

***CITY OF SUMTER,
SUMTER, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021***



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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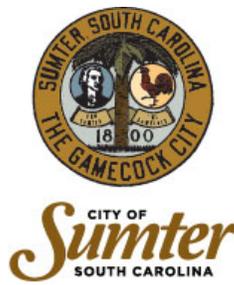
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December 16, 2021

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, 2021.

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, 2021, 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, 2021, 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.

COVID 19 Pandemic and the Local Economy

After experiencing some volatility resulting from the pandemic, there are plenty of encouraging signs that indicate the local economy is beginning to stabilize. Hospitality tax revenues are back up by \$453,076 in fiscal year 2021 compared to 2020. Accommodations tax revenues also increased by \$50,300 in comparison to the previous year. In addition, Sumter's 2021 assessed property values are at an all-time high. All of this and more point to a bright future for the local economy, however, as we move forward we will continue to monitor and evaluate the impacts of the pandemic within the community to stay proactive in addressing any potential concerns.

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 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. On an annual basis 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 to be implemented in an effort to maximize the value of services and support provided by the City. It is a collaborative process whereby City leadership engages with the City's management team and the City's management team with departmental staff to develop methods and actions to take in advancing priorities of the City and chipping away at long term capital plans and objectives.

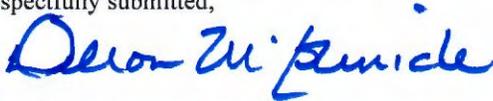
Ongoing projects include the Palmetto Tennis Center expansion and new clay courts, expansion and renovation of the historic Sumter Opera House, and the construction of Shot Pouch Greenway, a new 3.4 mile nature trail that will connect Dillon Park to Swan Lake-Iris Gardens. Other Initiatives include neighborhood 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. Funding for these projects will come from a variety of sources including State appropriations, 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 like to also 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

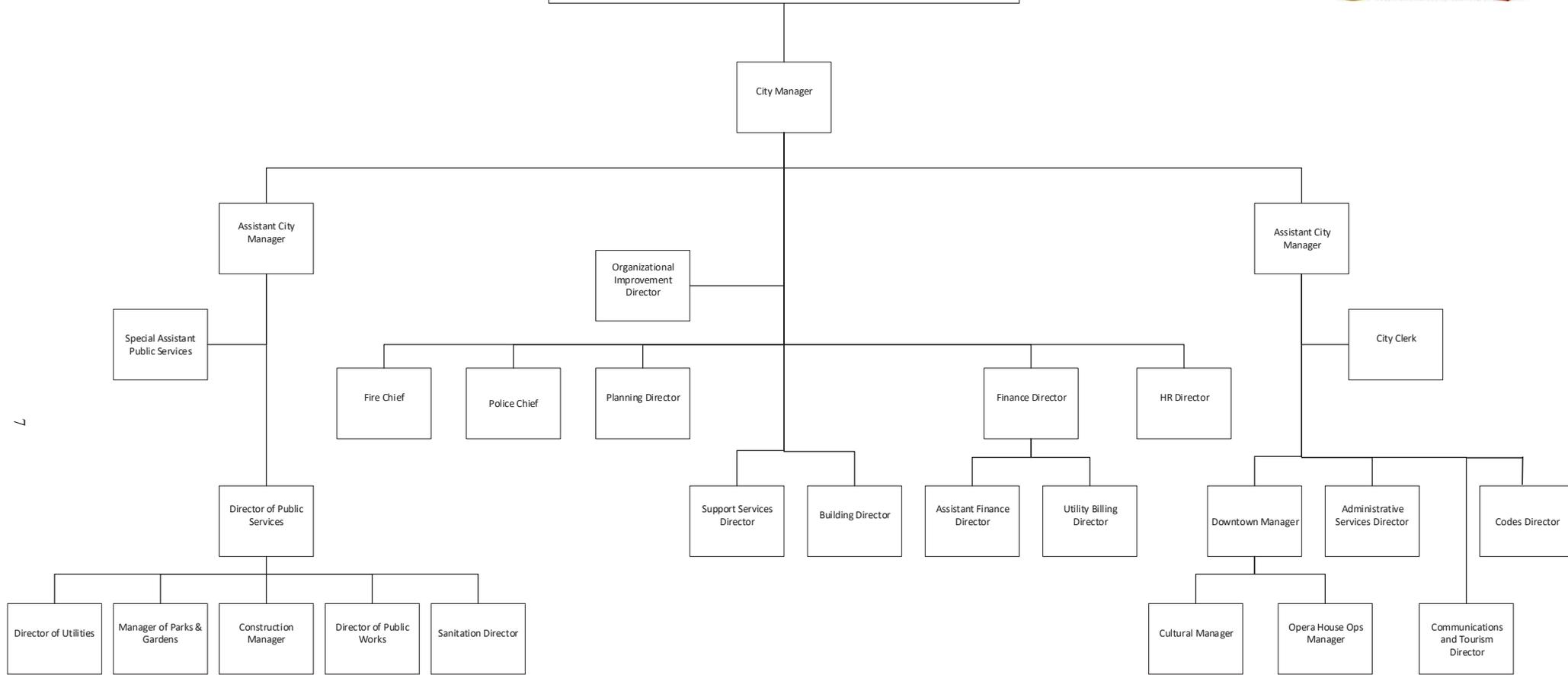
June 30, 2020

Christopher P. Morill

Executive Director/CEO

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The Mayor and City Council



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City of Sumter

South Carolina
29151

OPERA HOUSE
P.O. BOX 1449

T: (803) 436-2500
F: (803) 436-2615

ELECTED AND APPOINTED OFFICIALS

MAYOR

David P. Merchant

CITY COUNCIL

Thomas J. Lowery
Mayor Pro Tem, Ward 1

Calvin K. Hastie, Sr.
Ward 3

Colin C. Davis
Ward 5

James B. Blassingame
Ward 2

Steven H. Corley
Ward 4

Gifford M. Shaw
Ward 6

CITY MANAGER

Deron L. McCormick

ASST. CITY MANAGER

E. Al Harris

ASST. CITY MANAGER

Howard (Howie) J. Owens

ORGANIZATIONAL IMPROVEMENT DIRECTOR

Mark W. Partin

POLICE CHIEF

Russell F. Roark

FIRE CHIEF

C. Karl Ford

PLANNING DIRECTOR

Helen M. Roodman

CITY CLERK

Linda D. Hammett

FINANCE DIRECTOR

Mary E. (Beth) Reames

CODES DIRECTOR

John F. Macloskie

HUMAN RESOURCES DIRECTOR

Audrey M. Shirley

ASST. FINANCE DIRECTOR

Jonathan E. Flinchum

PUBLIC SERVICES DIRECTOR

Michael E. Geddings, Jr.

UTILITY BUSINESS DIRECTOR

Candi D. Quiroz

BUILDING DIRECTOR

Charles W. (Steve) Campbell

SUPPORT SERVICES DIRECTOR

Lefford L. Fate

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

PHONE: (803) 739-3090
FAX: (803) 791-0834

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

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the City, as of June 30, 2021, 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 then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 70-71 and Schedule of Changes in the Net OPEB Liability and Related Ratios and Employer Contributions on pages 73-74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sumter's basic financial statements. The introductory section, 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 Balances – E911 Fund, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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 Balances –E911 Fund, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 Balances – 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, 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 16, 2021

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**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. 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 2021 by \$103,291,621 (*net position*).
- The City's total net position decreased by \$451,552 during the current period, as a result of an increase from governmental activities of \$1,326,235 and a decrease from business-type activities of \$1,777,787.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,656,245, a decrease of \$991,917 in comparison with the prior year. Approximately 70% of this total amount, \$13,081,341 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 \$13,708,927, or approximately 30% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$1,177,350 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 of 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, 2021 (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 maintains one major governmental fund, the general fund and non-major special revenue funds. 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 non-major special revenue funds is provided in the form of combining statements in the combining and individual fund statements and schedules section 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 which are primarily supported by fees and charges. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operation and a second enterprise fund is used to account for its storm water operation.

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, which is considered a major fund, and the non-major storm water utility fund.

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.

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 41-67 of this report.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021 (CONTINUED)**

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. Required supplementary information can be found on pages 70-75 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 77-91 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 outflows of resources by \$103,291,621 at the close of the most recent fiscal year.

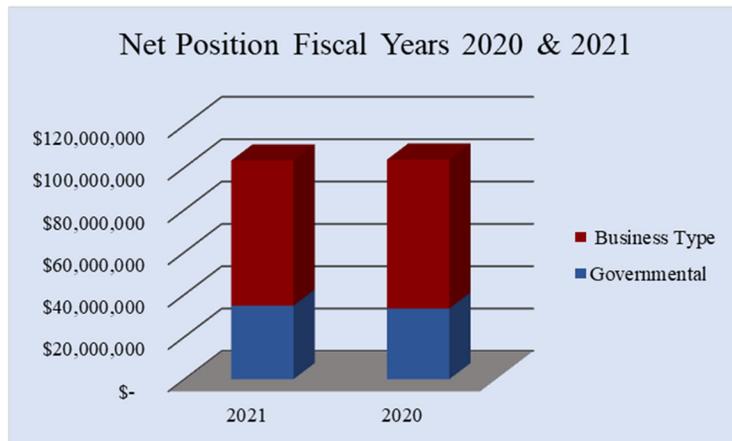
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 30,513,902	\$ 26,237,774	\$ 18,503,522	\$ 19,584,152	\$ 49,017,424	\$ 45,821,926
Capital assets	85,472,702	80,786,023	107,687,542	109,557,114	193,160,244	190,343,137
Total assets	115,986,604	107,023,797	126,191,064	129,141,266	242,177,668	236,165,063
Total deferred outflows of resources	9,713,374	6,699,713	3,939,212	3,336,089	13,652,586	10,035,802
Liabilities						
Noncurrent liabilities	77,785,506	72,587,265	59,249,771	1,722,891	137,035,277	74,310,156
Other liabilities	9,012,414	3,817,104	1,855,379	60,071,926	10,867,793	63,889,030
Total liabilities	86,797,920	76,404,369	61,105,150	61,794,817	147,903,070	138,199,186
Total deferred inflows of resources	4,166,514	3,909,832	469,049	348,674	4,635,563	4,258,506
Net position						
Net investment in capital assets	73,593,680	66,736,286	64,598,978	64,717,438	138,192,658	131,453,724
Restricted	974,859	713,234	1,444,971	1,424,185	2,419,830	2,137,419
Unrestricted	(39,832,995)	(34,040,211)	2,512,128	4,192,241	(37,320,867)	(29,847,970)
Total net position	\$ 34,735,544	\$ 33,409,309	\$ 68,556,077	\$ 70,333,864	\$ 103,291,621	\$ 103,743,173

By far the largest portion of the City's net position (134%) 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 (2.3%) 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, 2021 (CONTINUED)**



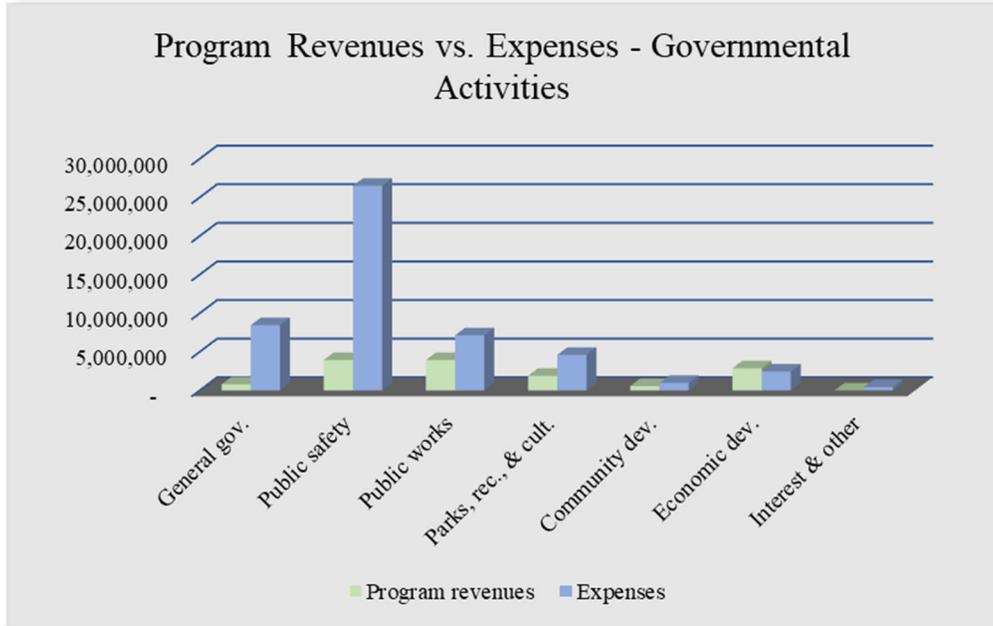
The City's overall net position decreased by \$451,552 from the prior fiscal year. The key components of this decrease are discussed in the following sections for governmental and business-type activities.

Governmental Activities: Governmental activities increased the City's net position by \$1,326,235 from the prior fiscal year for an ending balance of \$34,735,544.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 9,128,782	\$ 8,061,458	\$ 24,387,933	\$ 23,575,673	\$ 33,516,715	\$ 31,637,131
Operating grants and contributions	5,372,517	3,490,958	-	-	5,372,517	3,490,958
Capital grants and contributions	3,916,396	5,368,009	908,317	1,912,105	4,824,713	7,280,114
Total program revenues:	18,417,695	16,920,425	25,296,250	25,487,778	43,713,945	42,408,203
General Revenues:						
Property taxes	9,633,998	10,263,884	-	-	9,633,998	10,263,884
Sales taxes - local option	5,412,393	5,092,151	-	-	5,412,393	5,092,151
Sales taxes - local accommodations and hospitality	3,892,321	3,388,944	-	-	3,892,321	3,388,944
Business and franchise fees	11,218,098	10,649,959	-	-	11,218,098	10,649,959
State shared taxes	1,021,742	1,050,281	-	-	1,021,742	1,050,281
Other	582,131	444,479	270,827	239,900	852,958	684,379
Total general revenues	31,760,683	30,889,698	270,827	239,900	32,031,510	31,129,598
Total revenues	50,178,378	47,810,123	25,567,077	25,727,678	75,745,455	73,537,801
Expenses						
General government	8,463,366	8,700,701	-	-	8,463,366	8,700,701
Public safety	26,504,213	27,139,712	-	-	26,504,213	27,139,712
Public works	7,144,712	6,810,483	-	-	7,144,712	6,810,483
Parks, recreation and culture	4,612,439	4,238,718	-	-	4,612,439	4,238,718
Community development	979,369	590,211	-	-	979,369	590,211
Economic development	2,455,838	2,586,377	-	-	2,455,838	2,586,377
Interest and other charges	434,051	413,786	-	-	434,051	413,786
Water and sewer services	-	-	25,603,019	24,427,434	25,603,019	24,427,434
Total expenses	50,593,988	50,479,988	25,603,019	24,427,434	76,197,007	74,907,422
Increase (decrease) in net position before transfers	(415,610)	(2,669,865)	(35,942)	1,300,244	(451,552)	(1,369,621)
Transfers	1,741,845	1,946,978	(1,741,845)	(1,946,978)	-	-
Change in net position	1,326,235	(722,887)	(1,777,787)	(646,734)	(451,552)	(1,369,621)
Net position - beginning of year	33,409,309	34,132,196	70,333,864	70,980,598	103,743,173	105,112,794
Net position - end of year	\$ 34,735,544	\$ 33,409,309	\$ 68,556,077	\$ 70,333,864	\$ 103,291,621	\$ 103,743,173

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021 (CONTINUED)**



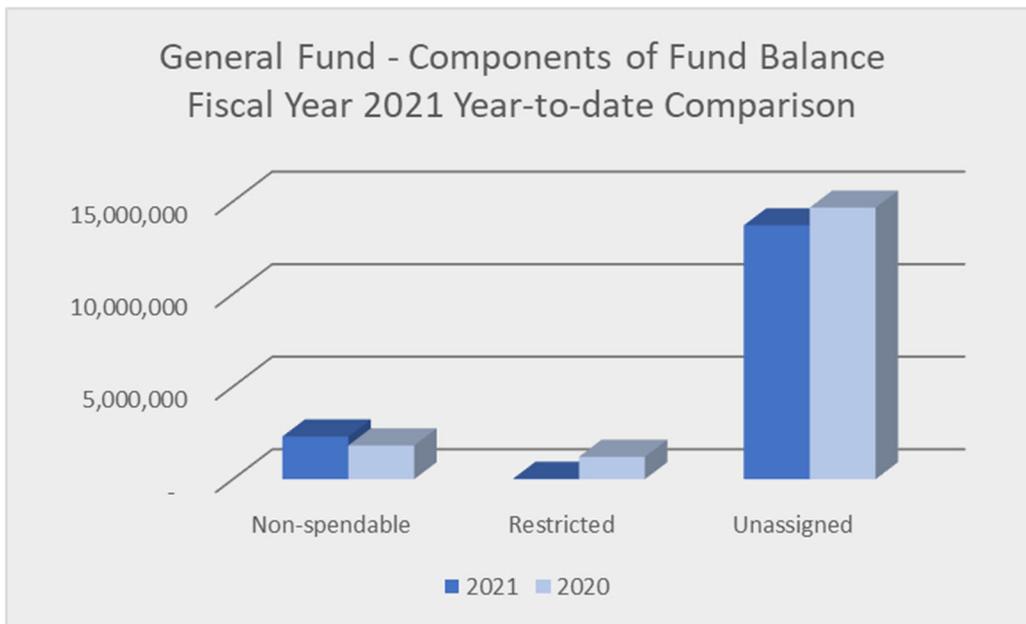
Business-Type Activities: Business-type activities decreased the City’s net position during the current year by \$1,777,787, a 0.9% decrease, for an ending balance of \$68,556,077. Total operating revenues increased by \$812,260 (3.4%) while total operating expenses increased by \$1,391,443 (6.2%).

