>\$ 748</u>	<u>\$ 748</u>	<u>\$ 1</u>	<u>\$ (747)</u>

CITY OF SUMTER, SOUTH CAROLINA
WATER AND SEWER FUND – SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION-
BUDGET AND ACTUAL – BUDGET BASIS
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Over (Under)
Revenue				
Water revenue	\$ 11,509,000	\$ 11,509,000	\$ 11,772,471	\$ 263,471
Sewer revenue	11,831,000	11,831,000	12,583,683	752,683
Other operating revenue	2,141,300	2,172,175	2,155,569	(16,606)
Capital grants and contributions	-	4,100,000	5,266,560	1,166,560
Interest income and investment return	139,700	139,700	746,628	606,928
Gain (loss) on sale of capital assets	435,000	901,613	425,946	(475,667)
Miscellaneous	145,000	145,000	122,834	(22,166)
Appropriation from net position	700,000	700,000	-	(700,000)
	<u>26,901,000</u>	<u>31,498,488</u>	<u>33,073,691</u>	<u>1,575,203</u>
Expenses				
Salaries and wages	5,632,045	5,632,045	5,265,440	(366,605)
Utilities	2,289,000	2,289,000	2,328,821	39,821
Purchased services	1,885,437	1,879,407	1,646,109	(233,298)
Materials and supplies	1,685,196	1,676,696	1,778,640	101,944
Other operating expense	3,466,058	6,368,588	3,946,191	(2,422,397)
Employee benefits	2,969,798	2,969,798	2,132,383	(837,415)
Depreciation	2,330,000	2,330,000	5,902,623	3,572,623
Interest expense	1,643,136	1,674,011	1,642,519	(31,492)
Economic development	216,945	216,945	259,430	42,485
Transfers	2,155,685	2,155,685	2,113,745	(41,940)
Operating reserve	-	250,000	-	(250,000)
Capital reserve	800,000	800,000	-	(800,000)
Capital expenditures	1,827,700	3,256,313	3,702,662	446,349
	<u>26,901,000</u>	<u>31,498,488</u>	<u>30,718,563</u>	<u>(779,925)</u>
Operating Income	<u>\$ -</u>	<u>\$ -</u>	<u>2,355,128</u>	<u>\$ 2,355,128</u>
Reconciliation to change in net position:				
Capital expenditures			<u>3,702,662</u>	
Change in net position			<u>\$ 6,057,790</u>	

CITY OF SUMTER, SOUTH CAROLINA
WATER AND SEWER FUND – DEBT COVERAGE RATIO – REQUIRED BY LENDER
For the Year Ended June 30, 2023

Operating revenue	\$	26,511,723
Operating expenses exclusive of depreciation		<u>(17,097,584)</u>
Net revenue available for debt service		<u>\$ 9,414,139</u>
Debt service requirement		
Principal	\$	2,330,000
Interest		<u>1,545,400</u>
Total		<u>\$ 3,875,400</u>
Revenue bond coverage for the year ended June 30, 2023		<u><u>2.43</u></u>

**CITY OF SUMTER, SOUTH CAROLINA
FIDUCIARY FUNDS
PRIVATE PURPOSE TRUST FUNDS**

Private-purpose trust funds are used by the City to account for assets held by the City in a trustee capacity which are to be used for specific purposes established by donors. The City uses the following private-purpose trust funds:

Neil O'Donnell Fund – Accounts for funds donated by Neil O'Donnell to be used for charitable purposes.

George Reardon Fund – Accounts for funds donated by George Reardon to be used for charitable purposes.

Ella Tuomey Fund – Accounts for funds donated by Ella Tuomey to be used for charitable purposes.

Emergency Responders Trust Fund – Accounts for monies donated to the First Responders Trust Fund to be used for charitable purposes.

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
June 30, 2023

		Nell O'Donnell Fund	George Reardon Fund	Ella Tuomey Fund	Emergency Responders Trust Fund	Total
ASSETS						
Cash and cash equivalents	\$	3,675	\$ 517	\$ 1,491	\$ 3,914	\$ 9,597
Total assets		<u>3,675</u>	<u>517</u>	<u>1,491</u>	<u>3,914</u>	<u>9,597</u>
LIABILITIES						
		-	-	-	-	-
NET POSITION						
Restricted for:						
Individuals, organizations, and other governments	\$	3,675	\$ 517	\$ 1,491	\$ 3,914	\$ 9,597

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2023

	Nell O'Donnell Fund	George Reardon Fund	Ella Tuomey Fund	Emergency Responders Trust Fund	Total
ADDITIONS					
Interest	\$ 223	\$ -	\$ -	\$ 3	\$ 226
Contributions	-	-	-	-	-
Total additions	223	-	-	3	226
DEDUCTIONS					
Distributions to beneficiaries	-	-	-	-	-
Total deductions	-	-	-	-	-
Change in net position	223	-	-	3	226
Net position, beginning of year	3,452	517	1,491	3,911	9,371
Net position, end of year	<u>\$ 3,675</u>	<u>\$ 517</u>	<u>\$ 1,491</u>	<u>\$ 3,914</u>	<u>\$ 9,597</u>

CITY OF SUMTER, SOUTH CAROLINA
FIDUCIARY FUNDS
CUSTODIAL FUNDS

Custodial funds are used by the City to account for assets held by the City in a trustee capacity which are to be used for specific purposes established by donors. The City uses the following agency funds:

CHDO Fund – Accounts for the activities of the City of Sumter Housing and Economic Development Corporations, a Community Housing Development Organization as defined by the State Housing Authority. This is a legally separate non-profit organization.

Sumter Green Fund – Accounts for the activities of the Sumter Green Organization, an organization legally separate from the City, the purpose of which is the beautification of Sumter and its entryways.

Swan Fund – Accounts for private donations restricted to use for the Swan Lake Iris Gardens.

Support of Shaw Fund – Accounts for funds contributed to a legally separate not for profit organization which works to retain Shaw Air Force Base in Sumter.

Dalzell Water District Fund– Accounts for the collections of the Dalzell Water and Sewer System that are billed on behalf of that entity by the City of Sumter.

Oswego Water District Fund – Accounts for the collections and payments of the Oswego Water System which are managed on behalf of that entity by the City of Sumter.

