

**CITY OF SUMTER,
SUMTER, SOUTH CAROLINA**
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024



Issued by:
City of Sumter
Finance Department

Jonathan E. Flinchum, CPA
Finance Director

Deron L. McCormick
City Manager

CITY OF SUMTER, SOUTH CAROLINA
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December 1, 2025

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, 2024.

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, 2024, 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, 2024, 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 nearly 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.

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

The City's long-term financial plans are focused on achieving goals that align with our mission, vision, and values.

The City's mission is to provide our citizens an environment of opportunity and excellent public services. We do this by:

- ***Investing in our people and infrastructure through professional employee development, workforce training, economic development, our community infrastructure, and community-wide public events.***
- ***Inviting people, businesses, and organizations to be an active part of the community through tourism, military affairs, industrial recruitment, and young professionals.***
- ***Serving our citizens and visitors by providing first-class connections and care whenever possible through public safety, utilities, sanitation services, planning, building inspection services, public health, and recreational venues.***

Understanding existing conditions and trends within the community and surrounding areas is vital to the City's development of long term financial plans. Under the guidance of City Council, City officials are in constant communication with the state and 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 needs and well-being 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.

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 evaluating multi-year capital plans for both its governmental and business-type activities.

Ongoing projects include the expansion and renovation of the historic Sumter Opera House, construction of a new military museum, pool upgrades at the Aquatics Center, and various park improvement projects across town, including Riley Park and the Bobby Richardson Baseball Complex. In addition, we recognize the importance of improving and maintaining the City's water & sewer system and have prioritized the City's capital investments accordingly. Ongoing water & sewer projects include various utility line replacements and extensions, elevated water tank improvements and replacements, and expansion of Water Plant # 5 and a new elevated water tank to meet demands of a growing service area. A detailed list of on-going projects can be found on page 52 of this report. Other Initiatives include continued progress towards downtown redevelopment, and continued investment in other public infrastructure. In addition, the City will continue to support efforts to keep Shaw Air Force Base open as it remains to be a key factor in the overall progress of the local economy.

Historically, the funding for capital projects has come from a variety of sources including state appropriations, federal grants, Hospitality Tax revenues, Accommodations Tax revenues, and general obligation bonds and revenue bonds. Most recently, Sumter's voters approved the capital penny ("Penny for Progress") sales tax referendum, which will provide a much needed funding source for various public safety capital equipment upgrades, improvements to public infrastructure, and various quality of life projects in the Sumter community.

Reissuance of the Annual Comprehensive Financial Report

This Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, has been reissued. After the original publication date, management identified federal expenditures that were omitted from the Schedule of Expenditures of Federal Awards (SEFA). To ensure the accuracy and completeness of information required under the Uniform Guidance, the SEFA and its related notes have been updated to include these expenditures.

In accordance with professional standards, when a report is reissued, management must evaluate and incorporate facts and circumstances known at the time of reissuance. As a result, this reissued ACFR also reflects certain unrelated adjustments to financial information that were identified subsequent to the original issuance. These adjustments affect the primary financial statements but do not relate to federal programs.

If the ACFR had not been reissued due to the omission of federal expenditures, these unrelated adjustments would have been recorded and disclosed as prior period adjustments in the City's ACFR for the fiscal year ending June 30, 2025.

The City is committed to transparency and accuracy in its financial reporting. The corrections and updates incorporated into this reissued ACFR ensure that the financial information presented is complete and reflects all facts known at the time of reissuance.

Acknowledgements

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

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

Respectfully submitted,



Deron McCormick, City Manager



Jonathan Flinchum, Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**City of Sumter
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