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 City of Sumter itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Sumter’s Council.

As of June 30, 2021, the City’s governmental funds reported combined fund balances of \$18,656,245, a decrease of \$991,917 in comparison with the prior year. Approximately 70% of this amount (\$13,081,341) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either non-spendable or restricted to indicate that it is 1) not in spendable form (\$2,307,285) or 2) restricted for specific purposes (\$3,267,619).

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021 (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 \$13,708,927 with a total fund balance of \$16,043,484. 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 30% of total general fund expenditures while total fund balance represents 35% of that same amount.

The fund balance of the City's general fund decreased by \$1,656,112 during the current fiscal year. The decrease is mostly in relation to fiscal year 2021 capital expenditures that were funded with appropriations from previous years and unspent proceeds from debt (general obligation bond & capital lease) which were reported as revenues in a prior year. The chart above is an illustration of this change in fund balance. Both restricted and unassigned fund balance decreased for fiscal year 2021.

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 \$2,512,128. The unrestricted net position decreased by \$1,680,113 from the prior fiscal year. Total net position decreased by \$1,777,787.

General Fund Budgetary Highlights

Original budget compared to final budget. Revenues were \$3,053,392 (8.5%) greater compared to the final budget while expenditures were \$3,323,149 more than the final budget. The positive variance in revenues is related to higher than projected revenues from property taxes (\$437,478) and Licenses, permits and franchise fees (\$546,703). In addition, the City received reimbursement for capital penny projects including Liberty Center renovations and the Shot Pouch Greenway project in the amount of \$1,748,561. The City's general fund budget did not include a revenue projection for the capital penny funded projects. The negative variance in expenditures is mostly related to capital expenditures which were paid for with debt proceeds from a prior year and funding sources not included in the City's projected revenues like the above mentioned reimbursement for capital penny projects.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021 (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, 2021, was \$193,160,244 (net of accumulated depreciation).

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,950,754	\$ 13,779,192	\$ 1,417,254	\$ 1,417,254	\$ 16,368,008	\$ 15,196,446
Other non-depreciable	1,099,640	1,099,640	-	-	1,099,640	1,099,640
Buildings	39,201,394	39,708,433	2,737,996	2,822,890	41,939,390	42,531,323
Plants, machinery and equipment	10,025,815	9,673,599	45,935,703	48,185,534	55,961,518	57,859,133
Distribution and collection system	-	-	50,845,920	51,508,007	50,845,920	51,508,007
Wells and tanks	-	-	3,624,472	3,850,247	3,624,472	3,850,247
Infrastructure	13,422,654	14,225,979	-	-	13,422,654	14,225,979
Construction in progress	6,772,445	2,299,180	3,126,197	1,773,182	9,898,642	4,072,362
Totals	\$ 85,472,702	\$ 80,786,023	\$ 107,687,542	\$ 109,557,114	\$ 193,160,244	\$ 190,343,137

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

- Routine replacement of vehicles, lease purchases of sanitation and fire trucks and various equipment at a cost of \$3,814,186.
- Completion of various construction projects including renovation of the Liberty Center and renovations at the Heath Pavilion, which is a public facility located near Swan Lake Iris Gardens. The total cost of all construction projects completed and placed into service for governmental activities during the year was \$1,520,164.
- Completion of various projects including well rehabilitations and storm water drain improvements in the amount of \$353,626, which were included in the City's construction in progress for business-type activities at the end of fiscal year 2020.
- Additional costs for ongoing construction in progress for various water, wastewater and storm water projects in the amount of \$1,706,641.
- Routine replacement of equipment and vehicles for water and sewer and storm water operations at a cost of \$822,198.

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 of Sumter had total debt outstanding of \$62,868,206. Of this amount, \$5,319,333 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, capital leases, and notes payable.

Outstanding Debt. Bonds, Notes Payable and Capital Leases:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 5,319,333	\$ 6,068,199	\$ -	\$ -	\$ 5,319,333	\$ 6,068,199
Tax increment financing bonds	3,400,000	3,750,000	-	-	3,400,000	3,750,000
Revenue bonds	4,287,000	2,000,000	-	-	4,287,000	2,000,000
Notes payable	368,000	419,000	-	-	368,000	419,000
Capital lease obligations	4,580,326	4,809,514	453,547	110,711	5,033,873	4,920,225
Revenue bonds	-	-	44,460,000	46,650,000	44,460,000	46,650,000
Total	\$ 17,954,659	\$ 17,046,713	\$ 44,913,547	\$ 46,760,711	\$ 62,868,206	\$ 63,807,424

The City's total debt decreased by \$939,219 (1.5%) during the current fiscal year. The City entered into a capital lease agreement in the amount of \$1,500,000 to purchase certain capital equipment during the year.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021 (CONTINUED)**

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 \$11,245,983 which is in excess of the City's outstanding general obligation debt. Additional information on the City of Sumter's long-term debt can be found in Note II, E on pages 53-55.

Economic Factors and Next Year's Budgets and Rates

The City continues to invest and to seek investment into downtown development. In addition, various outside funding sources including state and capital penny funding, and private donations are helping to drive momentum on various capital projects around the City.

The fiscal year 2021-2022 budget was adopted with an appropriation of \$43,205,511 for the general fund (including TIF fund appropriations). There was no increase in the City's total millage rate for 2021-2022, which is currently 102 mills. The fiscal year 2022 budget MDA is the 14th in a row without a millage increase. While the City has benefited from a good economy in recent years, the potential negative impacts of a global health crisis such as the ongoing COVID 19 pandemic demand attention and recognition of any uncertainty in the projection of future revenues and available resources. With that said, management acknowledges the potential for revenue shortfalls in relation to property taxes, business licenses and franchise fees, and permits.

Requests for Information

This financial report is designed to provide a general overview of the City of Sumter's finances for all those with an interest in the government's finances. 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, 2021

	Business		Total
	Governmental Activities	Type Activities	
Assets			
Cash and cash equivalents	\$ 14,119,089	\$ 2,309,644	\$ 16,428,733
Investments	1,170,356	10,986,975	12,157,331
Receivables, net of allowance for doubtful accounts	6,841,535	3,324,352	10,165,887
Inventories	402,185	-	402,185
Prepaid items	221,930	-	221,930
Property held for resale	1,683,170	325,874	2,009,044
Restricted cash and cash equivalents	6,075,637	1,444,971	7,520,608
Receivables, non-current portion	-	111,706	111,706
Capital assets, not being depreciated	22,822,839	4,543,451	27,366,290
Capital assets, depreciable, net of accumulated depreciation	62,649,863	103,144,091	165,793,954
Total Assets	115,986,604	126,191,064	242,177,668
Deferred Outflows of Resources			
Deferred loss on bond refunding	-	1,824,983	1,824,983
Deferred pension charges	8,688,020	1,857,892	10,545,912
Deferred other post employment benefits charges	1,025,354	256,337	1,281,691
Total Deferred Outflows of Resources	9,713,374	3,939,212	13,652,586
Liabilities			
Current liabilities:			
Accounts payable	3,254,021	1,045,589	4,299,610
Retainage payable	110,040	-	110,040
Accrued interest payable	241,578	148,200	389,778
Accrued salaries and payroll withholdings	1,362,166	281,479	1,643,645
Court bonds and confiscated funds payable	186,672	-	186,672
Customer deposits	24,218	380,111	404,329
Unearned revenue	3,833,719	-	3,833,719
Noncurrent liabilities:			
Due within one year	4,478,932	2,675,365	7,154,297
Due in more than one year	18,300,634	43,092,804	61,393,438
Net pension liability	45,222,209	11,035,669	56,257,878
Net other post employment benefits liability	9,783,731	2,445,933	12,229,664
Total Liabilities	86,797,920	61,105,150	147,903,070
Deferred Inflows of Resources			
Unavailable revenue - local option sales tax	1,349,091	-	1,349,091
Unavailable revenue - grants and contributions	1,001,424	-	1,001,424
Deferred pension credits	794,100	213,574	1,007,674
Deferred other post employment benefits credits	1,021,899	255,475	1,277,374
Total Deferred Inflows of Resources	4,166,514	469,049	4,635,563
Net Position			
Net investment in capital assets	73,593,680	64,598,978	138,192,658
Restricted for:			
Debt service	-	1,444,971	1,444,971
Community development	247,267	-	247,267
Public safety and law enforcement	727,592	-	727,592
Unrestricted	(39,832,995)	2,512,128	(37,320,867)
Total Net Position	\$ 34,735,544	\$ 68,556,077	\$103,291,621

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

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	\$ 8,463,366	\$ 90,874	\$ 701,340	\$ -	\$ (7,671,152)	\$ -	\$ (7,671,152)
Public safety and law enforcement	26,504,213	5,414,539	2,922,165	-	(18,167,509)	-	(18,167,509)
Public works	7,144,712	3,189,083	754,643	-	(3,200,986)	-	(3,200,986)
Parks, recreation and culture	4,612,439	332,281	48,452	1,526,380	(2,705,326)	-	(2,705,326)
Community development	979,369	-	567,582	-	(411,787)	-	(411,787)
Economic development	2,455,838	102,005	378,335	2,390,016	414,518	-	414,518
Interest on long-term debt	434,051	-	-	-	(434,051)	-	(434,051)
Total governmental activities	50,593,988	9,128,782	5,372,517	3,916,396	(32,176,293)	-	(32,176,293)
Business-type activities:							
Water and sewer	25,603,019	24,387,933	-	908,317	-	(306,769)	(306,769)
Total business-type activities	25,603,019	24,387,933	-	908,317	-	(306,769)	(306,769)
Total	\$ 76,197,007	\$ 33,516,715	\$ 5,372,517	\$ 4,824,713	\$ (32,176,293)	\$ (306,769)	\$ (32,483,062)
General revenues:							
Property taxes					\$ 9,633,998	\$ -	\$ 9,633,998
Sales taxes - local option					5,412,393	-	5,412,393
Sales taxes - local accommodations and hospitality					3,892,321	-	3,892,321
Franchise taxes and business licenses					11,218,098	-	11,218,098
Grants and contributions not restricted to specific programs					1,021,742	-	1,021,742
Gain (loss) on sale or disposition of capital assets					448,724	-	448,724
Unrestricted interest income					33,198	117,291	150,489
Other					100,209	153,536	253,745
Transfers					1,741,845	(1,741,845)	-
Total general revenues and transfers					33,502,528	(1,471,018)	32,031,510
Change in net position					1,326,235	(1,777,787)	(451,552)
Net position - beginning of year					33,409,309	70,333,864	103,743,173
Net position - end of year					\$ 34,735,544	\$ 68,556,077	\$ 103,291,621

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
BALANCE SHEET -
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 10,986,083	\$ 3,133,006	\$ 14,119,089
Investments	1,170,356	-	1,170,356
Receivables, net of allowance for doubtful accounts	4,213,701	2,627,834	6,841,535
Due from other funds	2,729,407	-	2,729,407
Restricted cash and cash equivalents	27,272	6,048,365	6,075,637
Prepaid items	221,930	-	221,930
Inventories	402,185	-	402,185
Property held for resale	1,683,170	-	1,683,170
Total assets	<u>\$ 21,434,104</u>	<u>\$ 11,809,205</u>	<u>\$ 33,243,309</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 2,074,209	\$ 1,179,812	\$ 3,254,021
Retainage payable	-	110,040	110,040
Accrued salaries and payroll withholdings	1,319,107	43,059	1,362,166
Customer Deposits	16,768	7,450	24,218
Unearned Revenue	46,630	3,787,089	3,833,719
Escrow for seized funds and bonds	2,169	184,503	186,672
Due to other funds	-	2,729,407	2,729,407
Total liabilities	<u>3,458,883</u>	<u>8,041,360</u>	<u>11,500,243</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	381,023	-	381,023
Unavailable revenue - local option sales tax	1,349,091	-	1,349,091
Unavailable revenue - notes and mortgages	201,623	153,660	355,283
Unavailable revenue - grants and contributions	-	1,001,424	1,001,424
Total deferred inflows of resources	<u>1,931,737</u>	<u>1,155,084</u>	<u>3,086,821</u>
Fund Balances:			
Nonspendable			
Prepaid items	221,930	-	221,930
Inventories	402,185	-	402,185
Property held for resale	1,683,170	-	1,683,170
Restricted			
Purchase of capital assets	27,272	2,265,488	2,292,760
Community development	-	247,267	247,267
Economic development	-	-	-
Public safety and law enforcement	-	727,592	727,592
Unassigned	13,708,927	(627,586)	13,081,341
Total fund balances	<u>16,043,484</u>	<u>2,612,761</u>	<u>18,656,245</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,434,104</u>	<u>\$ 11,809,205</u>	<u>\$ 33,243,309</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, 2021**

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

Total fund balance of governmental funds (page 29)	\$ 18,656,245
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	85,472,702
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	381,023
Mortgages/Contributions	355,283
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	(4,824,907)
Accrued interest	(241,578)
Bonds and leases payable	(17,954,659)
Net pension liability	(45,222,209)
Net other post employment benefits liability	(9,783,731)
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	8,688,020
Deferred other post employment benefits charges	1,025,354
Deferred pension credits	(794,100)
Deferred other post employment benefits credits	(1,021,899)
Net position of governmental activities (page 27)	<u><u>\$ 34,735,544</u></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, 2021