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
June 30, 2023

	CHDO Fund	Sumter Green Fund	Swan Fund	Support of Shaw Fund	Dalzell Water District Fund	Oswego Water District Fund	Total
ASSETS							
Cash and cash equivalents	\$ 5,223,760	\$ 43,231	\$ 326	\$ 276,966	\$ 544,804	\$ 72,805	\$ 6,161,892
Accounts receivable	-	-	-	-	66,414	36,925	103,339
Total assets	<u>5,223,760</u>	<u>43,231</u>	<u>326</u>	<u>276,966</u>	<u>611,218</u>	<u>109,730</u>	<u>6,265,231</u>
LIABILITIES							
Accounts payable	123,833	3,175	-	-	18,720	21,367	167,095
Accrued salaries	-	412	-	-	-	-	412
Due to customers	-	-	-	-	35,175	21,350	56,525
Total liabilities	<u>123,833</u>	<u>3,587</u>	<u>-</u>	<u>-</u>	<u>53,895</u>	<u>42,717</u>	<u>224,032</u>
NET POSITION							
Restricted for:							
Individuals, organizations, and other governments	\$ 5,099,927	\$ 39,644	\$ 326	\$ 276,966	\$ 557,323	\$ 67,013	\$ 6,041,199

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For the Year Ended June 30, 2023

	CHDO Fund	Sumter Green Fund	Swan Fund	Support of Shaw Fund	Dalzell Water District Fund	Oswego Water District Fund	Total
ADDITIONS							
Charitable contributions	\$ 2,231,000	\$ 25,567	\$ -	\$ 10,000	\$ -	\$ -	\$ 2,266,567
Charges for services	-	7,000	-	-	668,329	548,542	1,223,871
Interest earned	160,474	-	-	-	144	-	160,618
Total additions	2,391,474	32,567	-	10,000	668,473	548,542	3,651,056
DEDUCTIONS							
Distributions to/on behalf of beneficiaries	1,217,630	-	-	-	396,850	299,999	1,914,479
Program service expenditures	-	42,353	-	171,694	-	-	214,047
Utilities	-	-	-	-	27,389	193,206	220,595
Administrative	1,019	13,029	-	-	108,974	40,217	163,239
Other custodial disbursements	-	2,718	-	-	93,905	-	96,623
Total deductions	1,218,649	58,100	-	171,694	627,118	533,422	2,608,983
CHANGE IN NET POSITION	1,172,825	(25,533)	-	(161,694)	41,355	15,120	1,042,073
Net position, beginning of year	3,927,102	65,177	326	438,660	515,968	51,893	4,999,126
Net position, end of year	\$ 5,099,927	\$ 39,644	\$ 326	\$ 276,966	\$ 557,323	\$ 67,013	\$ 6,041,199

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CITY OF SUMTER, 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			\$ 264,276.00	\$ 264,276.00
Court fines and assessments remitted to State Treasurer			\$ (129,991.00)	\$ (129,991.00)
Total Court Fines and Assessments retained	\$ -	\$ -	\$ 134,285.00	\$ 134,285.00
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 4,388.00	\$ 4,388.00
Assessments retained			\$ 11,818.00	\$ 11,818.00
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 16,206.00	\$ 16,206.00

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ 748.00		\$ 748.00
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ 11,818.00		\$ 11,818.00
Victim Service Surcharges Retained by City/County Treasurer	\$ 4,388.00		\$ 4,388.00
Interest Earned			\$ -
Grant Funds Received			
Grant from:			\$ -
General Funds Transferred to Victim Service Fund	\$ 45,385.00		\$ 45,385.00
Contribution Received from Victim Service Contracts:			
(1) Town of			\$ -
(2) Town of			\$ -
(3) City of			\$ -
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 62,339.00	\$ -	\$ 62,339.00

CITY OF SUMTER, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2023

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 61,024.00		\$ 61,024.00
Operating Expenditures	\$ 1,314.00		\$ 1,314.00
Victim Service Contract(s):			
(1) Entity's Name			\$ -
(2) Entity's Name			\$ -
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			\$ -
(2) Rape Crisis Center:			\$ -
(3) Other local direct crime victims service agency:			\$ -
Transferred to General Fund			\$ -
Total Expenditures from Victim Service Fund/Program (B)	\$ 62,338.00	\$ -	\$ 62,338.00
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ 1.00		\$ 1.00
Less: Prior Year Fund Deficit Repayment			\$ -
Carryforward Funds – End of Year	\$ 1.00	\$ -	\$ 1.00

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
E911 FUND
For the Year Ended June 30, 2023

REVENUES

Licenses, Permits, and Fees:	\$	609,013
TOTAL REVENUE ALL SOURCES		<u>609,013</u>

EXPENDITURES

Public Safety Communications:		
Personnel Services		72,660
General Operating		118,988
Repairs and Maintenance		9,981
Contractual Services		532,105
Service Charges		<u>42,500</u>
Total Public Safety Communications		776,235
Capital Outlay		13,338
Depreciation		<u>-</u>
TOTAL EXPENDITURES		<u>789,573</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES **(180,560)**

NET CHANGE IN FUND BALANCE **(180,560)**

FUND BALANCE, Beginning of Year		595,339
FUND BALANCE, End of Year	\$	<u>414,779</u>

FINANCIAL STATEMENT FINDINGS (APPLICABLE TO E911 FUND):

NONE

RECOMMENDED COURSE OF ACTION (APPLICABLE TO E911 FUND):

NONE

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STATISTICAL SECTION

This portion of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	96-100
Revenue Capacity These schedules contain information to help the reader assess the City's most significant governmental fund revenue source, the property tax.	101-104
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	105-109
Demographic and Economic Information These schedules are presented to help the reader understand the environment within which the City's financial activities take place.	110-111
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	112-114

CITY OF SUMTER, SOUTH CAROLINA
NET POSITION BY COMPONENT -
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

Table 1

	2014*	2015*	2016*	2017	2018*	2019*	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 37,154,398	\$ 37,859,121	\$ 44,895,830	\$ 51,316,040	\$ 62,306,724	\$ 63,918,549	\$ 66,736,286	\$ 73,593,680	\$ 75,531,689	\$ 82,443,370
Restricted	3,321,746	3,674,181	4,017,629	2,563,750	1,363,618	1,602,553	713,234	974,859	17,032,392	33,285,503
Unrestricted	10,678,124	(15,213,181)	(12,683,745)	(12,763,242)	(28,535,032)	(31,388,906)	(34,040,211)	(39,832,995)	(33,388,251)	(31,007,818)
Total governmental activities net position	\$ 51,154,268	\$ 26,320,121	\$ 36,229,714	\$ 41,116,548	\$ 35,135,310	\$ 34,132,196	\$ 33,409,309	\$ 34,735,544	\$ 59,175,830	\$ 84,721,055
Business-type activities										
Net investment in capital assets	\$ 47,592,613	\$ 51,883,642	\$ 59,804,646	\$ 61,235,765	\$ 60,881,625	\$ 64,413,720	\$ 64,717,438	\$ 64,598,978	\$ 66,774,411	\$ 66,631,154
Restricted	3,171,556	2,998,574	3,413,145	3,141,584	1,495,645	1,407,022	1,424,185	1,444,971	1,492,804	5,034,604
Unrestricted	18,665,003	12,448,335	12,153,772	10,330,498	8,798,637	5,159,856	4,192,241	2,512,128	3,998,817	7,246,984
Total business-type activities net position	\$ 69,429,172	\$ 67,330,551	\$ 75,371,563	\$ 74,707,847	\$ 71,175,907	\$ 70,980,598	\$ 70,333,864	\$ 68,556,077	\$ 72,266,032	\$ 78,912,742
Primary government totals										
Net investment in capital assets	\$ 84,747,011	\$ 89,742,763	\$ 104,700,476	\$ 112,551,805	\$ 123,188,349	\$ 128,332,269	\$ 131,453,724	\$ 138,192,658	\$ 142,306,100	\$ 149,074,524
Restricted	6,493,302	6,672,755	7,430,774	5,705,334	2,859,263	3,009,575	2,137,419	2,419,830	18,525,196	38,320,107
Unrestricted	29,343,127	(2,764,846)	(529,973)	(2,432,744)	(19,736,395)	(26,229,050)	(29,847,970)	(37,320,867)	(29,389,434)	(23,760,834)
Total primary government net position	\$ 120,583,440	\$ 93,650,672	\$ 111,601,277	\$ 115,824,395	\$ 106,311,217	\$ 105,112,794	\$ 103,743,173	\$ 103,291,621	\$ 131,441,862	\$ 163,633,797

* Beginning net position restated

CITY OF SUMTER, SOUTH CAROLINA
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

Table 2
Page 1 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 5,506,479	\$ 5,473,334	\$ 6,451,137	\$ 6,914,238	\$ 6,878,117	\$ 7,568,694	\$ 8,700,701	\$ 8,463,366	\$ 8,271,476	\$ 9,267,996
Public safety	18,726,272	18,447,133	20,279,524	22,661,191	24,276,099	25,317,244	27,139,712	26,504,213	27,364,813	27,670,154
Public works	6,198,843	5,478,100	5,952,721	6,046,733	6,252,507	6,636,236	6,810,483	7,144,712	7,267,741	7,211,635
Parks, recreation and culture	3,655,740	4,128,482	4,060,104	4,498,693	4,910,697	4,592,630	4,238,718	4,612,439	5,413,470	5,440,059
Community development	518,788	381,600	372,307	542,944	568,986	678,566	590,211	979,369	828,125	1,895,737
Economic development	1,846,045	1,898,790	2,216,399	2,408,864	2,452,098	2,611,732	2,586,377	2,455,838	2,742,698	2,028,246
Interest on long-term debt	215,380	175,056	164,617	212,333	241,549	472,193	413,786	434,051	395,911	359,690
Total governmental activities expenses	36,667,547	35,982,495	39,496,809	43,284,996	45,580,053	47,877,295	50,479,988	50,593,988	52,284,234	53,873,517
Business-type activities:										
Water and sewer services	17,606,238	17,659,418	20,412,516	22,951,594	23,184,832	23,864,071	24,667,715	25,603,019	26,532,523	25,624,769
Total business-type activities expenses	17,606,238	17,659,418	20,412,516	22,951,594	23,184,832	23,864,071	24,667,715	25,603,019	26,532,523	25,624,769
Total primary government expenses	\$ 54,273,785	\$ 53,641,913	\$ 59,909,325	\$ 66,236,590	\$ 68,764,885	\$ 71,741,366	\$ 75,147,703	\$ 76,197,007	\$ 78,816,757	\$ 79,498,286
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 62,235	\$ 59,224	\$ 65,661	\$ 78,871	\$ 85,586	\$ 92,360	\$ 89,503	\$ 90,874	\$ 98,343	\$ 111,182
Public safety and courts	3,985,838	4,192,162	4,338,495	4,635,011	4,518,708	4,357,327	4,395,400	5,414,539	5,218,777	5,935,568
Public works	2,561,400	2,586,280	2,731,542	2,686,200	2,889,655	2,904,271	3,173,461	3,189,083	3,289,978	4,343,371
Parks, recreation and culture	418,939	435,833	443,058	477,921	576,368	612,721	391,488	332,281	530,386	495,590
Economic development	93,257	68,010	57,850	51,046	39,047	153,127	11,606	102,005	66,295	187,928
Operating grants and contributions	2,863,555	2,654,380	2,139,975	3,176,857	2,267,893	3,374,237	3,490,958	5,372,517	8,143,982	5,103,125
Capital grants and contributions	2,372,060	1,207,142	9,064,025	6,255,540	9,520,114	1,382,806	5,368,009	3,916,396	22,457,824	24,187,294
Total governmental activities program revenues	12,357,284	11,203,031	18,840,606	17,361,446	19,897,371	12,876,849	16,920,425	18,417,695	39,805,585	40,364,058
Business-type activities:										
Charges for services - water and sewer	21,034,775	21,634,744	22,576,678	22,827,222	23,166,411	23,372,515	23,575,673	24,387,933	26,387,895	27,767,282
Operating grants and contributions	-	-	-	-	-	-	-	-	2,889,638	-
Capital grants and contributions	1,532,724	1,985,402	6,727,154	654,066	757,170	717,200	1,912,105	908,317	2,821,469	5,748,480
Total business-type activities program revenues	22,567,499	23,620,146	29,303,832	23,481,288	23,923,581	24,089,715	25,487,778	25,296,250	32,099,002	33,515,762
Total primary government activities program revenues	\$ 34,924,783	\$ 34,823,177	\$ 48,144,438	\$ 40,842,734	\$ 43,820,952	\$ 36,966,564	\$ 42,408,203	\$ 43,713,945	\$ 71,904,587	\$ 73,879,820

Continued

CITY OF SUMTER, SOUTH CAROLINA
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