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Property and vehicle and fire fees	\$ 9,937,666	\$ -	\$ 9,937,666
Sales	5,412,393	3,892,321	9,304,714
Licenses, permits, and franchise fees	10,965,620	986,965	11,952,585
Intergovernmental revenue			
State and federal governments	1,127,439	5,591,971	6,719,410
Local governments	7,512,307	40,500	7,552,807
Charges for services			
Sanitation fees and container rentals	3,178,170	-	3,178,170
Other	336,638	-	336,638
Fines, fees, and forfeitures	192,165	24,938	217,103
Interest income and investment return	16,851	16,347	33,198
Other	452,641	37,132	489,773
Total revenues	<u>39,131,890</u>	<u>10,590,174</u>	<u>49,722,064</u>
Expenditures			
Current			
General government administration	7,432,923	169,553	7,602,476
Public safety and law enforcement	17,623,925	5,056,101	22,680,026
Public works	4,820,468	16,165	4,836,633
Parks, recreation and culture	3,089,751	519,883	3,609,634
Community development	-	668,227	668,227
Economic development	1,306,921	773,332	2,080,253
Debt Service			
Principal retirement-bond obligations	1,098,865	314,000	1,412,865
Principal retirement-capital lease obligations	1,306,505	-	1,306,505
Interest and fiscal charges	354,558	98,220	452,778
Capital Outlay			
General government administration	-	-	-
Public safety	3,249,112	21,977	3,271,089
Public works	1,671,591	-	1,671,591
Parks, recreation and culture	3,552,572	2,752,392	6,304,964
Economic development	376,389	280,788	657,177
Total expenditures	<u>45,883,580</u>	<u>10,670,638</u>	<u>56,554,218</u>
Excess (deficiency) of revenues over (under) expenditures	(6,751,690)	(80,464)	(6,832,154)
Other financing sources (uses)			
Transfers in	3,615,686	453,636	4,069,322
Transfers out	(68,500)	(2,258,977)	(2,327,477)
Sale of capital assets	471,077	-	471,077
Issuance of debt - bonds	-	2,550,000	2,550,000
Issuance of debt - capital lease	1,077,315	-	1,077,315
Total other financing sources	<u>5,095,578</u>	<u>744,659</u>	<u>5,840,237</u>
Net change in fund balances	(1,656,112)	664,195	(991,917)
Fund balances, beginning of year	17,699,596	1,948,566	19,648,162
Fund balances, end of year	<u>\$ 16,043,484</u>	<u>\$ 2,612,761</u>	<u>\$ 18,656,245</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, 2021

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) \$ (991,917)

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	11,904,820
Depreciation expense not recorded in funds	(7,442,088)
Loss on disposition of capital assets	(22,354)

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

Property taxes	(303,668)
Donated capital assets	246,300
Mortgages/Contributions	64,958

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	2,719,370
Issuance of long-term debt	(3,627,315)

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	18,727
Compensated absences	312,263

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 (2,234,675)

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 681,814

Change in net position of governmental activities (page 28) \$ 1,326,235

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over
	Original	Final		(Under)
REVENUES				
Taxes				
Property taxes	\$ 14,912,581	\$ 14,912,581	\$ 9,937,666	\$ (4,974,915)
Sales	-	-	5,412,393	5,412,393
Licenses, permits and franchise fees	10,418,917	10,418,917	10,965,620	546,703
Intergovernmental revenue				
State government	1,089,422	1,491,773	1,127,439	(364,334)
Local governments	5,008,554	5,020,204	7,512,307	2,492,103
Charges for services				
Sanitation fees and container rentals	3,211,400	3,211,400	3,178,170	(33,230)
Other	517,800	517,800	336,638	(181,162)
Fines, fees, and forfeitures	230,827	230,827	192,165	(38,662)
Interest income and investment return	100,000	100,000	16,851	(83,149)
Other	174,996	174,996	452,641	277,645
Total revenues	<u>35,664,497</u>	<u>36,078,498</u>	<u>39,131,890</u>	<u>3,053,392</u>
EXPENDITURES				
General government administration:				
Administration	2,492,542	2,643,906	2,754,678	110,772
City store	102,810	102,810	96,301	(6,509)
Planning	879,071	879,071	603,100	(275,971)
Business license department	286,670	286,670	247,474	(39,196)
Appropriations to other agencies	98,543	88,543	98,123	9,580
General insurance	632,500	847,500	1,036,505	189,005
Retiree insurance	880,000	1,325,727	1,325,727	-
Maintenance contracts	987,395	987,395	829,871	(157,524)
Miscellaneous	190,000	198,076	441,144	243,068
	<u>6,549,531</u>	<u>7,359,698</u>	<u>7,432,923</u>	<u>73,225</u>
Public Safety and Law Enforcement:				
Police	12,858,311	10,924,178	10,566,743	(357,435)
Fire	7,136,108	5,846,895	5,574,825	(272,070)
Building inspection	995,798	995,798	800,376	(195,422)
Codes enforcement	467,619	467,619	451,542	(16,077)
Municipal court	216,619	216,619	230,439	13,820
	<u>21,674,455</u>	<u>18,451,109</u>	<u>17,623,925</u>	<u>(827,184)</u>
Public Works:				
Construction	732,846	732,846	700,942	(31,904)
Public works	1,163,038	1,171,038	1,157,645	(13,393)
Buildings and grounds maintenance	30,000	30,000	28,336	(1,664)
Sanitation	2,986,194	2,986,194	2,861,305	(124,889)
Vehicle maintenance	110,464	110,464	72,240	(38,224)
	<u>5,022,542</u>	<u>5,030,542</u>	<u>4,820,468</u>	<u>(210,074)</u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final		
Parks, recreation and culture				
Parks	1,190,378	1,232,678	1,241,017	8,339
Gardens	717,445	874,461	872,301	(2,160)
Tennis	633,734	553,734	598,875	45,141
Aquatics	434,709	434,709	270,612	(164,097)
Opera House	272,400	58,400	106,946	48,546
	3,248,666	3,153,982	3,089,751	(64,231)
Economic Development:				
Downtown revitalization programs	665,986	687,046	569,109	(117,937)
Liberty Center	33,000	33,000	36,472	3,472
Hope Centers	718,397	718,397	701,340	(17,057)
	1,417,383	1,438,443	1,306,921	(131,522)
Debt service				
Principal retirement-bond obligations	1,098,866	1,098,866	1,098,865	(1)
Principal retirement-capital lease obligations	1,299,117	1,299,117	1,306,505	7,388
Interest and fiscal charges	357,007	357,007	354,558	(2,449)
	2,754,990	2,754,990	2,759,928	4,938
Capital Outlay				
General government administration	22,500	22,500	-	(22,500)
Public safety	878,263	2,089,163	3,249,112	1,159,949
Public works	1,038,000	1,161,400	1,671,591	510,191
Parks, recreation and culture	5,100	630,451	3,552,572	2,922,121
Economic Development:	-	468,153	376,389	(91,764)
	1,943,863	4,371,667	8,849,664	4,477,997
Total expenditures	42,611,430	42,560,431	45,883,580	3,323,149
Excess (deficiency) of revenues over (under) expenditures	(6,946,933)	(6,481,933)	(6,751,690)	(269,757)
 OTHER FINANCING SOURCES (USES)				
Transfers in	3,795,686	3,795,686	3,615,686	(180,000)
Transfers out	(68,500)	(68,500)	(68,500)	-
Sale of capital assets	376,500	376,500	471,077	94,577
Proceeds of capital leases	1,650,000	1,185,000	1,077,315	(107,685)
Total other financing sources (uses)	5,753,686	5,288,686	5,095,578	(193,108)
Net change in fund balances	(1,193,247)	(1,193,247)	(1,656,112)	(462,865)
Fund balances, beginning of year	17,699,596	17,699,596	17,699,596	-
Fund balances, end of year	\$ 16,506,349	\$ 16,506,349	\$ 16,043,484	\$ (462,865)

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
June 30, 2021

Assets	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Current assets:			
Cash and cash equivalents	\$ 464,656	\$ 1,844,988	\$ 2,309,644
Investments	10,986,975	-	10,986,975
Accounts receivable, net of allowance for uncollectibles	2,998,199	326,153	3,324,352
Total current assets	14,449,830	2,171,141	16,620,971
Non-current assets:			
Restricted cash and cash equivalents	1,444,971	-	1,444,971
Accounts receivable, net of allowance for uncollectibles	111,706	-	111,706
Property held for resale	325,874	-	325,874
Capital assets, not being depreciated	4,543,451	-	4,543,451
Capital assets, depreciable, net of accumulated depreciation	100,691,281	2,452,810	103,144,091
Total non-current assets	107,117,283	2,452,810	109,570,093
Total assets	121,567,113	4,623,951	126,191,064
Deferred Outflows of Resources			
Deferred loss on bond refunding	1,824,983	-	1,824,983
Deferred pension charges	1,824,216	33,676	1,857,892
Deferred other post employment benefits charges	256,337	-	256,337
Total deferred outflows of resources	3,905,536	33,676	3,939,212
Liabilities			
Current liabilities:			
Accrued interest payable	148,200	-	148,200
Accounts payable	836,228	209,361	1,045,589
Accrued payroll	276,079	5,400	281,479
Customer deposits	380,111	-	380,111
Compensated absences payable	302,781	4,883	307,664
Bonds and leases payable - current portion	2,367,701	-	2,367,701
Total current liabilities	4,311,100	219,644	4,530,744
Non-current liabilities:			
Compensated absences payable	538,278	8,680	546,958
Bonds and leases payable	42,545,846	-	42,545,846
Net pension liability	10,855,883	179,786	11,035,669
Net other employment benefits liability	2,445,933	-	2,445,933
Total non-current liabilities	56,385,940	188,466	56,574,406
Total liabilities	60,697,040	408,110	61,105,150
Deferred Inflows of Resources			
Deferred pension credits	212,950	624	213,574
Deferred other post employment benefits credits	255,475	-	255,475
Total deferred inflows of resources	468,425	624	469,049
Net Position			
Net investment in capital assets	62,146,168	2,452,810	64,598,978
Restricted for debt service	1,444,971	-	1,444,971
Unrestricted	716,045	1,796,083	2,512,128
Total net position	\$ 64,307,184	\$ 4,248,893	\$ 68,556,077

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, 2021

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Operating revenue			
Charges for services			
Water	\$ 10,474,413	\$ -	\$ 10,474,413
Sewer	10,849,990	-	10,849,990
Storm water	-	829,663	829,663
Other operating revenue	2,233,867	-	2,233,867
Total operating revenues	<u>23,558,270</u>	<u>829,663</u>	<u>24,387,933</u>
Operating expenses			
Salaries and wages	5,329,605	102,424	5,432,029
Employee benefits	2,648,828	51,196	2,700,024
Bad debts	458,344	12,895	471,239
Utilities	1,996,922	-	1,996,922
Purchased services	1,407,427	354,840	1,762,267
Materials and supplies	1,399,173	8,881	1,408,054
Other operating expense	3,900,414	7,700	3,908,114
Depreciation	5,780,054	233,609	6,013,663
Total operating expenses	<u>22,920,767</u>	<u>771,545</u>	<u>23,692,312</u>
Operating income	637,503	58,118	695,621
Non-operating revenues (expenses)			
Interest expense	(1,777,960)	-	(1,777,960)
Miscellaneous expense	-	(40,745)	(40,745)
Interest income and investment return	117,291	-	117,291
Gain (loss) on sale of capital assets	166,309	-	166,309
Economic Development	(258,311)	-	(258,311)
Miscellaneous revenue	152,146	1,390	153,536
Total non-operating revenues (expenses)	<u>(1,600,525)</u>	<u>(39,355)</u>	<u>(1,639,880)</u>
Income before contributions and transfers	(963,022)	18,763	(944,259)
Capital grants and contributions	830,727	77,590	908,317
Transfers out	(1,741,845)	-	(1,741,845)
Change in net position	<u>(1,874,140)</u>	<u>96,353</u>	<u>(1,777,787)</u>
Total net position, beginning of year	<u>66,181,324</u>	<u>4,152,540</u>	<u>70,333,864</u>
Total net position, end of year	<u>\$ 64,307,184</u>	<u>\$ 4,248,893</u>	<u>\$ 68,556,077</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, 2021

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 23,652,927	\$ 835,531	\$ 24,488,458
Payments to suppliers	(8,792,210)	(191,211)	(8,983,421)
Payments to employees	(7,506,868)	(141,822)	(7,648,690)
Net Cash Flows Provided by Operating Activities	<u>7,353,849</u>	<u>502,498</u>	<u>7,856,347</u>
Cash Flows from Non-capital Financing Activities			
Other non-operating revenue	152,146	1,390	153,536
Other non-operating expense	(258,311)	(40,745)	(299,056)
Transfer to other fund	(1,741,845)	-	(1,741,845)
Net Cash Flows Provided (Used) by Non-Capital Financing Activities	<u>(1,848,010)</u>	<u>(39,355)</u>	<u>(1,887,365)</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from capital grants	494,832	2,255	497,087
Proceeds from disposition of capital assets	225,972	-	225,972
Proceeds from capital leases	422,685	-	422,685
Purchase and construction of capital assets	(3,484,963)	(307,563)	(3,792,526)
Principal paid on capital debt	(2,269,849)	-	(2,269,849)
Interest paid on capital debt	(1,689,208)	-	(1,689,208)
Net Cash Flows Used by Capital Financing Activities	<u>(6,300,531)</u>	<u>(305,308)</u>	<u>(6,605,839)</u>
Cash Flows from Investing Activities			
Interest on cash and cash equivalents	32,885	-	32,885
Net Cash Provided by Investing Activities	<u>32,885</u>	<u>-</u>	<u>32,885</u>
Increase (Decrease) in cash and cash equivalents	(761,807)	157,835	(603,972)
Cash and cash equivalents, beginning of year	2,671,434	1,687,153	4,358,587
Cash and cash equivalents, end of year	<u>\$ 1,909,627</u>	<u>\$ 1,844,988</u>	<u>\$ 3,754,615</u>
Reconciliation of net operating income to net cash provided by operating activities:			
Operating income	\$ 637,503	\$ 58,118	\$ 695,621
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,780,054	233,609	6,013,663
Change in current assets and liabilities:			
Decrease in accounts receivable	542,303	18,762	561,065
Increase in deferred outflows of resources	(686,293)	(12,882)	(699,175)
Increase in accrued absences	73,973	160	74,133
Increase in customer deposits	10,698	-	10,698
Increase (decrease) in accounts payable	(88,274)	180,210	91,936
Increase in accrued payroll	36,486	668	37,154
Increase (decrease) in net pension liability	996,478	20,579	1,017,057
Increase (decrease) in net OPEB liability	(66,180)	-	(66,180)
Increase (decrease) in deferred inflows of resources	117,101	3,274	120,375
Net cash provided by operating activities	<u>\$ 7,353,849</u>	<u>\$ 502,498</u>	<u>\$ 7,856,347</u>
Noncash Capital and Related Financing Items			
Capital contributions	\$ 335,895	\$ 75,335	\$ 411,230
Deferred charge on refunding	(96,052)	-	(96,052)
Net Noncash Capital and Related Financing Items	<u>\$ 239,843</u>	<u>\$ 75,335</u>	<u>\$ 315,178</u>

The accompanying notes are an integral part of these statements.

**CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For the Year Ended June 30, 2021**

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 9,351	\$ 5,000,987
Receivables:		
Charges for services	-	111,227
Charitable contributions	-	2,000
Total assets	9,351	5,114,214
Liabilities		
Accounts payable	-	77,134
Accrued salaries	-	2,653
Due to customers	-	55,050
Total liabilities	-	134,837
Net Position		
Restricted for:		
Individuals, organizations, and other governments	\$ 9,351	\$ 4,979,377

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, 2021

	Private Purpose Trust Funds	Custodial Funds
Additions		
Charitable contributions	\$ 25	\$ 1,674,000
Charges for services	-	1,175,092
Proceeds from sale of assets	-	39,560
Interest earned	13	5,465
Other custodial fund collections	-	14,855
Total additions	38	2,908,972
Deductions		
Distributions to/on behalf of beneficiaries	-	1,099,012
Program service expenditures	-	92,081
Utilities	-	179,328
Administrative	-	156,887
Other custodial disbursements	-	12,977
Total deductions	-	1,540,285
Change in Net Position		
	38	1,368,687
Net position, beginning of year, as restated	9,313	3,610,690
Net position, end of year	\$ 9,351	\$ 4,979,377

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, 2021

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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		

CITY OF SUMTER, SOUTH CAROLINA
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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.