Table 2
Page 2 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expenses)/revenues										
Governmental activities	\$ (24,310,263)	\$ (24,779,464)	\$ (20,656,203)	\$ (25,923,550)	\$ (25,682,682)	\$ (35,000,446)	\$ (33,559,563)	\$ (32,176,293)	\$ (12,478,649)	\$ (13,509,459)
Business-type activities	4,961,261	5,960,728	8,891,316	529,694	738,749	225,644	820,063	(306,769)	5,566,479	7,890,993
Total primary government net expenses	\$ (19,349,002)	\$ (18,818,736)	\$ (11,764,887)	\$ (25,393,856)	\$ (24,943,933)	\$ (34,774,802)	\$ (32,739,500)	\$ (32,483,062)	\$ (6,912,170)	\$ (5,618,466)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 9,241,692	\$ 9,637,697	\$ 10,148,185	\$ 9,935,294	\$ 9,746,300	\$ 9,857,168	\$ 10,263,884	\$ 9,633,998	\$ 10,367,700	\$ 10,413,840
Sales taxes										
Local options sales taxes	4,380,262	4,019,596	4,121,745	4,539,418	4,052,214	4,585,665	5,092,151	5,412,393	6,600,876	6,631,311
Local accommodations taxes	427,160	433,245	574,495	554,749	575,888	646,968	546,255	596,555	743,217	813,828
Local hospitality taxes	2,305,885	2,456,313	2,654,675	2,731,193	2,839,557	2,962,714	2,842,689	3,295,766	3,396,445	3,921,052
Franchise taxes	9,014,503	9,684,170	9,929,608	10,017,899	10,733,153	11,550,918	10,649,959	11,218,098	11,947,378	11,812,953
State shared taxes	957,975	951,401	933,862	1,025,715	999,263	1,595,660	1,050,281	1,021,742	1,032,791	1,081,345
Interest and other	211,001	154,366	631,365	284,611	330,675	745,913	309,370	133,407	222,447	1,523,964
Gain (loss) on sale of property	72,799	136,148	192,318	190,850	138,163	74,123	135,109	448,724	526,176	742,644
Transfers	1,557,957	1,340,599	1,379,543	1,530,655	1,681,705	1,923,203	1,946,978	1,741,845	2,081,905	2,113,745
Total governmental activities	28,169,234	28,813,535	30,565,796	30,810,384	31,096,918	33,942,332	32,836,676	33,502,528	36,918,935	39,054,684
Business-type activities										
Interest and other	406,467	503,229	1,765,981	337,245	259,884	485,294	480,181	270,827	225,381	869,462
Transfers	(1,557,957)	(1,340,599)	(1,379,543)	(1,530,655)	(1,681,705)	(1,923,203)	(1,946,978)	(1,741,845)	(2,081,905)	(2,113,745)
Total business-type activities	(1,151,490)	(837,370)	386,438	(1,193,410)	(1,421,821)	(1,437,909)	(1,466,797)	(1,471,018)	(1,856,524)	(1,244,283)
Total primary government	\$ 27,017,744	\$ 27,976,165	\$ 30,952,234	\$ 29,616,974	\$ 29,675,097	\$ 32,504,423	\$ 31,369,879	\$ 32,031,510	\$ 35,062,411	\$ 37,810,401
Changes in net position										
Governmental activities	\$ 3,858,971	\$ 4,034,071	\$ 9,909,593	\$ 4,886,834	\$ 5,414,236	\$ (1,058,114)	\$ (722,887)	\$ 1,326,235	\$ 24,440,286	\$ 25,545,225
Business-type activities	3,809,771	5,123,358	9,277,754	(663,716)	(683,072)	(1,212,265)	(646,734)	(1,777,787)	3,709,955	6,646,710
Total primary government	\$ 7,668,742	\$ 9,157,429	\$ 19,187,347	\$ 4,223,118	\$ 4,731,164	\$ (2,270,379)	\$ (1,369,621)	\$ (451,552)	\$ 28,150,241	\$ 32,191,935

**CITY OF SUMTER, SOUTH CAROLINA
 FUND BALANCES OF GOVERNMENTAL FUNDS -
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 UNAUDITED**

Table 3

	2014	2015*	2016	2017	2018	2019*	2020	2021	2022	2023
General fund										
Nonspendable	\$ 822,501	\$ 937,635	\$ 871,998	\$ 1,121,067	\$ 1,340,885	\$ 1,415,889	\$ 1,822,278	\$ 2,307,285	\$ 2,458,644	\$ 2,072,318
Restricted	1,356,647	1,747,994	1,271,024	8,315,700	2,373,497	1,521,922	1,210,716	27,272	17,107,413	33,453,961
Committed	-	-	-	-	-	-	-	-	1,718,107	781,449
Unassigned	12,228,926	13,939,785	17,259,471	15,343,958	16,135,376	15,177,437	14,666,602	13,708,927	13,745,700	16,521,883
Total general fund	14,408,074	16,625,414	19,402,493	24,780,725	19,849,758	18,115,248	17,699,596	16,043,484	35,029,864	52,829,611
All other governmental funds										
Restricted	3,321,746	3,674,181	4,017,629	2,563,750	1,363,618	3,608,325	2,499,494	3,240,347	2,184,837	1,404,708
Unassigned	-	-	-	-	-	-	(550,928)	(627,586)	(356,646)	(205,789)
Total all other governmental funds	3,321,746	3,674,181	4,017,629	2,563,750	1,363,618	3,608,325	1,948,566	2,612,761	1,828,191	1,198,919
Total fund balances, governmental funds	\$ 17,729,820	\$ 20,299,595	\$ 23,420,122	\$ 27,344,475	\$ 21,213,376	\$ 21,723,573	\$ 19,648,162	\$ 18,656,245	\$ 36,858,055	\$ 54,028,530

*Beginning fund balance restated

CITY OF SUMTER, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS -
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

Table 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 16,436,999	\$ 16,703,384	\$ 17,491,876	\$ 17,222,554	\$ 17,625,474	\$ 18,023,005	\$ 18,519,027	\$ 19,242,380	\$ 21,124,119	\$ 21,863,414
Licenses and permits	9,304,157	10,017,818	10,288,917	10,505,914	11,317,317	12,019,355	11,148,864	11,952,585	12,720,217	12,468,621
Intergovernmental	9,422,466	7,952,977	15,560,058	13,766,239	16,065,032	9,122,553	11,978,795	14,272,217	32,498,594	33,900,887
Charges for services	3,049,658	3,090,515	3,186,806	3,189,280	3,436,666	3,491,444	3,568,559	3,514,808	3,782,251	4,807,783
Fines and forfeits	394,440	444,010	520,929	426,563	338,920	405,754	243,095	217,103	198,481	198,577
Interest earned and investment return	78,181	27,559	141,184	115,168	120,629	163,862	145,985	33,198	76,831	1,341,444
Other	141,669	103,196	503,657	172,038	363,287	1,057,146	1,119,469	489,773	2,438,986	1,404,431
Total revenues	\$ 38,827,570	\$ 38,339,459	\$ 47,693,427	\$ 45,397,756	\$ 49,267,325	\$ 44,283,119	\$ 46,723,794	\$ 49,722,064	\$ 72,839,479	\$ 75,985,157
Expenditures										
General government	\$ 5,334,675	\$ 5,535,277	\$ 6,196,203	\$ 6,373,283	\$ 6,384,559	\$ 6,782,912	\$ 7,763,609	\$ 7,602,476	\$ 7,467,882	\$ 8,571,485
Public safety	16,677,457	17,983,142	18,312,228	19,922,523	20,519,438	21,221,972	22,580,466	22,680,026	24,503,913	25,236,460
Public works	4,501,353	3,922,498	4,018,174	4,254,877	4,414,269	4,738,337	4,712,638	4,836,633	5,272,882	5,308,828
Parks and gardens	1,741,499	2,051,372	2,178,291	2,144,481	2,324,951	2,034,583	2,060,170	1,907,823	2,361,052	2,601,420
Culture and recreation	1,117,699	1,420,143	1,004,796	1,367,230	1,565,518	1,513,670	1,268,220	1,701,811	2,083,013	1,358,181
Community development	377,225	289,640	203,418	389,652	255,773	371,838	294,684	668,227	465,058	1,569,149
Economic development	1,617,646	1,670,764	1,911,249	1,976,225	2,027,683	2,175,110	2,155,114	2,080,253	2,237,779	1,630,700
Capital outlay	6,920,566	3,828,240	11,788,296	11,532,355	24,808,032	8,722,710	8,623,984	11,904,821	10,735,670	13,872,182
Debt service										
Principal	2,459,785	1,764,903	1,837,738	1,870,817	2,215,542	2,441,317	2,447,385	2,719,370	2,776,357	3,146,390
Interest and other charges	238,459	184,848	172,802	154,941	223,344	312,106	439,375	452,778	409,920	387,438
Total expenditures	\$ 40,986,364	\$ 38,650,827	\$ 47,623,195	\$ 49,986,384	\$ 64,739,109	\$ 50,314,555	\$ 52,345,645	\$ 56,554,218	\$ 58,313,525	\$ 63,682,233
Excess of revenue over (under) expenditures	\$ (2,158,794)	\$ (311,368)	\$ 70,232	\$ (4,588,628)	\$ (15,471,784)	\$ (6,031,436)	\$ (5,621,851)	\$ (6,832,154)	\$ 14,525,954	\$ 12,302,924
Other financing sources (uses)										
Proceeds from issuance of bonds	\$ -	\$ -	\$ -	\$ 4,495,000	\$ 6,000,000	\$ 2,000,000	\$ -	\$ 2,550,000	\$ -	\$ -
Leases issued	733,000	1,295,000	1,450,000	2,128,816	1,407,000	1,896,000	1,216,000	1,077,315	977,442	1,863,387
Sale of property	204,306	145,544	220,752	358,510	251,981	667,429	383,462	471,077	616,509	890,419
Transfers in	2,945,413	3,039,094	3,041,475	3,553,025	3,885,076	4,106,733	4,539,497	4,069,322	4,710,347	5,043,543
Transfers out	(1,396,123)	(1,698,495)	(1,661,932)	(2,022,370)	(2,203,372)	(2,183,530)	(2,592,519)	(2,327,477)	(2,628,442)	(2,929,798)
Total other financing sources (uses)	\$ 2,486,596	\$ 2,781,143	\$ 3,050,295	\$ 8,512,981	\$ 9,340,685	\$ 6,486,632	\$ 3,546,440	\$ 5,840,237	\$ 3,675,856	\$ 4,867,551
Net change in fund balances	\$ 327,802	\$ 2,469,775	\$ 3,120,527	\$ 3,924,353	\$ (6,131,099)	\$ 455,196	\$ (2,075,411)	\$ (991,917)	\$ 18,201,810	\$ 17,170,475
Debt service as a percentage of										
Non-capital expenditures	7.92%	5.60%	5.61%	5.27%	6.11%	6.62%	6.60%	7.10%	6.70%	7.09%

CITY OF SUMTER, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY -
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
UNAUDITED

Table 5

Fiscal Year	Real Property			Personal Property			Less, Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Total	Motor Vehicles	Other	Total					
2014	100,510	1,290	101,800	15,850	14,840	30,690	250	132,240	102	2,613,680	5.06%
2015	102,330	1,540	103,870	15,560	15,620	31,180	250	134,800	102	2,763,010	4.88%
2016	103,620	1,040	104,660	16,230	14,460	30,690	-	135,350	102	2,804,650	4.83%
2017	105,500	1,320	106,820	16,770	13,190	29,960	-	136,780	102	2,852,210	4.80%
2018	105,900	1,280	107,180	15,560	13,820	29,380	-	136,560	102	2,841,758	4.81%
2019	107,540	1,270	108,810	15,420	14,270	29,690	-	138,500	102	2,887,540	4.80%
2020	110,050	1,310	111,360	14,440	14,530	28,970	-	140,330	102	2,890,570	4.85%
2021	113,700	1,240	114,940	13,580	13,650	27,230	-	142,170	102	2,897,640	4.91%
2022	125,103	1,290	126,393	15,520	13,690	29,210	-	155,603	102	2,898,500	5.37%
2023	127,230	1,280	128,510	16,260	13,700	29,960	-	158,470	102	2,927,470	5.41%

State statute requires reassessment every 5 years. Reassessed values are reflected for fiscal years 2017 and 2022. The City has a tax increment district. The total millage for the City is listed.

Source: Sumter County Auditor

**CITY OF SUMTER, SOUTH CAROLINA
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 6

Fiscal Year	Overlapping Rates									Total
	City of Sumter(1)			Sumter County (2)			Sumter County School District (2)			
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2014	97.00	5.00	102.00	92.00	15.00	107.00	151.00	60.00	211.00	420.00
2015	97.00	5.00	102.00	92.00	15.00	107.00	151.00	60.00	211.00	420.00
2016	97.00	5.00	102.00	96.30	15.00	111.30	151.00	60.00	211.00	424.30
2017 (3)	97.00	5.00	102.00	98.20	15.00	113.20	160.10	60.00	220.10	435.30
2018	98.00	4.00	102.00	98.20	15.00	113.20	160.10	50.00	210.10	425.30
2019	98.00	4.00	102.00	98.20	15.00	113.20	160.10	50.00	210.10	425.30
2020	98.00	4.00	102.00	98.20	15.00	113.20	160.10	60.00	220.10	435.30
2021	98.00	4.00	102.00	100.10	15.00	115.10	160.10	60.00	220.10	437.20
2022 (3)	98.00	4.00	102.00	95.90	15.00	110.90	159.40	60.00	219.40	432.30
2023	98.00	4.00	102.00	96.90	15.00	111.90	159.40	60.00	219.40	433.30

(1) Source: City of Sumter Finance Department

(2) Source: Sumter County Auditor

(3) Reassessment year

**CITY OF SUMTER, SOUTH CAROLINA
PRINCIPAL TAXPAYERS -
CURRENT YEAR AND NINE YEARS AGO
(Amounts Expressed in Thousands)
UNAUDITED**