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.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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 capital 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 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 68 percent of outstanding property taxes at June 30, 2021.

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.

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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.

Restricted Assets

Certain proceeds of general fund bonds and capital 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. 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 in the amount of \$7,520,608.

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 20

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, 2021, 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. For more information on GASB Statement No. 89, see Note III, F.

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 position that applies to a future period.

CITY OF SUMTER, SOUTH CAROLINA
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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 position that applies to a future period. 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).

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.

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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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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:

- *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

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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 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.

II. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash Deposits

As of June 30, 2021, the carrying amount of the government’s bank deposits was \$5,246,911. Of this amount, \$1,325,073 are fiduciary in nature. The respective bank balances totaled \$5,599,374. \$596,070 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining balance of \$5,003,304 was collateralized with securities held by financial institutions in the government’s name. Also included with the City’s reported cash and equivalents is \$4,900 in cash on hand.

Investments

As of June 30, 2021, in accordance with South Carolina law applicable to local government deposits and investments, the government had the following investments:

Investments	Maturities	Fair Value
Insured or registered, or held by the government or its agent in the government's name:		
Investment in South Carolina Pooled Investment Fund	Short-term	\$ 18,347,570
Federal Treasury Obligation Fund #398	Short-term	1,674,450
Repurchase Certificates-Treasury and federal agency securities	Short-term	12,112,029
Fidelity Prime Fund Daily Money Class	1 to 180 days	584
		\$ 32,134,633

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 \$45,301.

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 OF SUMTER, SOUTH CAROLINA
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June 30, 2021

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, 2021, to be insignificant.

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	\$ 1,846,943	\$ -	\$ -	\$ 1,846,943
Sales and franchise	-	411,246	-	411,246
Intergovernmental	345,912	1,683,467	255,672	2,285,051
Accounts	3,272,603	-	2,142,766	5,415,369
Unbilled receivables	-	-	976,385	976,385
Loans and notes	201,623	532,621	45,000	779,244
Other	-	500	129,641	130,141
Non-current:				
Notes	-	-	101,910	101,910
Gross receivables	5,667,081	2,627,834	3,651,374	11,946,289
Less, allowance for uncollectibles	(1,453,380)	-	(215,316)	(1,668,696)
Net total receivables	<u>\$ 4,213,701</u>	<u>\$ 2,627,834</u>	<u>\$ 3,436,058</u>	<u>\$ 10,277,593</u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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 \$3,833,719 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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,779,192	\$ 1,171,562	\$ -	\$ 14,950,754
Non-depreciable Assets	1,099,640	-	-	1,099,640
Construction in progress	2,299,180	5,993,429	1,520,164	6,772,445
Total capital assets not being depreciated	<u>17,178,012</u>	<u>7,164,991</u>	<u>1,520,164</u>	<u>22,822,839</u>
Capital assets being depreciated:				
Infrastructure	41,622,934	964,536	-	42,587,470
Buildings and improvements	58,884,044	1,536,251	117,819	60,302,476
Motor vehicles and outdoor equipment	26,400,637	3,814,186	1,146,011	29,068,812
Office equipment	6,612,594	191,320	-	6,803,914
Total capital assets being depreciated	<u>133,520,209</u>	<u>6,506,293</u>	<u>1,263,830</u>	<u>138,762,672</u>
Less accumulated depreciation for:				
Infrastructure	27,396,955	1,767,861	-	29,164,816
Buildings and improvements	19,175,611	2,043,290	117,819	21,101,082
Motor vehicles and outdoor equipment	17,848,797	3,055,193	1,123,658	19,780,332
Office equipment	5,490,835	575,744	-	6,066,579
Total accumulated depreciation	<u>69,912,198</u>	<u>7,442,088</u>	<u>1,241,477</u>	<u>76,112,809</u>
Total capital assets being depreciated, net	<u>63,608,011</u>	<u>(935,795)</u>	<u>22,353</u>	<u>62,649,863</u>
Governmental activities capital assets, net	<u>\$ 80,786,023</u>	<u>\$ 6,229,196</u>	<u>\$ 1,542,517</u>	<u>\$ 85,472,702</u>

CITY OF SUMTER, SOUTH CAROLINA
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,417,254	\$ -	\$ -	\$ 1,417,254
Construction in progress	1,773,182	1,706,641	353,626	3,126,197
Total capital assets not being depreciated	<u>3,190,436</u>	<u>1,706,641</u>	<u>353,626</u>	<u>4,543,451</u>
Capital assets being depreciated:				
Buildings and improvements	3,395,575	-	-	3,395,575
Plants and improvements	86,799,467	-	-	86,799,467
Distribution and collection system	72,375,547	1,640,705	131,611	73,884,641
Wells and tanks	11,713,780	219,911	-	11,933,691
Machinery and equipment	14,437,724	990,124	367,220	15,060,628
Total capital assets being depreciated	<u>188,722,093</u>	<u>2,850,740</u>	<u>498,831</u>	<u>191,074,002</u>
Less accumulated depreciation for:				
Buildings and improvements	572,685	84,894	-	657,579
Plants and improvements	41,463,244	2,146,605	-	43,609,849
Distribution and collection system	20,867,540	2,243,128	71,947	23,038,721
Wells and tanks	7,863,533	445,686	-	8,309,219
Machinery and equipment	11,588,413	1,093,350	367,220	12,314,543
Total accumulated depreciation	<u>82,355,415</u>	<u>6,013,663</u>	<u>439,167</u>	<u>87,929,911</u>
Total capital assets being depreciated, net	<u>106,366,678</u>	<u>(3,162,923)</u>	<u>59,664</u>	<u>103,144,091</u>
Business-type activities capital assets, net	<u>\$ 109,557,114</u>	<u>\$ (1,456,282)</u>	<u>\$ 413,290</u>	<u>\$ 107,687,542</u>

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

Governmental activities:	
General government	\$ 648,334
Public safety	3,121,031
Public works	2,187,602
Parks, recreation and culture	904,640
Community development	298,948
Economic development	281,533
Total depreciation expense - governmental activities	<u>\$ 7,442,088</u>
Business-type activities:	
Water and sewer services	\$ 5,780,054
Storm water services	233,609
Total depreciation expense - business type activities	<u>\$ 6,013,663</u>

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June 30, 2021

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 Expansion	\$ 5,581,458	\$ 8,812,722	\$ 3,231,264
Aquatics Center Expansion	897,736	1,500,000	602,264
Greir St. Extension	46,770	117,575	70,805
Shot Pouch Greenway	9,240	9,240	-
Church at Liberty St. Master Plan	13,880	13,880	-
Stadium Rd. Station Renovation-Architectural	6,000	6,000	-
Bland St. House/Storage Building Renovations	13,651	13,651	-
Shaw/Sumter Farm PH II-Planning/Design	72,136	72,136	-
United Ministries (36 S Artillery) Bldg Improves	56,584	56,584	-
Manning Ave Park	11,520	11,520	-
Econ. Dev. Bd Bldg & Parking Lot Improves - State Grant	2,480	2,480	-
Parks Gardens FY21 Local Accom, Ornamental Baseball & Improves	5,238	5,238	-
Crosswell Park Improvements	18,880	348,160	329,280
N. Main Street Corridor	521	521	-
Manning Avenue Corridor	521	521	-
Birnie Park Expansion	35,830	57,300	21,470
<i>Total Governmental</i>	<u>\$ 6,772,445</u>	<u>\$ 11,027,528</u>	<u>\$ 4,255,083</u>
<i>Business-type Activities</i>			
New Well #4 Waterplant #5	\$ 577,452	\$ 1,107,702	\$ 530,250
Mayesville Sewer Connection to City	2,208,296	2,208,296	-
Grier St. Site Planning/Drainage Evaluation	232,850	410,207	177,357
MA Elevated Tank Replacement	23,925	75,000	51,075
Deschamps Rd WL Extension	333	8,400	8,067
Infrastructure - Nova Molecular Tech. Expansion	67,268	1,065,556	998,288
Inflow & Infiltration Study	16,073	192,876	176,803
<i>Total Business-type Activities</i>	<u>\$ 3,126,197</u>	<u>\$ 5,068,037</u>	<u>\$ 1,941,840</u>
	<u>\$ 9,898,642</u>	<u>\$ 16,095,565</u>	<u>\$ 6,196,923</u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

E. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2021, 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			Ending	
	Balance	Additions	Reductions	Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 6,068,199	\$ -	\$ 748,866	\$ 5,319,333	\$ 768,334
Tax increment financing bonds	3,750,000	-	350,000	3,400,000	355,000
Revenue bonds	2,000,000	2,550,000	263,000	4,287,000	270,000
Notes payable	419,000	-	51,000	368,000	54,000
Capital leases	4,809,515	1,077,315	1,306,504	4,580,326	1,294,631
Compensated absences	5,137,170	2,522,168	2,834,431	4,824,907	1,736,967
Governmental activity long-term liabilities	<u>\$ 22,183,884</u>	<u>\$ 6,149,483</u>	<u>\$ 5,553,801</u>	<u>\$ 22,779,566</u>	<u>\$ 4,478,932</u>
Business-type activities:					
Revenue bonds	\$ 46,650,000	\$ -	\$ 2,190,000	\$ 44,460,000	\$ 2,240,000
Capital leases	110,711	422,685	79,849	453,547	127,701
Compensated absences	780,490	433,200	359,068	854,622	307,664
Business-type activity long-term liabilities	<u>\$ 47,541,201</u>	<u>\$ 855,885</u>	<u>\$ 2,628,917</u>	<u>\$ 45,768,169</u>	<u>\$ 2,675,365</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:

\$1,000,000 Series 2011, payable in annual installments of \$112,501 including interest at 2.31%, maturing July 2021	\$ 109,676
\$1,500,000 Series 2012, payable in annual installments of \$165,006 including interest at 2.07%, maturing September 2021	161,657
\$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	<u>5,048,000</u>
Total General Obligation Bonds	<u>\$ 5,319,333</u>

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	<u>\$ 3,400,000</u>
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CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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	\$ 1,737,000
\$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>2,550,000</u>
Total Hospitality Fee Revenue Bonds	<u><u>\$ 4,287,000</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>\$ 44,460,000</u>
Total Revenue Bonds Payable	<u><u>\$ 44,460,000</u></u>

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>\$ 368,000</u>
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Capital 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 capital 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, 2021	Governmental Activities	Business-Type Activities	Totals
2022	\$ 1,376,227	\$ 131,704	\$ 1,507,931
2023	1,286,389	86,662	1,373,051
2024	942,731	86,662	1,029,393
2025	552,279	86,662	638,941
2026	294,314	72,254	366,568
Thereafter	338,700	-	338,700
Total minimum lease payments	<u>4,790,640</u>	<u>463,944</u>	<u>5,254,584</u>
Less: amount representing interest	(210,314)	(10,397)	(220,711)
Present value of minimum lease payments	<u><u>\$ 4,580,326</u></u>	<u><u>\$ 453,547</u></u>	<u><u>\$ 5,033,873</u></u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities	Totals
Asset:			
Motor vehicles and outdoor equipment	\$ 12,240,886	\$ 780,804	\$ 13,021,690
Less: accumulated depreciation	(6,735,572)	(383,746)	(7,119,318)
Total	<u>\$ 5,505,314</u>	<u>\$ 397,058</u>	<u>\$ 5,902,372</u>

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, 2021	Debt			Capital Lease Obligations		
	Principal	Interest	Total	Principal	Interest	Totals
Governmental Activities						
2022	\$ 1,447,334	\$ 307,630	\$ 1,754,964	\$ 1,294,631	\$ 81,596	\$ 3,131,191
2023	1,556,000	273,130	1,829,130	1,232,288	54,101	3,115,519
2024	1,593,000	236,642	1,829,642	912,509	30,222	2,772,373
2025	1,628,000	199,256	1,827,256	534,743	17,536	2,379,535
2026	1,670,000	160,926	1,830,926	283,241	11,073	2,125,240
2027-2031	5,479,999	290,392	5,770,391	322,914	15,786	6,109,091
Total	<u>\$ 13,374,333</u>	<u>\$ 1,467,976</u>	<u>\$ 14,842,309</u>	<u>\$ 4,580,326</u>	<u>\$ 210,314</u>	<u>\$ 19,632,949</u>
Business-Type Activities						
2022	\$ 2,240,000	\$ 1,631,650	\$ 3,871,650	\$ 127,701	\$ 4,003	\$ 4,003,354
2023	2,330,000	1,545,400	3,875,400	83,816	2,846	3,962,062
2024	2,415,000	1,453,944	3,868,944	84,649	2,013	3,955,606
2025	2,490,000	1,383,388	3,873,388	85,491	1,171	3,960,050
2026	2,570,000	1,304,275	3,874,275	71,890	364	3,946,529
2027-2031	14,265,000	5,105,267	19,370,267	-	-	19,370,267
2032-2036	10,260,000	2,784,884	13,044,884	-	-	13,044,884
2037-2041	7,890,000	946,925	8,836,925	-	-	8,836,925
Total	<u>\$ 44,460,000</u>	<u>\$ 16,155,733</u>	<u>\$ 60,615,733</u>	<u>\$ 453,547</u>	<u>\$ 10,397</u>	<u>\$ 61,079,677</u>

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, 2021, were:

Receivable Fund	Payable Fund	Amount
General Fund	Federal/State Grants Fund	\$ 1,391,348
General Fund	HUD Section 8 Loans Fund	137,124
General Fund	Community Development Block Grant Fund	40,916
General Fund	State Accommodations Tax Fund	1,160,019
		<u>\$ 2,729,407</u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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, 2021, consisted of the following:

	Transfers In:				
Transfers Out:	General Fund	Nonmajor Governmental Fund	Water and Sewer Enterprise	Nonmajor Enterprise Fund	Totals
Nonmajor governmental funds	\$ 1,873,841	\$ 453,636	\$ -	\$ -	\$ 2,327,477
Water and sewer enterprise fund	1,741,845	-	-	-	1,741,845
	\$ 3,615,686	\$ 453,636	\$ -	\$ -	\$ 4,069,322

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, 2021

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, 2021**

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 through July 1, 2022. The legislation’s ultimate scheduled employer rate is 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 2021 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 2020 are as follows:

SCRS

Employee Class Two	15.41 % of earnable compensation
Employee Class Three	15.41 % of earnable compensation
Employer Incidental Death Benefit	0.15 % of earnable compensation

PORS

Employee Class Two	17.84 % of earnable compensation
Employee Class Three	17.84 % 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, 2021

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, 2020, 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	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%
PORS	\$ 8,046,386,629	\$ 4,730,174,642	\$ 3,316,211,987	58.8%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 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, 2021, the City reported a liability of \$34,402,633 for the SCRS and \$21,855,245 for the PORS for a total of \$56,257,878 for its proportionate share of the NPL. The NPL was measured as of June 30, 2020, 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, 2020, the City's proportion was 0.134639% for the SCRS, which is a decrease of .003331% from its proportion measured as of June 30, 2019. At June 30, 2020 the City's portion was .659042% for the PORS, which is an increase of .00064% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized a pension expense of \$2,776,905. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The amount of \$4,206,360 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, 2022. 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.