Table 7

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	2022 Assessed	Rank	Percentage of Total Assessed	2013 Assessed	Rank	Percentage of Total Assessed
	Valuation		Valuation	Valuation		Valuation
Duke Energy Progress, Inc.	\$ 3,070	1	1.94%	\$ 1,810	1	1.37%
Retreat At Sumter Apartments, LLC	2,090	2	1.32%			
Safe Federal Credit Union	1,330	3	0.84%	650	7	0.49%
SRC Piedmont Plantation, LLC	1,280	4	0.81%	790	5	0.60%
Ashton Mill OF Sumter	1,030	5	0.65%			
WEG Sumter, LLC	840	6	0.53%			
Scott H Lee Jr as Trustee (Wal-Mart)	770	7	0.49%	540	9	0.41%
Select-Wesmark Plaza, LLC	720	8	0.45%			
Formed Fiber Technologies	640	9	0.40%			
NS Retail Holdings LLC	570	10	0.36%			
FTC Diversified				1,450	2	1.09%
SCE&G				830	3	0.63%
Sumter Mall, HSI				820	4	0.62%
Frontier Communications				740	6	0.56%
Farmers Telephone				630	8	0.48%
Lowe's of Sumter				530	10	0.40%
Totals	\$ 12,340		7.79%	\$ 8,790		6.63%

Source: Sumter County Auditor

Total assessed for tax year 2022: 158,472,940

Total assessed for tax year 2013: 132,497,030

**CITY OF SUMTER, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS -
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
UNAUDITED**

Table 8

Fiscal Year	Tax Year	Total Property Taxes Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	11,480,498	10,944,324	95.3%	403,397	11,347,721	98.8%
2015	2014	11,651,219	11,048,894	94.8%	481,849	11,530,743	99.0%
2016	2015	11,851,852	11,275,710	95.1%	350,907	11,626,617	98.1%
2017	2016 (2)	12,863,548	11,108,124	86.4%	381,900	11,490,024	89.3%
2018	2017	12,048,082	11,408,139	94.7%	374,599	11,782,738	97.8%
2019	2018	12,255,517	11,493,277	93.8%	531,812	12,025,089	98.1%
2020	2019	13,418,619	11,967,297	89.2%	374,540	12,341,837	92.0%
2021	2020	12,724,472	12,169,873	95.6%	340,506	12,510,379	98.3%
2022	2021 (2)	14,278,590	13,715,170	96.1%	375,007	14,090,177	98.7%
2023	2022	14,486,146	13,948,931	96.3%	-	13,948,931	96.3%

Source: Sumter County Treasurer - real property only

(1) Includes levy for real estate property taxes, net of homestead exemption

(2) Reassessment

Property taxes are collected by the Sumter County Treasurer's office.

**CITY OF SUMTER, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 9

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Population (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Tax Increment Bonds	Note Payable HUD	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases				
2014	3,395,067	1,263,000	-	673,000	2,400,533	32,717,272	-	-	40,448,872	3.03%	40,218	1,006
2015	2,714,307	1,020,000	-	636,000	2,891,391	30,684,808	-	-	37,946,506	2.77%	40,143	945
2016	2,255,462	772,000	-	597,000	3,249,497	57,661,193	-	-	64,535,152	4.61%	40,068	1,611
2017	1,781,443	519,000	4,500,000	556,000	4,275,517	54,834,352	-	361,953	66,828,265	4.63%	39,982	1,671
2018	7,297,137	262,000	4,295,000	513,000	4,456,281	51,903,418	-	287,154	69,013,990	4.65%	39,656	1,740
2019	6,797,426	2,000,000	4,095,000	467,000	4,918,671	48,847,455	-	239,620	67,365,172	4.40%	39,656	1,699
2020	6,068,199	2,000,000	3,750,000	419,000	4,809,514	46,650,000	-	110,711	63,807,424	3.51%	43,463	1,468
2021	5,319,333	4,287,000	3,400,000	368,000	4,580,326	44,460,000	-	453,547	62,868,206	3.38%	42,976	1,463
2022	4,551,000	4,017,000	3,045,000	314,000	4,228,744	42,220,000	-	309,553	58,685,297	3.12%	42,976	1,366
2023	4,039,000	3,389,000	2,685,000	258,000	4,501,741	39,890,000	-	613,049	55,375,790	2.76%	42,976	1,289

(1) See Table 14 Demographic and Economic Statistics for population data.

**CITY OF SUMTER, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 10

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds (1)	Redevelopment Bonds	Total		
2014	3,395,067	-	3,395,067	0.13%	84
2015	2,714,307	-	2,714,307	0.10%	68
2016	2,255,462	-	2,255,462	0.08%	56
2017	1,781,443	-	1,781,443	0.06%	45
2018	7,297,137	-	7,297,137	0.26%	184
2019	6,797,426	-	6,797,426	0.24%	171
2020	6,068,199	-	6,068,199	0.21%	140
2021	5,319,333	-	5,319,333	0.18%	124
2022	4,551,000	-	4,551,000	0.16%	106
2023	4,039,000	-	4,039,000	0.14%	94

(1) Source: City of Sumter Finance Department

Details of the City's outstanding debt can be found in the notes to the financial statements.

Property tax values data can be found in Table 5.

Population data can be found in Table 14.

**CITY OF SUMTER, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
UNAUDITED**

Table 11

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable to City of Sumter	Estimated Share of Direct and Overlapping Debt Applicable to City of Sumter
Overlapping debt			
Sumter County School District	\$ 7,327,000 (1)	35% (4)	\$ 2,564,450
Sumter County General Obligation	3,548,000 (2)	35% (4)	<u>1,241,800</u>
Subtotal , overlapping debt			<u>\$ 3,806,250</u>
City direct debt			
General obligation bonds	4,039,000 (3)	100%	\$ 4,039,000
Revenue bonds	3,389,000 (3)	100%	3,389,000
Tax increment bonds	2,685,000 (3)	100%	2,685,000
Note payable - HUD	258,000 (3)	100%	258,000
Leases	\$ 4,501,741 (3)	100%	<u>4,501,741</u>
Total direct debt			<u>\$ 14,872,741</u>
Total direct and overlapping debt			<u><u>\$ 18,678,991</u></u>

- (1) Source: Sumter County School District
- (2) Source: Sumter County Finance Department
- (3) Source: City of Sumter Finance Department
- (4) Estimate based on population of City vs. County

**CITY OF SUMTER, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 12

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 10,599,762	\$ 10,784,548	\$ 10,828,079	\$ 10,942,261	\$ 10,924,976	\$ 11,080,672	\$ 11,226,822	\$ 11,126,496	\$ 12,448,276	\$ 12,677,835
Total net debt applicable to limit	3,395,067	2,714,307	2,255,462	1,781,443	7,297,137	6,797,426	6,068,199	5,319,333	4,551,000	4,039,000
Legal debt margin	\$ 7,204,695	\$ 8,070,241	\$ 8,572,617	\$ 9,160,818	\$ 3,627,839	\$ 4,283,246	\$ 5,158,623	\$ 5,807,163	\$ 7,897,276	\$ 8,638,835
Total net debt applicable to the limit as a percentage of debt limit	32.03%	25.17%	20.83%	16.28%	66.79%	61.34%	54.05%	47.81%	36.56%	31.86%

Calculation of legal debt margin for fiscal year 2023:

Total assessed value	158,472,940
Debt limit (8% of total assessed value)	12,677,835
Less, total general obligation bonds outstanding	<u>(4,039,000)</u>
Legal debt margin	<u><u>8,638,835</u></u>

**CITY OF SUMTER, SOUTH CAROLINA
 PLEDGED REVENUE COVERAGE -
 WATER AND SEWER AUTHORITY -
 LAST TEN FISCAL YEARS
 UNAUDITED**

Table 13

Fiscal Year	Revenues (1)	Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Revenue Bond Coverage Ratio
				Principal	Interest	Total	
2014	20,512,584	12,245,322	8,267,262	1,958,463	1,517,983	3,476,446	2.38
2015	21,077,607	12,150,809	8,926,798	2,032,464	1,447,782	3,480,246	2.56
2016	21,956,162	14,151,646	7,804,516	1,863,615	1,593,319	3,456,934	2.26
2017	22,213,560	15,693,861	6,519,699	2,826,841	2,073,590	4,900,431	1.33
2018	22,542,250	14,795,460	7,746,790	2,930,934	1,967,440	4,898,374	1.58
2019	22,601,774	15,292,613	7,309,161	3,055,963	1,843,023	4,898,986	1.49
2020	22,755,559	15,951,551	6,804,008	2,197,455	1,739,054	3,936,509	1.73
2021	23,558,270	17,140,713	6,417,557	2,190,000	1,687,025	3,877,025	1.66
2022	25,333,194	16,968,211	8,364,983	2,240,000	1,631,650	3,871,650	2.16
2023	26,511,723	17,097,584	9,414,139	2,330,000	1,545,400	3,875,400	2.43

(1) Total revenues exclusive of interest earnings and non-operating income.

(2) Total operating expenses exclusive of depreciation, amortization, and interest expense

Source: City of Sumter Finance Department

Details of the outstanding debt can be found in the notes to the financial statements.

**CITY OF SUMTER, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 14

Fiscal Year	Population	Per Capita Income	Personal Income	School Enrollment (4)	Unemployment Rate (2)
2014	40,218 (3)	33,211 (2)	1,335,679,998	17,045	8.8%
2015	40,143 (3)	34,166 (2)	1,371,525,738	17,237	6.1%
2016	40,068 (3)	34,974 (2)	1,401,338,232	16,511	7.4%
2017	39,982 (1)	36,128 (2)	1,444,469,696	16,393	5.7%
2018	39,656 (1)	37,440 (2)	1,484,720,640	16,501	4.8%
2019	39,656 (1)	38,573 (2)	1,529,650,888	16,387	3.6%
2020	43,463 (1)	41,807 (2)	1,817,057,641	15,788	3.7%
2021	42,976 (1)	43,245 (1)	1,858,497,120	15,197	8.7% *
2022	42,976 (1)	43,831 (1)	1,883,681,056	14,820	4.0%
2023	42,976 (1)	46,678 (1)	2,006,033,728	14,318	3.2%

(1) Source: US Census Bureau

(2) Source: US Department of Commerce, Bureau of Economic Analysis

(3) Source: Estimate by City of Sumter Finance Department

(4) Source: Sumter County School District

* Increase reflects potential impacts from COVID-19 pandemic

**CITY OF SUMTER, SOUTH CAROLINA
PRINCIPAL EMPLOYERS -
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

Table 15

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Shaw Air Force Base (1)	8,588	1	46.61%	9,031	1	47.23%
Sumter County School District (3)	2,397	2	13.01%	2,976	2	15.56%
Continental Tire the Americas (2)	1,360	3	7.38%			
Prisma Health Tuomey (4)	1,056	4	5.73%	1,800	4	9.41%
Pilgrim's Inc. (2)	1,000	5	5.43%	2,000	3	10.46%
BD Diagnostics, Preamalytical Solutions (2)	985	6	5.35%	800	7	4.18%
Eaton Electrical (2)	825	7	4.48%	660	9	3.45%
State of South Carolina (5)	795	8	4.31%	903	6	4.72%
Thompson Industrial/CleanHarbors (7)	770	9	4.18%			
Sitel Group (Sykes) (Data Center) (2)	650	10	3.53%	950	5	4.97%
Sumter County Government (2)				667	8	3.49%
City of Sumter (6)				557	10	2.91%
Total Employment	18,426			19,120		

Table reflects data for the entire county of Sumter

- (1) Source: Shaw Air Force Base Public Affairs Department
- (2) Source: Sumter County Development Board
- (3) Source: Sumter School District
- (4) Source: Prisma Health Tuomey
- (5) Source: State of South Carolina Department of Administration
- (6) Source: City of Sumter
- (7) Thompson Industrial/CleanHarbors

**CITY OF SUMTER, SOUTH CAROLINA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION -
 LAST TEN FISCAL YEARS
 UNAUDITED**

Table 16

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administrative	27	25	25	25	25	31	31.5	32.5	32.5	32.5
City store	2	2	2	2	2	2	2	2	2	2
Planning	11	8	10	10	11	11	11.5	11	11	11
Business license	4	4	4	4	4	4	5	5	5	5
Downtown	4	5	6	5	6	7	7.5	7.5	7.5	7.5
Public safety										
Building inspections	12	11	12	11	12	12	11	10	10	10
Codes	4	6	7	7	7	7	8	8	8	8
Police (1)	120	120	120	122	143	143	143	142.5	145.5	145.5
Police city-county	35	33	37	33	33	33	33.5	36.5	33.5	33.5
Municipal Court	2	2	2	2	2	2	2	2	2	2
Fire	104	106	107	108	101	101	102	101.5	101.5	101.5
Public works										
Construction	9	10	9	10	12	12	12	12	12	12
Engineering	7	7	9	7	7	6	6	6	6	6
Public works	8	8	9	8	9	9	9	9	9	9
Vehicle maintenance	1	1	1	1	1	1	1	1	1	1
Sanitation	39	38	37	39	41	41	41	41	41	41
Parks and gardens	38	39	38	39	33	33	33	33	33	33
Recreation	6	7	7	9	9	21	21	22	22	22
Stormwater	0	3	3	3						
Community development										
Hope centers	11	12	12	12	11	11	11	12	11	11
Water and sewer										
Utility billing	29	27	28	26	27	27	28	28	28	28
Water & sewer distribution	32	30	28	29	33	33	32	32	32	32
Mechanical maintenance	10	11	10	12	11	11	11	11	11	11
Water plants	12	14	14	14	15	15	15	15	16	16
Sewer plant	26	26	26	25	28	28	28	29	29	29
Electrical maintenance	3	3	2	2	3	3	3	3	3	3
Mayesville	1	2	2	2	2	2	2	2	2	2
TOTAL EMPLOYEES	557	557	564	564	588	606	610	617.5	617.5	617.5

(1) Police, Police Clerical and Victims Assistance have been combined.