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SCRS	PORS	Total	SCRS	PORS	Total
Differences between expected and actual experience	\$ 396,961	\$ 464,469	\$ 861,430	\$ 130,091	\$ 96,202	\$ 226,293
Change in assumptions	42,149	266,706	308,855	-	-	-
Net difference between projected and actual earnings on pension plan investments	2,530,602	2,237,927	4,768,529	-	-	-
Changes in proportionate share and difference between City contributions and proportionate share of contributions	358,577	42,161	400,738	557,370	224,011	781,381
City contributions subsequent to measurement date	2,376,189	1,830,171	4,206,360	-	-	-
Total	<u>\$ 5,704,478</u>	<u>\$ 4,841,434</u>	<u>\$ 10,545,912</u>	<u>\$ 687,461</u>	<u>\$ 320,213</u>	<u>\$ 1,007,674</u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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>
2022	\$ 463,646	\$ 817,380	\$ 1,281,026
2023	750,139	665,583	1,415,722
2024	830,985	675,518	1,506,503
2025	596,058	532,569	1,128,627
	\$ 2,640,828	\$ 2,691,050	\$ 5,331,878

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, 2015.

The June 30, 2020, 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, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (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 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2019, TPL are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC males multiplied by 92%	2016 PRSC females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC males multiplied by 100%	2016 PRSC females multiplied by 111%
Public Safety and Firefighters	2016 PRSC males multiplied by 125%	2016 PRSC females multiplied by 111%

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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 2020 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 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITS)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Return	<u>100.0%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
			<u><u>8.05%</u></u>

Discount Rate

The discount rate used to measure the TPL was 7.25 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.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

Sensitivity Analysis

The following table presents the City’s proportionate share of each system’s NPL calculated using the discount rate of 7.25 percent, as well as what the City’s NPL for each system would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

		Current Discount		
	1.00% Decrease	Rate	1.00 % Increase	
	(6.25%)	(7.25%)	(8.25%)	
System				
SCRS	\$ 42,637,846	\$ 34,402,633	\$ 27,526,132	
PORS	\$ 28,932,666	\$ 21,855,245	\$ 16,172,532	

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA’s Retirement Benefit’s website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

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, 2020, the most recent measurement date for the Plan, there were 708 covered participants; 137 members were retirees receiving benefits and 571 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.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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.

Net OPEB Liability

The City’s net OPEB liability of \$12,229,664 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions and Methods

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, 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%-7.00%
PORS	3.50%-9.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	4.10%
Measurement Date	2.74%
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	7.25% for 2019 decreasing to an ultimate rate of 4.75% by 2029
Medicare	5.38% for 2019 decreasing to an ultimate rate of 4.75% by 2023
Mortality Assumptions	RP-2014 Mortality Table for Employees with a 95% multiplier
Coverage Elections	
20 or More Years of Service	100%
Less than 20 Years of Service	20%

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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	57.5%	4.50%
US Govt MBS/CMO/CMBS	40.0%	5.25%
Cash and Cash Equivalents	2.5%	2.50%
Total	<u>100.0%</u>	

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, 2018. In addition to the actuarial methods and assumptions of the December 31, 2018 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.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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	\$14,386,764	\$12,229,664	\$10,367,479

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	\$9,874,787	\$12,229,664	\$15,056,232

OPEB Liabilities, 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, 2018. An expected total OPEB liability is determined as of December 31, 2020 using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability, as of December 31, 2019, 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, 2020, is shown in the following table:

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of December 31, 2019	\$ 18,252,378	\$ 5,691,813	\$ 12,560,565
Changes for the year:			
Service Cost at the end of the year*	393,270	-	393,270
Interest on TOL and Cash Flows	849,693	-	849,693
Change in benefit terms	-	-	-
Difference between expected and actual experience	(45,796)	-	(45,796)
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	1,197,473	(1,197,473)
Contributions - non-employer	-	-	-
Net investment income	-	339,439	(339,439)
Benefit payments and implicit subsidy credit	(736,754)	(736,754)	-
Plan administrative expenses	-	(8,844)	8,844
Other	-	-	-
Net changes	\$ 460,413	\$ 791,314	\$ (330,901)
Balance as of December 31, 2020	\$ 18,712,791	\$ 6,483,127	\$ 12,229,664

For the year ended June 30, 2021, the City recognized OPEB expense of \$804,753. As of June 30, 2021 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	\$ -	\$ 1,277,374
Changes of assumptions or other inputs	265,743	-
Net difference between projected and actual earnings on plan investments	23,788	-
City Contributions subsequent to the measurement date	992,160	-
Total	\$ 1,281,691	\$ 1,277,374

The amount of \$992,160 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, 2022. The remaining deferred outflows/inflows of resources will be recognized as a component of OPEB expense as follows:

Measurement Period Ended	Total
December 31	
2021	\$ (166,083)
2022	(182,938)
2023	(216,913)
2024	(211,187)
2025	(193,197)
Thereafter	(17,525)
	\$ (987,843)

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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. Restatements

Change in accounting principle

During fiscal year 2021 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* (GASB 84). The City is required to reevaluate the accounting treatment of fiduciary activities to determine if funds are still considered fiduciary, and if so, whether they are considered custodial funds under the new definitions of GASB 84. In conjunction with this implementation a restatement to the beginning net position of Fiduciary Funds was required to properly report on the custodial funds.

	Custodial Funds
Net Position, beginning of year, as previously reported	\$ -
Recognition of the beginning net position of the former Agency Funds now reported as Custodial Funds	3,610,690
	\$ 3,610,690

G. Impact of Recently Issued Accounting Principles

GASB Statement No. 87

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). This statement substantially changes the accounting and financial reporting around lease agreements, specifically, eliminating certain traditional distinctions between operating and capital leases. GASB 87 is effective for reporting periods beginning after June 15, 2021 and may impact the City's financial statements 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 16, 2021, the date the financial statements were available for issue.

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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, 2021**

Schedule of Employer's Proportionate Share of Net Pension Liability

	2021		2020		2019		2018		2017		2016	
	SCRS	PORS										
Proportion of the Net Pension Liability	0.134639%	0.659042%	0.137970%	0.658399%	0.134819%	0.668748%	0.134521%	0.680620%	0.132601%	0.669610%	0.130615%	0.66206%
Proportionate Share of the Net Pension Liability	\$ 34,402,633	\$ 21,855,245	\$ 31,504,210	\$ 18,869,332	\$ 30,208,709	\$ 18,949,258	\$ 30,282,841	\$ 18,645,999	\$ 28,323,378	\$ 16,984,488	\$ 24,771,764	\$ 14,429,661
Covered Payroll (A)	15,419,776	10,258,804	15,020,802	9,955,807	14,569,229	9,549,845	13,579,671	9,158,752	12,833,429	8,543,885	12,246,749	8,202,053
Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	223.11%	213.04%	209.74%	189.53%	207.35%	198.42%	223.00%	203.59%	220.70%	198.79%	202.27%	175.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.7%	58.8%	54.4%	62.7%	54.1%	61.7%	53.3%	60.9%	52.90%	60.40%	57.00%	64.60%
	2015		2014									
Proportion of the Net Pension Liability	0.128281%	0.63586%	0.128281%	0.63586%								
Proportionate Share of the Net Pension Liability	\$ 22,085,735	\$ 12,173,040	\$ 23,009,035	\$ 13,181,162								
Covered Payroll (A)	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	187.52%	154.53%	210.00%	178.16%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.90%	67.50%	56.39%	62.98%								

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

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

The City implemented GASB #68 during the year ended June 30, 2015. Information before the year ended June 30, 2014 is not readily available.

The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

**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, 2021**

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%

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

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%

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

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, 2021

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, 2021

<u>Year Ending December 31 (measurement date)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost at end of year	\$ 393,270	\$ 380,848	\$ 368,593
Interest on the Total OPEB Liability	849,693	884,640	865,344
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(45,796)	(1,624,133)	(102,309)
Changes of assumptions or other inputs	-	370,779	-
Benefit payments*	(736,754)	(758,717)	(692,835)
Net change in Total OPEB Liability	460,413	(746,583)	438,793
Total OPEB Liability-beginning	18,252,378	18,998,961	18,560,168
Total OPEB Liability-ending (a)	\$ 18,712,791	\$ 18,252,378	\$ 18,998,961
 Plan Fiduciary Net Position			
Contributions - employer**	\$ 1,197,473	\$ 1,226,353	\$ 1,181,239
Net investment income	339,439	270,031	51,452
Benefit payments*	(736,754)	(758,717)	(692,835)
Administrative expense	(8,844)	-	(7,612)
Net change in Plan Fiduciary Net Position	791,314	737,667	532,244
Plan Fiduciary Net Position - beginning	5,691,813	4,954,146	4,421,902
Plan Fiduciary Net Position - ending (b)	6,483,127	5,691,813	4,954,146
Net OPEB Liability - ending (a) - (b)	\$ 12,229,664	\$ 12,560,565	\$ 14,044,815
 Plan Fiduciary Net Position as a percentage of total OPEB Liability	34.65%	31.18%	26.08%
 Covered Payroll*	\$ 22,852,931	\$ 22,852,931	\$ 20,932,094
 Net OPEB Liability as a percentage of covered payroll	53.51%	54.96%	67.10%

* Benefit payments are net of participant contributions and include a payment of \$108,400 for the implicit subsidy.
Benefit payments include \$628,354 paid outside the Trust.

** Employer contribution includes \$628,354 paid outside of the Trust and \$108,400 due to the implicit subsidy.

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO OPEB
For the Year Ended June 30, 2021

<u>Year Ending December 31 (measurement date)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 1,176,523	\$ 1,178,029	\$ 1,180,765
Contributions in relation to the ADEC	1,197,473	1,226,353	1,181,239
Annual contribution deficiency (excess)	<u>\$ (20,950)</u>	<u>\$ (48,324)</u>	<u>\$ (474)</u>
 Covered payroll*	 \$ 22,852,931	 \$ 22,852,931	 \$ 20,932,094
 Actual contributions as a percentage of covered payroll	 5.24%	 5.37%	 5.64%

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

*For years following the valuation date (when no new valuation is performed), covered payroll has been set to equal the covered payroll from the most recent valuation.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
For the Year Ended June 30, 2021

Change of Benefit Terms:

December 31, 2020 (Valuation Date: December 31, 2018)

- None

Changes to Assumptions or other inputs:

December 31, 2020 (Valuation Date: December 31, 2018)

- None

OTHER SUPPLEMENTARY INFORMATION

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	USDA Rural Business Fund	HUD Section 108 Fund	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grant Fund	Empowerment Zone Fund	Main Street Society Fund	Sunday Alcohol Permits Fund
ASSETS									
Cash and cash equivalents	\$ 194,490	\$ -	\$ 53,112	\$ 40,181	\$ -	\$ -	\$ 108,880	\$ 10,940	\$ 126,482
Receivables, net of allowance for doubtful accounts	148,410	378,961	5,250	-	1,408,042	78,399	500	-	-
Restricted cash and cash equivalents	-	-	-	-	3,782,877	-	-	-	-
Total assets	\$ 342,900	\$ 378,961	\$ 58,362	\$ 40,181	\$ 5,190,919	\$ 78,399	\$ 109,380	\$ 10,940	\$ 126,482
LIABILITIES									
Liabilities									
Accounts payable	\$ -	\$ 49,889	\$ 37	\$ -	\$ 13,516	\$ 27,149	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-	-	-	-	-
Accrued compensation and benefits	-	-	-	-	848	3,877	1,200	-	-
Customer deposits	-	-	-	-	-	-	7,450	-	-
Due to other funds	-	137,124	-	-	1,391,348	40,916	-	-	-
Unearned revenue	-	-	-	-	3,780,689	6,400	-	-	-
Escrow for seized funds and deposits	-	-	-	-	-	-	-	-	-
Total liabilities	-	187,013	37	-	5,186,401	78,342	8,650	-	-
DEFERRED INFLOWS OF RESOURCES	148,410	-	5,250	-	1,001,424	-	-	-	-
FUND BALANCES									
Restricted	194,490	191,948	53,075	40,181	(996,906)	57	100,730	10,940	126,482
Total fund balances	194,490	191,948	53,075	40,181	(996,906)	57	100,730	10,940	126,482
Total liabilities, deferred inflows of resources, and fund balances	\$ 342,900	\$ 378,961	\$ 58,362	\$ 40,181	\$ 5,190,919	\$ 78,399	\$ 109,380	\$ 10,940	\$ 126,482

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	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	\$ 1,546,370	\$ -	\$ 130,264	\$ 114,768	\$ 2,439	\$ 803,403	\$ 1,677	\$ 3,133,006
Receivables, net of allowance for doubtful accounts	340,639	130,570	66,891	-	-	70,172	-	2,627,834
Restricted cash and cash equivalents	2,265,488	-	-	-	-	-	-	6,048,365
Total assets	<u>\$ 4,152,497</u>	<u>\$ 130,570</u>	<u>\$ 197,155</u>	<u>\$ 114,768</u>	<u>\$ 2,439</u>	<u>\$ 873,575</u>	<u>\$ 1,677</u>	<u>\$ 11,809,205</u>
LIABILITIES								
Liabilities								
Accounts payable	\$ 996,195	\$ 15,783	\$ 5,038	\$ 152	\$ 25	\$ 72,028	\$ -	\$ 1,179,812
Retainage payable	110,040	-	-	-	-	-	-	110,040
Accrued compensation and benefits	-	28,976	-	-	4,439	3,719	-	43,059
Customer deposits	-	-	-	-	-	-	-	7,450
Due to other funds	-	1,160,019	-	-	-	-	-	2,729,407
Unearned revenue	-	-	-	-	-	-	-	3,787,089
Escrow for seized funds and deposits	-	-	-	184,503	-	-	-	184,503
Total liabilities	<u>1,106,235</u>	<u>1,204,778</u>	<u>5,038</u>	<u>184,655</u>	<u>4,464</u>	<u>75,747</u>	<u>-</u>	<u>8,041,360</u>
DEFERRED INFLOWS OF RESOURCES								
	-	-	-	-	-	-	-	1,155,084
FUND BALANCES								
Restricted	3,046,262	(1,074,208)	192,117	(69,887)	(2,025)	797,828	1,677	2,612,761
Total fund balances	<u>3,046,262</u>	<u>(1,074,208)</u>	<u>192,117</u>	<u>(69,887)</u>	<u>(2,025)</u>	<u>797,828</u>	<u>1,677</u>	<u>2,612,761</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,152,497</u>	<u>\$ 130,570</u>	<u>\$ 197,155</u>	<u>\$ 114,768</u>	<u>\$ 2,439</u>	<u>\$ 873,575</u>	<u>\$ 1,677</u>	<u>\$ 11,809,205</u>

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, 2021

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 Grant Fund	Empowerment Zone Fund	Main Street Society Fund	Sunday Alcohol Permits Fund
REVENUES									
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-	21,000
Intergovernmental revenue	-	-	300	-	4,540,233	567,582	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest income	1,480	10,557	-	-	83	-	-	-	-
Rent and miscellaneous	26,121	-	10,425	-	-	-	500	86	-
Total revenues	27,601	10,557	10,725	-	4,540,316	567,582	500	86	21,000
EXPENDITURES									
Current									
General government administration	-	-	-	-	169,553	-	-	-	-
Public safety	-	-	-	-	4,179,927	-	-	-	-
Public works	-	-	-	-	16,165	-	-	-	-
Parks, recreation and culture	-	-	-	-	192,510	-	-	-	3,591
Community development	100,000	-	645	-	-	567,582	-	-	-
Economic development	-	-	2,533	-	-	-	15,104	7,500	-
Debt service									
Bond principal	-	51,000	-	-	-	-	-	-	-
Interest and fiscal charges	-	10,496	-	-	-	-	-	-	-
Capital outlay									
Public safety	-	-	-	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	84,627	-	-	-	20,734
Economic development	-	-	-	-	-	-	-	-	-
Total expenditures	100,000	61,496	3,178	-	4,642,782	567,582	15,104	7,500	24,325
Excess (deficiency) of revenues over (under) expenditures	(72,399)	(50,939)	7,547	-	(102,466)	-	(14,604)	(7,414)	(3,325)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(500)	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Proceeds of revenue bonds payable	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(500)	-	-
Net change in fund balances	(72,399)	(50,939)	7,547	-	(102,466)	-	(15,104)	(7,414)	(3,325)
Fund balances, beginning of year	266,889	242,887	45,528	40,181	(894,440)	57	115,834	18,354	129,807
Fund balances, end of year	\$ 194,490	\$ 191,948	\$ 53,075	\$ 40,181	\$ (996,906)	\$ 57	\$ 100,730	\$ 10,940	\$ 126,482