Note: Full time employees are counted as one equivalent, while part time employees are counted as a half of an equivalent

**CITY OF SUMTER, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 17

Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government (4)										
Building permits issued -										
Commercial	176	135	213	209	173	165	559	590	517	563
Residential	763	862	1,017	881	795	762	1,759	1,963	2,425	2,137
Police (1)										
Number of police calls	82,493	87,492	86,440	75,767	72,838	76,635	77,929	90,125	69,484	64,991
Traffic violations	4,240	6,404	6,469	5,028	2,197	4,995	2,765	1,686	1,890	1,550
Fire (2)										
Calls answered	2,980	3,050	3,188	3,007	3,185	3,811	2,450	5,619	3,942	3,906
Water system (3)										
Service connections	23,184	23,305	23,079	23,068	23,708	23,673	23,673	23,991	24,344	24,556
Average daily consumptions (in millions of gallons)	11.5	11.9	12.3	13.1	13.9	13.3	11.7	12.7	13.4	12.9
Maximum daily capacity (in millions of gallons)	23.3	23.3	23.3	23.3	20.1	27.3	27.3	27.3	27.3	15.9
Wastewater system (3)										
Service connections	16,853	17,039	17,355	17,178	17,814	17,783	17,783	18,083	18,367	18,561
Average daily treatment (in millions of gallons)	10.0	8.6	11.6	10.4	10.4	11.9	12.86	11.28	9.45	10.1
Maximum daily capacity (in millions of gallons)	15.0	18.0	18.0	18.0	18.0	18.0	18.0	15.0	15.0	14.3

- (1) Source: City of Sumter Police Department
- (2) Source: City of Sumter Fire Department
- (3) Source: City of Sumter Public Services Department
- (4) Source: City of Sumter Building Inspection/Codes Departments

**CITY OF SUMTER, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM -
LAST TEN FISCAL YEARS
UNAUDITED**

Table 18

Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police (1)										
Stations	*3	*3	*3	*3	*3	*3	*3	*3	*3	*3
Fire stations (2)	5	5	5	5	5	5	5	5	5	5
Highways and streets (3)										
Streets (in miles)	89	89	91	93	93	95	95	95	95	96.77
Streetlights	2,645	2,673	1,492	1,516	2,406	2,410	2,410	2,410	2,410	2,485
Culture and recreation (4)										
Community centers	5	5	5	5	5	3	3	3	3	3
Parks	23	23	23	23	24	26	26	26	26	26
Park acreage	270	270	270	270	270	270	270	270	270	270
Water park	3	5	5	5	5	5	5	5	5	5
Aquatic center	1	1	1	1	1	1	1	1	1	1
Tennis courts	27	27	24	24	24	24	24	24	24	24
Water system (4)										
Water mains (in miles)	472	470	474	471	471	473	473	473	473	504
Fire hydrants	1,585	1,638	1,640	1,643	1,650	1,659	1,659	1,659	1,659	1,696
Wastewater system (4)										
Sanitary sewers (in miles)	339	340	341	342	342	344	344	344	344	354
Treatment plants	2	2	2	2	2	2	2	2	2	2

*Number of police stations and annexes

(1) Source: City of Sumter Police Department

(2) Source: City of Sumter Fire Department

(3) Source: City of Sumter Planning, Engineering, and Codes Departments

(4) Source: City of Sumter Public Services/Engineering Departments

REGULATORY SECTION

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Defense Pass Through Program			
Department of Homeland Security	97.036	FEMA-4241-DR-SC	\$ 12,336
Federal Emergency Management Agency Pass-through Program From South Carolina Emergency Management Division			
Total Department of Defense			<u>\$ 12,336</u>
Department of Housing and Urban Development Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-45-0011	\$ 24
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-45-0011	21,498
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-45-0011	187,217
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-45-0011	187,701
Community Development Block Grants/Entitlement Grants	14.218	B-20MW-45-0011	50,621
Department of Housing and Urban Development Pass-through Programs From:			
South Carolina Office of Resilience Disaster Recovery			
Community Development Block Grant/Disaster Recovery	14.228	B-18-DP-06-0002	165,043
Total Department of Housing and Urban Development			<u>\$ 612,104</u>
Department of Justice Direct Programs:			
Bullet Proof Vest Partnership Program	16.607	2020BUBX20021893	\$ 11,704
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01827-JAGX	28,849
Corona Emergency Supplemental Funding Program	16.034	2020VDBX0101	2,765
Office of Community Oriented Policing Services	16.710	15JCOPS-22-GG-04843-TECP	179,394
Department of Justice Pass-through Programs From:			
South Carolina Department of Public Safety			
Victims of Crime	16.575	1V22046	19,788
Drug Enforcement Administration/OCDEF		SE-SC-0312	4,361
Total Department of Justice			<u>\$ 246,861</u>
Department of Transportation Pass-through Programs From:			
South Carolina Department of Transportation			
Federal Transit-Metropolitan Planning Grants	20.205		\$ 446,624
Total Department of Transportation			<u>\$ 446,624</u>
Department of Agriculture Forest Service Pass-through program From			
South Carolina Forestry Commission	10.644	20-DG-11083145-001	4,000
Total Department of Agriculture			<u>\$ 4,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,321,925</u></u>

The accompanying notes are an integral part of this schedule.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes federal grant activity of the City of Sumter under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the City of Sumter, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Sumter.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *the Uniform Guidance* and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Subrecipients

Of the federal expenditures presented in the schedule, the City had no subrecipients.

Indirect Cost Rate

The City has elected not to use the 10% *de minimus* indirect cost rate allowed under the Uniform Guidance.

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' 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*

City Council
City of Sumter
21 North Main Street
Post Office Box 1449
Sumter, South Carolina 29151

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Brittingham Group LLP

West Columbia, South Carolina
December 5, 2023

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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

City Council
City of Sumter
21 North Main Street
Post Office Box 1449
Sumter, SC 29151

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sumter's (the "City") 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 the City's major federal programs for the year ended June 30, 2023. The City'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 City 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; the standards applicable to the financial audit 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 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 City 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 City'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 City'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 City'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 generally accepted auditing standards, *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 judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 City'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 City'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 City'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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

The Brittingham Group LLP

West Columbia, South Carolina
December 5, 2023

CITY OF SUMTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	Yes	<u>X</u>	None
Significant deficiency(ies) identified?	Yes	<u>X</u>	None
Noncompliance material to financial statements noted?	Yes	<u>X</u>	None

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?	Yes	<u>X</u>	None
Significant deficiency(ies) identified not considered being material weakness(es)	Yes	<u>X</u>	None

Type of Auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) Yes X No

Identification of major programs

CFDA Number	Program Name
20.205	Federal Transit-Metropolitan Planning Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? X Yes No

Section II - Financial Statements

None.

Section III - Federal Awards Findings and Questioned Costs

No matters reported.

No prior year audit findings.