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, 2021

Page 2 of 2

	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	\$ 3,295,765	\$ -	\$ 596,556	\$ -	\$ -	\$ -	\$ -	\$ 3,892,321
Licenses, permits and fees	-	-	-	-	-	965,965	-	986,965
Intergovernmental revenue	-	340,575	-	-	40,500	-	143,281	5,632,471
Fines and forfeitures	-	-	-	2,391	22,547	-	-	24,938
Interest income	4,227	-	-	-	-	-	-	16,347
Rent and miscellaneous	-	-	-	-	-	-	-	37,132
Total revenues	3,299,992	340,575	596,556	2,391	63,047	965,965	143,281	10,590,174
EXPENDITURES								
Current								
General government administration	-	-	-	-	-	-	-	169,553
Public safety	4,320	-	-	9,990	74,229	645,860	141,775	5,056,101
Public works	-	-	-	-	-	-	-	16,165
Parks, recreation and culture	247,081	76,701	-	-	-	-	-	519,883
Community development	-	-	-	-	-	-	-	668,227
Economic development	30,048	704,950	13,197	-	-	-	-	773,332
Debt service								
Bond principal	263,000	-	-	-	-	-	-	314,000
Interest and fiscal charges	87,724	-	-	-	-	-	-	98,220
Capital outlay								
Public safety	21,977	-	-	-	-	-	-	21,977
Parks, recreation and culture	2,615,839	25,955	5,237	-	-	-	-	2,752,392
Economic development	280,788	-	-	-	-	-	-	280,788
Total expenditures	3,550,777	807,606	18,434	9,990	74,229	645,860	141,775	10,670,638
Excess (deficiency) of revenues over (under) expenditures	(250,785)	(467,031)	578,122	(7,599)	(11,182)	320,105	1,506	(80,464)
OTHER FINANCING SOURCES (USES)								
Transfers in	313,636	140,000	-	-	-	-	-	453,636
Transfers out	(1,794,993)	-	(463,484)	-	-	-	-	(2,258,977)
Sale of Capital Assets	-	-	-	-	-	-	-	-
Proceeds of revenue bonds payable	2,550,000	-	-	-	-	-	-	2,550,000
Total other financing sources (uses)	1,068,643	140,000	(463,484)	-	-	-	-	744,659
Net change in fund balances	817,858	(327,031)	114,638	(7,599)	(11,182)	320,105	1,506	664,195
Fund balances, beginning of year	2,228,404	(747,177)	77,479	(62,288)	9,157	477,723	171	1,948,566
Fund balances, end of year	\$ 3,046,262	\$ (1,074,208)	\$ 192,117	\$ (69,887)	\$ (2,025)	\$ 797,828	\$ 1,677	\$ 2,612,761

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Over (Under)
REVENUES				
Hospitality fees	\$ 2,700,000	\$ 2,700,000	\$ 3,295,765	\$ 595,765
Interest income	-	-	4,227	4,227
Total revenues	<u>2,700,000</u>	<u>2,700,000</u>	<u>3,299,992</u>	<u>599,992</u>
EXPENDITURES				
Quality of life projects	905,007	3,405,007	3,200,053	(204,954)
Debt Service	-	-	350,724	350,724
Total expenditures	<u>905,007</u>	<u>3,405,007</u>	<u>3,550,777</u>	<u>145,770</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			313,636	313,636
Transfers out	(1,794,993)	(1,794,993)	(1,794,993)	-
Proceeds from issuance of debt	-	2,500,000	2,550,000	50,000
Total other financing sources	<u>(1,794,993)</u>	<u>705,007</u>	<u>1,068,643</u>	<u>363,636</u>
Net change in fund balance	-	-	817,858	817,858
Fund balance, beginning of year	2,228,404	2,228,404	2,228,404	-
Fund balance, end of year	<u>\$ 2,228,404</u>	<u>\$ 2,228,404</u>	<u>\$ 3,046,262</u>	<u>\$ 817,858</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Over (Under)
REVENUES				
Accommodations fees	\$ 575,000	\$ 500,000	\$ 596,556	\$ 96,556
Total revenues	<u>575,000</u>	<u>500,000</u>	<u>596,556</u>	<u>96,556</u>
EXPENDITURES				
Quality of life projects	111,516	36,516	18,434	(18,082)
Total expenditures	<u>111,516</u>	<u>36,516</u>	<u>18,434</u>	<u>(18,082)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(463,484)	(463,484)	(463,484)	-
Appropriation from fund balance	-	-	-	-
Total other financing uses	<u>(463,484)</u>	<u>(463,484)</u>	<u>(463,484)</u>	<u>-</u>
Net change in fund balance	-	-	114,638	114,638
Fund balance, beginning of year	77,479	77,479	77,479	-
Fund balance, end of year	<u>\$ 77,479</u>	<u>\$ 77,479</u>	<u>\$ 192,117</u>	<u>\$ 114,638</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Over (Under)
REVENUES				
Victims services	\$ 30,000	\$ 30,000	\$ 22,547	\$ (7,453)
Intergovernmental - local governments	35,095	35,095	40,500	5,405
Total revenues	<u>65,095</u>	<u>65,095</u>	<u>63,047</u>	<u>(2,048)</u>
EXPENDITURES				
Public safety	65,095	65,095	74,229	9,134
Total expenditures	<u>65,095</u>	<u>65,095</u>	<u>74,229</u>	<u>9,134</u>
OTHER FINANCING SOURCES				
Appropriation from fund balance	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(11,182)	(11,182)
Fund balance, beginning of year	9,157	9,157	9,157	-
Fund balance, end of year	<u>\$ 9,157</u>	<u>\$ 9,157</u>	<u>\$ (2,025)</u>	<u>\$ (11,182)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final		
Revenue				
Water revenue	\$ 10,543,000	\$ 10,543,000	\$ 10,474,413	\$ (68,587)
Sewer revenue	10,937,000	10,937,000	10,849,990	(87,010)
Other operating revenue	1,565,200	1,565,200	2,233,867	668,667
Capital grants and contributions	-	-	830,727	830,727
Interest income and investment return	366,000	366,000	117,291	(248,709)
Gain (loss) on sale of capital assets	-	-	166,309	166,309
Miscellaneous	110,000	110,000	152,146	42,146
Appropriation from net position	545,148	545,148	-	(545,148)
	24,066,348	24,066,348	24,824,743	758,395
Expenses				
Salaries and benefits	5,178,654	5,178,654	5,329,605	150,951
Bad debts	-	-	458,344	458,344
Utilities	2,288,414	2,288,414	1,996,922	(291,492)
Purchased services	1,670,787	1,670,787	1,407,427	(263,360)
Materials and supplies	1,408,754	1,408,754	1,399,173	(9,581)
Other operating expense	4,676,449	4,911,449	3,900,414	(1,011,035)
Employee benefits	2,792,930	2,792,930	2,648,828	(144,102)
Depreciation	1,365,932	1,365,932	5,780,054	4,414,122
Interest expense	1,691,757	1,691,757	1,777,960	86,203
Economic development	215,826	215,826	258,311	42,485
Transfers	1,976,845	1,741,845	1,741,845	-
Capital reserve	800,000	800,000	-	(800,000)
Capital expenditures	-	-	3,484,963	3,484,963
	24,066,348	24,066,348	30,183,846	6,117,498
Operating Income	\$ -	\$ -	(5,359,103)	\$ (5,359,103)
Reconciliation to change in net position:				
Capital expenditures			3,484,963	
Change in net position			<u>\$ (1,874,140)</u>	

CITY OF SUMTER, SOUTH CAROLINA
WATER AND SEWER FUND – DEBT COVERAGE RATIO – REQUIRED BY LENDER
For the Year Ended June 30, 2021

Operating revenue	\$	23,558,270
Operating expenses exclusive of depreciation		(17,140,713)
Net revenue available for debt service	\$	<u>6,417,557</u>
Debt service requirement		
Principal	\$	2,190,000
Interest		1,687,025
Total	\$	<u>3,877,025</u>
Revenue bond coverage for the year ended June 30, 2021		<u>1.66</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, 2021

	Nell O'Donnell Fund	George Reardon Fund	Ella Tuomey Fund	Emergency Responders Trust Fund	Total
ASSETS					
Cash and cash equivalents	\$ 3,434	\$ 517	\$ 1,491	\$ 3,909	\$ 9,351
Total assets	3,434	517	1,491	3,909	9,351
LIABILITIES					
	-	-	-	-	-
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	\$ 3,434	\$ 517	\$ 1,491	\$ 3,909	\$ 9,351

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2021

	Nell O'Donnell Fund	George Reardon Fund	Ella Tuomey Fund	Emergency Responders Trust Fund	Total
ADDITIONS					
Interest	\$ 11	\$ -	\$ -	\$ 2	\$ 13
Contributions	-	-	-	25	25
Total additions	11	-	-	27	38
DEDUCTIONS					
Distributions to beneficiaries	-	-	-	-	-
Total deductions	-	-	-	-	-
Change in net position	11	-	-	27	38
Net position, beginning of year	3,423	517	1,491	3,882	9,313
Net position, end of year	\$ 3,434	\$ 517	\$ 1,491	\$ 3,909	\$ 9,351

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
For the Year Ended June 30, 2021

	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	\$ 3,772,051	\$ 133,473	\$ 326	\$ 487,006	\$ 507,020	\$ 101,111	\$ 5,000,987
Receivables							
Accounts receivable	-	-	-	-	74,326	36,901	111,227
Contributions receivable	-	2,000	-	-	-	-	2,000
Total assets	3,772,051	135,473	326	487,006	581,346	138,012	5,114,214
LIABILITIES							
Accounts payable	-	3,258	-	-	11,612	62,264	77,134
Accrued salaries	-	1,243	-	-	1,410	-	2,653
Due to customers	-	-	-	-	38,250	16,800	55,050
Total liabilities	-	4,501	-	-	51,272	79,064	134,837
NET POSITION							
Restricted for:							
Individuals, organizations, and other governments	\$ 3,772,051	\$ 130,972	\$ 326	\$ 487,006	\$ 530,074	\$ 58,948	\$ 4,979,377

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For the Year Ended June 30, 2021

	CHDO Fund	Sumter Green Fund	Swan Fund	Support of Shaw Fund	Dalzell Water District Fund	Oswego Water District Fund	Total
ADDITIONS							
Charitable contributions	\$ 1,650,000	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ 1,674,000
Charges for services	45,000	4,000	-	-	603,214	522,878	1,175,092
Proceeds from sale of assets	39,560	-	-	-	-	-	39,560
Interest earned	4,754	-	-	-	711	-	5,465
Other custodial fund collections	14,855	-	-	-	-	-	14,855
Total additions	1,754,169	28,000	-	-	603,925	522,878	2,908,972
DEDUCTIONS							
Distributions to/on behalf of beneficiaries	421,400	-	-	-	352,889	324,723	1,099,012
Charitable program service expenditures	-	89,461	-	2,620	-	-	92,081
Utilities	-	-	-	-	24,929	154,399	179,328
Administrative	660	13,787	-	-	103,045	39,395	156,887
Other custodial disbursements	4,970	1,459	-	-	-	6,548	12,977
Total deductions	427,030	104,707	-	2,620	480,863	525,065	1,540,285
CHANGE IN NET POSITION	1,327,139	(76,707)	-	(2,620)	123,062	(2,187)	1,368,687
Net position, beginning of year, as restated	2,444,912	207,679	326	489,626	407,012	61,135	3,610,690
Net position, end of year	\$ 3,772,051	\$ 130,972	\$ 326	\$ 487,006	\$ 530,074	\$ 58,948	\$ 4,979,377

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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, 2021

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			\$ 309,239	\$ 309,239
Court fines and assessments remitted to State Treasurer			\$ (171,001)	\$ (171,001)
Total Court Fines and Assessments retained	\$ -	\$ -	\$ 138,238	\$ 138,238
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 7,314	\$ 7,314
Assessments retained			\$ 15,233	\$ 15,233
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 22,547	\$ 22,547

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	\$ 9,157		\$ 9,157
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ 15,233		\$ 15,233
Victim Service Surcharges Retained by City/County Treasurer	\$ 7,314		\$ 7,314
Interest Earned			\$ -
Grant Funds Received			
Grant from:			\$ -
General Funds Transferred to Victim Service Fund	\$ 40,500		\$ 40,500
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)	\$ 72,204	\$ -	\$ 72,204

CITY OF SUMTER, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 70,877		\$ 70,877
Operating Expenditures	\$ 3,352		\$ 3,352
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)	\$ 74,229	\$ -	\$ 74,229
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ (2,025)		\$ (2,025)
Less: Prior Year Fund Deficit Repayment			\$ -
Carryforward Funds – End of Year	\$ (2,025)	\$ -	\$ (2,025)

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
E911 FUND
For the Year Ended June 30, 2021

REVENUES	
Licenses, Permits, and Fees:	\$ 965,965
TOTAL REVENUE ALL SOURCES	<u>965,965</u>
 EXPENDITURES	
Public Safety Communications:	
Personnel Services	67,372
General Operating	126,559
Repairs and Maintenance	4,235
Contractual Services	405,193
Service Charges	42,500
Total Public Safety Communications	<u>645,860</u>
Capital Outlay	-
Depreciation	-
TOTAL EXPENDITURES	<u>645,860</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>320,105</u>
 OTHER FINANCING SOURCES (USES)	
Transfers In	-
Transfers Out	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>
 NET CHANGE IN FUND BALANCE	 320,105
 FUND BALANCE, Beginning of Year	 <u>477,723</u>
FUND BALANCE, End of Year	<u>\$ 797,828</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.	98-102
Revenue Capacity These schedules contain information to help the reader assess the City's most significant governmental fund revenue source, the property tax.	103-106
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.	107-111
Demographic and Economic Information These schedules are presented to help the reader understand the environment within which the City's financial activities take place.	112-113
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.	114-116

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

Table 1

	2012	2013	2014*	2015*	2016*	2017	2018*	2019*	2020	2021
Governmental activities										
Net investment in capital assets	\$ 34,953,433	\$ 33,243,982	\$ 37,254,398	\$ 37,859,121	\$ 44,895,830	\$ 51,316,040	\$ 62,306,724	\$ 63,918,549	\$ 66,736,286	\$ 73,593,680
Restricted	3,831,804	4,368,409	3,321,746	3,674,181	4,017,629	2,563,750	1,363,618	1,602,553	713,234	974,859
Unrestricted	6,450,276	9,682,906	(18,290,094)	(15,213,181)	(12,683,745)	(12,763,242)	(28,535,032)	(31,388,907)	(34,040,211)	(39,832,995)
Total governmental activities net position	\$ 45,235,513	\$ 47,295,297	\$ 22,286,050	\$ 26,320,121	\$ 36,229,714	\$ 41,116,548	\$ 35,135,310	\$ 34,132,195	\$ 33,409,309	\$ 34,735,544
Business-type activities										
Net investment in capital assets	\$ 40,344,630	\$ 44,351,489	\$ 47,592,613	\$ 51,883,642	\$ 59,804,646	\$ 61,235,765	\$ 60,881,625	\$ 64,413,720	\$ 64,717,438	\$ 64,598,978
Restricted	6,891,660	1,972,234	3,171,556	2,998,574	3,413,145	3,141,584	1,495,645	1,407,022	1,424,185	1,444,971
Unrestricted	13,878,459	19,310,612	11,443,024	12,448,335	12,153,772	10,330,498	8,798,637	5,159,856	4,192,241	2,512,128
Total business-type activities net position	\$ 61,114,749	\$ 65,634,335	\$ 62,207,193	\$ 67,330,551	\$ 75,371,563	\$ 74,707,847	\$ 71,175,907	\$ 70,980,598	\$ 70,333,864	\$ 68,556,077
Primary government totals										
Net investment in capital assets	\$ 75,298,063	\$ 77,595,471	\$ 84,847,011	\$ 89,742,763	\$ 104,700,476	\$ 112,551,805	\$ 123,188,349	\$ 128,332,269	\$ 131,453,724	\$ 138,192,658
Restricted	10,723,464	6,340,643	6,493,302	6,672,755	7,430,774	5,705,334	2,859,263	3,009,575	2,137,419	2,419,830
Unrestricted	20,328,735	28,993,518	(6,847,070)	(2,764,846)	(529,973)	(2,432,744)	(19,736,395)	(26,229,051)	(29,847,970)	(37,320,867)
Total primary government net position	\$ 106,350,262	\$ 112,929,632	\$ 84,493,243	\$ 93,650,672	\$ 111,601,277	\$ 115,824,395	\$ 106,311,217	\$ 105,112,793	\$ 103,743,173	\$ 103,291,621

* Beginning net position restated

GASB Statement No. 68 was implemented in 2014

GASB Statement No. 75 was implemented in 2018

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

Table 2
Page 1 of 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 5,227,490	\$ 5,560,774	\$ 5,506,479	\$ 5,473,334	\$ 6,451,137	\$ 6,914,238	\$ 6,878,117	\$ 7,568,694	\$ 8,700,701	\$ 8,463,366
Public safety	17,112,887	17,689,569	18,726,272	18,447,133	20,279,524	22,661,191	24,276,099	25,317,244	27,139,712	26,504,213
Public works	5,037,657	5,110,944	6,198,843	5,478,100	5,952,721	6,046,733	6,252,507	6,636,236	6,810,483	7,144,712
Parks, recreation and culture	3,356,330	3,268,065	3,655,740	4,128,482	4,060,104	4,498,693	4,910,697	4,592,630	4,238,718	4,612,439
Community development	503,184	449,666	518,788	381,600	372,307	542,944	568,986	678,566	590,211	979,369
Economic development	2,133,942	2,254,660	1,846,045	1,898,790	2,216,399	2,408,864	2,452,098	2,611,732	2,586,377	2,455,838
Interest on long-term debt	290,181	284,930	215,380	175,056	164,617	212,333	241,549	472,193	413,786	434,051
Total governmental activities expenses	33,661,671	34,618,608	36,667,547	35,982,495	39,496,809	43,284,996	45,580,053	47,877,295	50,479,988	50,593,988
Business-type activities:										
Water and sewer services	17,238,843	16,954,386	17,606,238	17,659,418	20,412,516	22,951,594	23,184,832	23,864,071	24,667,715	25,603,019
Total business-type activities expenses	17,238,843	16,954,386	17,606,238	17,659,418	20,412,516	22,951,594	23,184,832	23,864,071	24,667,715	25,603,019
Total primary government expenses	\$ 50,900,514	\$ 51,572,994	\$ 54,273,785	\$ 53,641,913	\$ 59,909,325	\$ 66,236,590	\$ 68,764,885	\$ 71,741,366	\$ 75,147,703	\$ 76,197,007
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 61,124	\$ 61,811	\$ 62,235	\$ 59,224	\$ 65,661	\$ 78,871	\$ 85,586	\$ 92,360	\$ 89,503	\$ 90,874
Public safety and courts	3,956,597	4,047,676	3,985,838	4,192,162	4,338,495	4,635,011	4,518,708	4,357,327	4,395,400	5,414,539
Public works	2,249,161	2,234,873	2,561,400	2,586,280	2,731,542	2,686,200	2,889,655	2,904,271	3,173,461	3,189,083
Parks, recreation and culture	383,008	388,646	418,939	435,833	443,058	477,921	576,368	612,271	391,488	332,281
Economic development	101,234	68,137	93,257	68,010	57,850	-	39,047	153,127	11,606	102,005
Operating grants and contributions	1,908,854	2,217,909	2,863,555	2,654,380	2,139,975	3,176,857	2,267,893	3,374,237	3,490,958	5,372,517
Capital grants and contributions	657,135	268,999	2,372,060	1,207,142	9,064,025	6,909,606	9,520,114	1,382,806	5,368,009	3,916,396
Total governmental activities program revenues	9,317,113	9,288,051	12,357,284	11,203,031	18,840,606	17,964,466	19,897,371	12,876,399	16,920,425	18,417,695
Business-type activities:										
Charges for services - water and sewer	20,348,381	20,815,639	21,034,775	21,634,744	22,576,678	22,827,222	23,166,411	23,372,515	23,575,673	24,387,933
Operating grants and contributions	25,494	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,694,297	2,128,816	1,532,724	1,985,402	6,727,154	654,066	757,170	779,607	1,912,105	908,317
Total business-type activities program revenues	22,068,172	22,944,455	22,567,499	23,620,146	29,303,832	23,481,288	23,923,581	24,152,122	25,487,778	25,296,250
Total primary government activities program revenues	\$ 31,385,285	\$ 32,232,506	\$ 34,924,783	\$ 34,823,177	\$ 48,144,438	\$ 41,445,754	\$ 43,820,952	\$ 37,028,521	\$ 42,408,203	\$ 43,713,945

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expenses)/revenues										
Governmental activities	\$ (24,344,558)	\$ (25,330,557)	\$ (24,310,263)	\$ (24,779,464)	\$ (20,656,203)	\$ (25,923,550)	\$ (25,682,682)	\$ (35,000,450)	\$ (33,559,563)	\$ (32,176,293)
Business-type activities	4,829,329	5,990,069	4,961,261	5,960,728	8,891,316	529,694	738,749	225,644	820,063	(306,769)
Total primary government net expenses	\$ (19,515,229)	\$ (19,340,488)	\$ (19,349,002)	\$ (18,818,736)	\$ (11,764,887)	\$ (25,393,856)	\$ (24,943,933)	\$ (34,774,806)	\$ (32,739,500)	\$ (32,483,062)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 9,140,794	\$ 10,132,215	\$ 9,241,692	\$ 9,637,697	\$ 10,148,185	\$ 9,935,294	\$ 9,746,300	9,857,170	10,263,884	9,633,998
Sales taxes										
Local options sales taxes	3,659,210	3,234,258	4,380,262	4,019,596	4,121,745	4,539,418	4,052,214	4,585,665	5,092,151	5,412,393
Local accommodations taxes	408,652	444,237	427,160	433,245	574,494	554,749	575,888	646,968	546,255	596,555
Local hospitality taxes	2,104,808	2,180,611	2,305,885	2,456,313	2,654,675	2,731,193	2,839,557	2,962,714	2,842,689	3,295,766
Franchise taxes	8,584,176	8,957,349	9,014,503	9,684,170	9,929,608	10,017,899	10,733,153	11,550,918	10,649,959	11,218,098
State shared taxes	778,770	972,987	957,975	951,401	933,862	1,025,715	999,263	1,595,660	1,050,281	1,021,742
Interest and other	(539,782)	238,191	211,001	154,366	631,365	284,611	330,675	745,914	309,370	133,407
Gain (loss) on sale of property	26,894	51,776	72,799	136,148	192,318	190,850	138,163	74,123	135,109	448,724
Transfers	1,040,067	1,178,717	1,557,957	1,340,599	1,379,543	1,530,655	1,681,705	1,923,203	1,946,978	1,741,845
Total governmental activities	25,203,589	27,390,341	28,169,234	28,813,535	30,565,796	30,810,384	31,096,918	33,942,335	32,836,676	33,502,528
Business-type activities										
Interest and other	87,740	(291,766)	406,467	503,229	1,765,981	337,245	259,884	485,294	480,181	270,827
Transfers	(1,040,067)	(1,178,717)	(1,557,957)	(1,340,599)	(1,379,543)	(1,530,655)	(1,681,705)	(1,923,203)	(1,946,978)	(1,741,845)
Total business-type activities	(952,327)	(1,470,483)	(1,151,490)	(837,370)	386,438	(1,193,410)	(1,421,821)	(1,437,909)	(1,466,797)	(1,471,018)
Total primary government	\$ 24,251,262	\$ 25,919,858	\$ 27,017,744	\$ 27,976,165	\$ 30,952,234	\$ 29,616,974	\$ 29,675,097	\$ 32,504,426	\$ 31,369,879	\$ 32,031,510
Changes in net position										
Governmental activities	\$ 859,031	\$ 2,059,784	\$ 3,858,971	\$ 4,034,071	\$ 9,909,593	\$ 4,886,834	\$ 5,414,236	\$ (1,058,115)	\$ (722,887)	\$ 1,326,235
Business-type activities	3,877,002	4,519,586	3,809,771	5,123,358	9,277,754	(663,716)	(683,072)	(1,212,265)	(646,734)	(1,777,787)
Total primary government	\$ 4,736,033	\$ 6,579,370	\$ 7,668,742	\$ 9,157,429	\$ 19,187,347	\$ 4,223,118	\$ 4,731,164	\$ (2,270,380)	\$ (1,369,621)	\$ (451,552)

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

Table 3

	2012	2013	2014*	2015	2016	2017	2018*	2019	2020	2021
General fund										
Nonspendable	1,044,752	859,921	922,501	937,635	871,998	1,121,067	1,340,885	1,415,889	1,822,278	2,307,285
Restricted	3,651,016	2,267,285	1,356,647	1,747,994	1,271,024	8,315,700	2,373,497	1,521,922	1,210,716	27,272
Unassigned	6,943,826	9,956,403	12,228,926	13,939,785	17,259,471	15,343,958	16,135,376	15,177,436	14,666,602	13,708,927
Total general fund	\$ 11,639,594	\$ 13,083,609	\$ 14,508,074	\$ 16,625,414	\$ 19,402,493	\$ 24,780,725	\$ 19,849,758	\$ 18,115,247	\$ 17,699,596	\$ 16,043,484
All other governmental funds										
Nonspendable										
Restricted	3,831,804	4,318,409	3,321,746	3,674,181	4,017,629	2,563,750	1,363,618	3,608,325	2,499,494	3,240,347
Unassigned	(5,819)	-	-	-	-	-	-	-	(550,928)	(627,586)
Total all other governmental funds	\$ 3,825,985	\$ 4,318,409	\$ 3,321,746	\$ 3,674,181	\$ 4,017,629	\$ 2,563,750	\$ 1,363,618	\$ 3,608,325	\$ 1,948,566	\$ 2,612,761
Total fund balances, governmental funds	\$ 15,465,579	\$ 17,402,018	\$ 17,829,820	\$ 20,299,595	\$ 23,420,122	\$ 27,344,475	\$ 21,213,376	\$ 21,723,572	\$ 19,648,162	\$ 18,656,245

*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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 15,333,746	\$ 15,933,550	\$ 16,436,999	\$ 16,703,384	\$ 17,491,876	\$ 17,222,554	\$ 17,625,474	\$ 18,023,005	\$ 18,519,027	\$ 19,242,380
Licenses and permits	8,957,579	9,301,024	9,304,157	10,017,818	10,288,917	10,505,914	11,317,317	12,019,355	11,148,864	11,952,585
Intergovernmental	6,276,527	6,570,703	9,422,466	7,952,977	15,560,058	13,766,239	16,065,032	9,122,553	11,978,795	14,272,217
Charges for services	2,649,115	2,686,487	3,049,658	3,090,515	3,186,806	3,189,280	3,436,666	3,491,444	3,568,559	3,514,808
Fines and forfeits	407,739	419,500	394,440	444,010	520,929	426,563	338,920	405,754	243,095	217,103
Interest earned and investment return	(559,174)	(21,483)	78,181	27,559	141,184	115,168	120,629	163,862	145,985	33,198
Other	160,771	106,547	141,669	103,196	503,657	172,038	363,287	1,057,146	1,119,469	489,773
Total revenues	\$ 33,226,303	\$ 34,996,328	\$ 38,827,570	\$ 38,339,459	\$ 47,693,427	\$ 45,397,756	\$ 49,267,325	\$ 44,283,119	\$ 46,723,794	\$ 49,722,064
Expenditures										
General government	\$ 5,034,237	\$ 5,350,291	\$ 5,334,675	\$ 5,535,277	\$ 6,196,203	\$ 6,373,283	\$ 6,384,559	\$ 6,782,912	\$ 7,763,609	\$ 7,602,476
Public safety	15,761,596	16,453,860	16,677,457	17,983,142	18,312,228	19,922,523	20,519,438	21,221,972	22,580,466	22,680,026
Public works	3,560,863	3,548,506	4,501,353	3,922,498	4,018,174	4,254,877	4,414,269	4,738,337	4,712,638	4,836,633
Parks and gardens	1,636,336	1,586,780	1,741,499	2,051,372	2,178,291	2,144,481	2,324,951	2,034,583	2,060,170	1,907,823
Culture and recreation	1,049,968	1,036,629	1,117,699	1,420,143	1,004,796	1,367,230	1,565,518	1,513,670	1,268,220	1,701,811
Community development	365,543	310,025	377,225	289,640	203,418	389,652	255,773	371,838	294,684	668,227
Economic development	1,953,751	2,030,994	1,617,646	1,670,764	1,911,249	1,976,225	2,027,683	2,175,110	2,155,114	2,080,253
Capital outlay	4,607,333	2,980,566	6,920,566	3,828,240	11,788,296	11,532,355	24,808,032	8,722,710	8,623,984	11,904,821
Debt service										
Principal	2,483,333	1,675,465	2,459,785	1,764,903	1,837,738	1,870,817	2,215,542	2,441,317	2,447,385	2,719,370
Interest and other charges	317,180	265,934	238,459	184,848	172,802	154,941	223,344	312,106	439,375	452,778
Total expenditures	\$ 36,770,140	\$ 35,239,050	\$ 40,986,364	\$ 38,650,827	\$ 47,623,195	\$ 49,986,384	\$ 64,739,109	\$ 50,314,555	\$ 52,345,645	\$ 56,554,218
Excess of revenue over (under) expenditures	\$ (3,543,837)	\$ (242,722)	\$ (2,158,794)	\$ (311,368)	\$ 70,232	\$ (4,588,628)	\$ (15,471,784)	\$ (6,031,436)	\$ (5,621,851)	\$ (6,832,154)
Other financing sources (uses)										
Proceeds from issuance of bonds	\$ 4,234,000	\$ -	\$ -	\$ -	\$ -	\$ 4,495,000	\$ 6,000,000	\$ 2,000,000	\$ -	\$ 2,550,000
Capital leases issued	990,000	733,000	733,000	1,295,000	1,450,000	2,128,816	1,407,000	1,896,000	1,216,000	1,077,315
Sale of property	43,800	267,444	204,306	145,544	220,752	358,510	251,981	667,429	383,462	471,077
Transfers in	2,185,026	2,534,361	2,945,413	3,039,094	3,041,475	3,553,025	3,885,076	4,106,733	4,539,497	4,069,322
Transfers out	(1,080,249)	(1,355,644)	(1,396,123)	(1,698,495)	(1,661,932)	(2,022,370)	(2,203,372)	(2,183,530)	(2,592,519)	(2,327,477)
Total other financing sources (uses)	\$ 6,372,577	\$ 2,179,161	\$ 2,486,596	\$ 2,781,143	\$ 3,050,295	\$ 8,512,981	\$ 9,340,685	\$ 6,486,632	\$ 3,546,440	\$ 5,840,237
Net change in fund balances	\$ 2,828,740	\$ 1,936,439	\$ 327,802	\$ 2,469,775	\$ 3,120,527	\$ 3,924,353	\$ (6,131,099)	\$ 455,196	\$ (2,075,411)	\$ (991,917)
Debt service as a percentage of										
Non-capital expenditures	8.71%	6.02%	7.92%	5.60%	5.61%	5.27%	6.11%	6.62%	6.60%	7.10%

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					
2012	98,790	1,110	99,900	15,070	10,210	25,280	360	124,820	103	2,350,544	5.31%
2013	99,490	1,180	100,670	14,280	13,950	28,230	250	128,650	102	2,489,160	5.17%
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%

Property is reassessed approximately every five years. Reassessments took place in 2012 and 2017. 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	City of Sumter(1)			Overlapping Rates						Total
				Sumter County (2)			Sumter County School District (2)			
	Operating Millage	Service Millage	City Millage	Operating Millage	Service Millage	County Millage	Operating Millage	Service Millage	School Millage	
2012	98.00	5.00	103.00	90.30	15.00	105.30	151.00	57.00	208.00	416.30
2013 (3)	97.00	5.00	102.00	90.30	15.00	105.30	151.00	60.00	211.00	418.30
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	97.00	5.00	102.00	98.20	15.00	113.20	160.10	50.00	210.10	425.30
2019	97.00	5.00	102.00	98.20	15.00	113.20	160.10	50.00	210.10	425.30
2020	97.00	5.00	102.00	98.20	15.00	113.20	160.10	60.00	220.10	435.30
2021	97.00	5.00	102.00	100.10	15.00	115.10	160.10	60.00	220.10	437.20

(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 2021			Fiscal Year 2012		
	2020 Assessed	Rank	Percentage of Total Assessed	2011 Assessed	Rank	Percentage of Total Assessed
	Valuation		Valuation	Valuation		Valuation
Duke Energy Progress, Inc.	\$ 2,350	1	1.67%	\$ 1,610	1	1.33%
Retreat At Sumter Apartments LLC	1,580	2	1.12%	-	10	0.00%
SRC Piedmont Plantation Apt.	1,380	3	0.98%	790	4	0.65%
Ashton Mill of Sumter, LLC	910	4	0.65%	880	2	0.73%
Safe Federal Credit Union	730	5	0.52%	664	7	0.55%
Formed Fiber 789	730	6	0.52%	733	6	0.60%
Scott H. Lee	690	7	0.49%	750	5	0.62%
Select-Wesmark Plaza	680	8	0.48%	400	9	0.33%
Sumter Mall	670	9	0.48%	509	8	0.42%
Lowe's Home Centers	520	10	0.37%	832	3	0.69%
Totals	\$ 10,240		7.28%	\$ 7,168		5.91%

Source: Sumter County Auditor

Total assessed for tax year 2021: 140,574,790

Total assessed for tax year 2012: 121,345,650

**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 (1) (2)	Percentage of Levy (1)		Amount	Percentage of Levy
2012	2011	9,014	8,635	95.8%	277	8,912	98.9%
2013	2012 (3)	9,761	9,562	98.0%	339	9,901	101.4%
2014	2013	9,101	8,552	94.0%	480	9,032	99.2%
2015	2014	8,944	8,582	96.0%	408	8,990	100.5%
2016	2015	9,791	9,175	93.7%	417	9,592	98.0%
2017	2016 (3)	9,141	8,533	93.3%	292	8,825	96.5%
2018	2017	9,747	9,102	93.4%	337	9,439	96.8%
2019	2018	9,455	8,677	91.8%	317	8,994	95.1%
2020	2019	9,179	8,534	93.0%	570	9,104	99.2%
2021	2020	9,367	9,145	97.6%	180	9,325	99.6%

(1) Source: Sumter County Treasurer

(2) Amount includes current tax collections for real and personal property, as well as, reimbursement for homestead exemptions.

(3) 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				
2012	4,717,453	1,734,000	-	1,513,000	2,436,396	37,043,900	-	-	47,444,749	3.55%	40,368	1,175
2013	4,051,216	1,501,000	-	1,432,000	2,474,168	34,675,735	-	-	44,134,119	2.92%	40,293	1,095
2014	3,395,067	1,263,000	-	673,000	2,400,533	32,717,272	-	-	40,448,872	2.59%	40,218	1,006
2015	2,714,307	1,020,000	-	636,000	2,891,391	30,684,808	-	-	37,946,506	2.38%	40,143	945
2016	2,255,462	772,000	-	597,000	3,249,497	57,661,193	-	-	64,535,152	3.98%	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	4.06%	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	4.42%	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	4.21%	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	3.82%	39,964	1,597
2021	5,319,333	4,287,000	3,400,000	368,000	4,580,326	44,460,000	-	453,547	62,868,206	3.34%	43,463	1,446

(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		
2012	4,717,453	-	4,717,453	0.20%	117
2013	4,051,216	-	4,051,216	0.16%	101
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%	152
2021	5,319,333	-	5,319,333	0.18%	122

(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, 2021
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
Debt repaid with property taxes			
Sumter County School District	\$ 5,225,000 (1)	35% (4)	\$ 1,828,750
Sumter County General Obligation	6,103,000 (2)	35% (4)	<u>2,136,050</u>
Subtotal , overlapping debt			<u>3,964,800</u>
City direct debt	5,319,333 (3)	100% (3)	<u>5,319,333</u>
Total direct and overlapping debt			<u><u>\$ 9,284,133</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 10,312,000	\$ 10,599,200	\$ 10,804,000	\$ 10,784,548	\$ 10,942,400	\$ 10,942,400	\$ 10,924,800	\$ 11,080,672	\$ 11,226,822	\$ 11,245,983
Total net debt applicable to limit	4,717,453	4,051,216	3,395,067	2,714,307	2,255,462	1,781,443	7,297,137	6,797,426	6,068,199	5,319,333
Legal debt margin	\$ 5,594,547	\$ 6,547,984	\$ 7,408,933	\$ 8,070,241	\$ 8,686,938	\$ 9,160,957	\$ 3,627,663	\$ 4,283,246	\$ 5,158,623	\$ 5,926,650
Total net debt applicable to the limit as a percentage of debt limit	45.75%	38.22%	31.42%	25.17%	20.61%	16.28%	66.79%	61.34%	54.05%	47.30%

Calculation of legal debt margin for fiscal year 2021:

Total assessed value	140,574,790
Debt limit (8% of total assessed value)	11,245,983
Less, total general obligation bonds outstanding	(5,319,333)
Legal debt margin	5,926,650

**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	Debt Service Requirements			Revenue Bond Coverage Ratio
			Available For Debt Service	Principal	Interest	Total	
2012	19,761,046	11,614,937	8,146,109	1,785,359	1,650,486	3,435,845	2.37
2013	20,187,801	11,421,967	8,765,834	1,890,528	1,585,618	3,476,146	2.52
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

(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)
2012	40,368 (3)	31,938 (2)	1,289,273,184	16,917	10.3%
2013	40,293 (3)	32,309 (2)	1,301,826,537	16,251	8.8%
2014	40,218 (3)	33,211 (2)	1,335,679,998	17,045	6.1%
2015	40,143 (3)	34,166 (2)	1,371,525,738	17,237	7.4%
2016	40,068 (3)	34,974 (2)	1,401,338,232	16,511	5.7%
2017	39,982 (1)	36,128 (2)	1,444,469,696	16,393	4.8%
2018	39,656 (1)	37,440 (2)	1,484,720,640	16,501	3.6%
2019	39,656 (3)	38,573 (2)	1,529,650,888	16,387	3.7%
2020	39,964 (1)	41,807 (2)	1,670,774,948	15,788	8.7% *
2021	43,463 (1)	43,245 (1)	1,879,557,435	15,197	7.6%

(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	2021			2012 *		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Shaw Air Force Base (1)	9,447	1	23.81%	9,031	1	23.22%
Sumter County School District (3)	2,448	2	6.17%	2,976	2	7.65%
Prisma Health Tuomey (4)	1,658	3	4.18%	1,800	4	4.63%
Continental Tire the Americas (2)	1,300	4	3.28%	-	-	-
Pilgrim's Inc. (2)	1,000	5	2.52%	2,000	3	5.14%
Thompson Industrial (2)	925	6	2.33%	-	-	-
State of South Carolina (5)	870	7	2.19%	903	6	2.32%
BD Diagnostics, Preamalytical Solutions (2)	838	8	2.11%	800	7	2.06%
Sykes, Inc. (Data Center) (2)	700	9	1.76%	950	5	2.44%
Eaton Electrical (2)	700	10	1.76%	660	9	1.70%
Sumter County Government (2)	-	-	-	667	8	1.72%
City of Sumter (6)	-	-	-	557	10	1.43%
Total Employment	39,673			38,888		

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

*Management Estimate

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

Table 16

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Administrative	27	28	27	25	25	25	25	31	31.5	32.5
City store	2	2	2	2	2	2	2	2	2	2
Planning	10	10	11	8	10	10	11	11	11.5	11
Business license	4	4	4	4	4	4	4	4	5	5
Downtown	2	3	4	5	6	5	6	7	7.5	7.5
Public safety										
Building inspections	12	12	12	11	12	11	12	12	11	10
Codes	4	5	4	6	7	7	7	7	8	8
Police (1)	120	124	120	120	120	122	143	143	143	142.5
Police city-county	35	34	35	33	37	33	33	33	33.5	36.5
Municipal Court	2	2	2	2	2	2	2	2	2	2
Fire	104	101	104	106	107	108	101	101	102	101.5
Public works										
Construction	7	6	9	10	9	10	12	12	12	12
Engineering	5	7	7	7	9	7	7	6	6	6
Public works	10	10	8	8	9	8	9	9	9	9
Vehicle maintenance	1	1	1	1	1	1	1	1	1	1
Sanitation	38	39	39	38	37	39	41	41	41	41
Parks and gardens	35	34	38	39	38	39	33	33	33	33
Recreation	7	7	6	7	7	9	9	21	21	22
Stormwater	0	0	0	0	0	0	0	0	0	3
Community development										
Hope centers	12	11	11	12	12	12	11	11	11	12
Water and sewer										
Utility billing	29	28	29	27	28	26	27	27	28	28
Water & sewer distribution	29	29	32	30	28	29	33	33	32	32
Mechanical maintenance	10	9	10	11	10	12	11	11	11	11
Water plants	12	12	12	14	14	14	15	15	15	15
Sewer plant	26	26	26	26	26	25	28	28	28	29
Electrical maintenance	2	2	3	3	2	2	3	3	3	3
Mayesville	2	2	1	2	2	2	2	2	2	2
TOTAL EMPLOYEES	547	548	557	557	564	564	588	606	610	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	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government (4)										
Building permits issued -										
Commercial	187	182	176	135	213	209	173	165	559	590
Residential	1,600	873	763	862	1,017	881	795	762	1,759	1,963
Police (1)										
Number of police calls	76,570	71,292	82,493	87,492	86,440	75,767	72,838	76,635	77,929	90,125
Traffic violations	6,316	4,701	4,240	6,404	6,469	5,028	2,197	4,995	2,765	1,686
Fire (2)										
Calls answered	2,042	2,131	2,980	3,050	3,188	3,007	3,185	3,811	2,450	5,619
Water system (3)										
Service connections	23,022	23,095	23,184	23,305	23,079	23,068	23,708	23,673	23,673	23,991
Average daily consumptions (in millions of gallons)	11.3	11.2	11.5	11.9	12.3	13.1	13.9	13.3	12.2	11.7
Maximum daily capacity (in millions of gallons)	23.3	23.3	23.3	23.3	23.3	23.3	20.1	27.3	27.3	27.3
Wastewater system (3)										
Service connections	16,847	16,755	16,853	17,039	17,355	17,178	17,814	17,783	17,783	18,083
Average daily treatment (in millions of gallons)	7.6	8.0	10.0	8.6	11.6	10.4	10.4	11.9	11.9	12.8
Maximum daily capacity (in millions of gallons)	15.0	15.0	15.0	18.0	18.0	18.0	18.0	18.0	18.0	15.0

(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	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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)**	84	87	89	89	91	93	93	95	95	95
Streetlights	2,633	2,636	2,645	2,673	1,492	1,516	2,406	2,410	2,410	2,410
Culture and recreation (4)										
Community centers	5	5	5	5	5	5	5	3	3	3
Parks	23	23	23	23	23	23	24	26	26	26
Park acreage	270	270	270	270	270	270	270	270	270	270
Water park	3	3	3	5	5	5	5	5	5	5
Aquatic center	1	1	1	1	1	1	1	1	1	1
Tennis courts	27	27	27	27	24	24	24	24	24	24
Water system (4)										
Water mains (in miles)	464	468	472	470	474	471	471	473	473	473
Fire hydrants	1,617	1,601	1,585	1,638	1,640	1,643	1,650	1,659	1,659	1,659
Wastewater system (4)										
Sanitary sewers (in miles)	331	336	339	340	341	342	342	344	344	344
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, 2021

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	\$ 138,253
Federal Emergency Management Agency Pass-through Program From	97.036	FEMA-4492-DR-SC	30,000
South Carolina Emergency Management Division	97.039	FEMA-4241-0007-DR-SC-HMGP	1,715
	97.039	FEMA-4241-0008-DR-SC-HMGP	23,306
	97.039	FEMA-4241-0018-DR-SC-HMGP	2,255
	97.039	FEMA-4241-0044-DR-SC-HMGP	38,449
Total Department of Defense			<u>233,978</u>
Department of Housing and Urban Development Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-45-0011	21,816
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-45-0011	151,528
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-45-0011	369,249
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-45-0011	24,989
			<u>567,582</u>
Department of Housing and Urban Development Pass-through Programs From:			
City of Mayesville			
Community Development Block Grant/States	14.228	4--CI-17-010	229,624
Total Department of Housing and Urban Development			<u>797,206</u>
Department of Justice Direct Programs:			
Bullet Proof Vest Partnership Program	16.607	2019BUBX19099631	4,323
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019DJBX0478	370
Corona Emergency Supplemental Funding Program	16.034	2020VDBX0101	13,955
Drug Enforcement Administration (Equitable Sharing)	16.922		4,416
Department of Justice Pass-through Programs From:			
South Carolina Department of Public Safety			
Victims of Crime	16.575	1V19060	3,465
Victims of Crime	16.575	1V20023	21,176
			<u>24,641</u>
Total Department of Justice			<u>47,705</u>
Department of Transportation Pass-through Programs From:			
South Carolina Department of Transportation			
Federal Transit-Metropolitan Planning Grants	20.205		138,241
Total Department of Transportation			<u>138,241</u>
Department of the Treasury Direct Program			
Coronavirus State and Local Fiscal Recovery Funds	21.027		10,060
Department of the Treasury Pass Through Program From:			
Coronavirus Relief Fund	21.019		4,115,401
Total Expenditures of Federal Awards			<u>\$ 5,342,591</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, 2021

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, 2021. 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.

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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, 2021, 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 16, 2021.

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 may exist that have not been identified.

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 determination of financial statement amounts. 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 16, 2021

THE BRITTINGHAM GROUP, L.L.P.

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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

We have audited the City of Sumter's (the "City") compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 16, 2021

CITY OF SUMTER, SOUTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:	<u>Unmodified</u>
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:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	___ Yes <u>X</u> No

Identification of major programs:

<u>CFDA Number</u>	<u>Program Name</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>
Auditee qualified as a low-risk auditee?	<u>X</u> Yes ___ No

Section II - Financial Statements

None.

Section III - Federal Awards Findings and Questioned Costs

No matters reported.

No prior year audit findings.