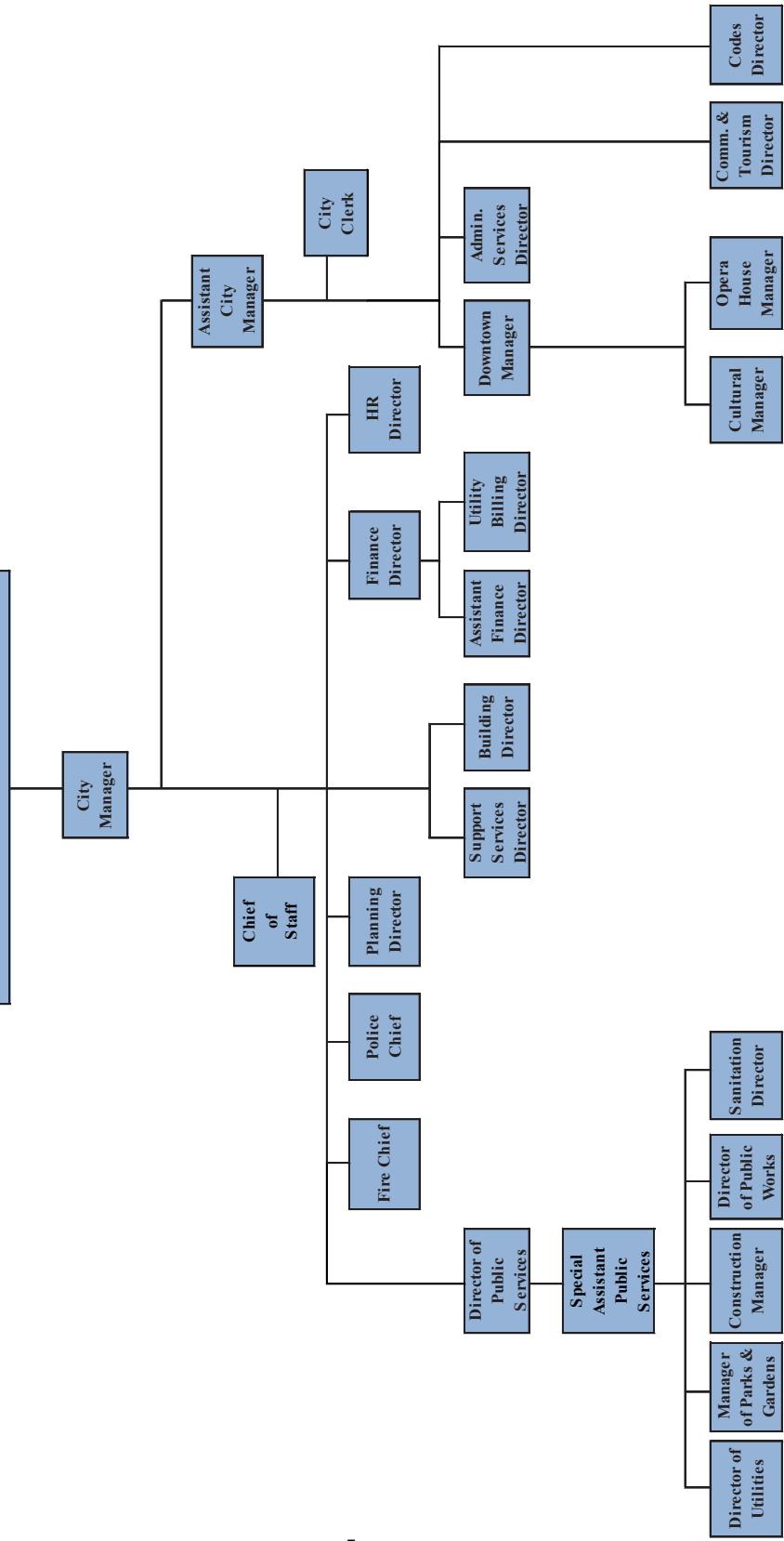
Christopher P. Monell

Executive Director/CEO

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The Mayor and City Council



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City of Sumter
South Carolina
29151

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ELECTED AND APPOINTED OFFICIALS

MAYOR

David P. Merchant

CITY COUNCIL

Anthony Gibson
Ward 1

James B. Blassingame
Ward 2

Calvin K. Hastie, Sr.
Ward 3

Rebecca L. Kennedy
Ward 4

Colin C. Davis
Ward 5

Gifford M. Shaw
Ward 6

CITY MANAGER
Deron L. McCormick

ASST. CITY MANAGER
Howard (Howie) J. Owens

CHIEF OF STAFF
Mark W. Partin

POLICE CHIEF
Russell F. Roark

CITY CLERK
Linda D. Hammett

FIRE CHIEF
C. Karl Ford

PLANNING DIRECTOR
Helen M. Roodman

HUMAN RESOURCES DIRECTOR
Audrey S. Ford

FINANCE DIRECTOR
Jonathan E. Flinchum

CODES DIRECTOR
John F. Macloskie

UTILITY BUSINESS DIRECTOR
Candi D. Quiroz

ASST. FINANCE DIRECTOR
Cheryl S. Catoe

PUBLIC SERVICES DIRECTOR
Michael E. Geddings, Jr.

SUPPORT SERVICES DIRECTOR
Lefford L. Fate

BUILDING DIRECTOR
Charles W. (Steve) Campbell

ADMINISTRATIVE SERVICES DIRECTOR
Staci L. Johnson

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FINANCIAL SECTION

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THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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

PHONE: (803) 739-3090
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, Uniform Schedule of Court, Fines, Assessments, and Surcharges (per ACT 96), Schedule of Revenues, Expenditures, and Changes in Fund Balance – E911 Fund, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Uniform Schedule of Court, Fines, Assessments, and Surcharges (per ACT 96), Schedule of Revenues, Expenditures, and Changes in Fund Balance – E911 Fund, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprised the introductory and statical sections but not does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, 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 1, 2025

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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, 2024. 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 2024 by \$211,168,843. (*net position*).
- The City’s total net position increased by \$47,712,817 during the current period as a result of an increase from governmental activities of \$37,018,881 and an increase from business-type activities of \$10,693,936.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$82,978,229, an increase of \$29,302,238 in comparison with the prior year. Approximately 24% of this total amount, \$19,932,505 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 \$20,246,712, or approximately 32% of total general fund expenditures.
- The City’s total outstanding long-term obligations decreased by \$3,075,698 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 (CONTINUED)**

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

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

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

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

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

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 (CONTINUED)**

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-67 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's proportionate share of the net pension liability in relation to its participation in a cost-sharing multiple-employer defined benefit pension plan and its contributions to said plan. In addition, this section reports on the City's progress in funding its obligation to provide other post-employment benefits to its employees. The required supplementary information can be found on pages 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 78-92 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$211,168,843 at the close of the most recent fiscal year.

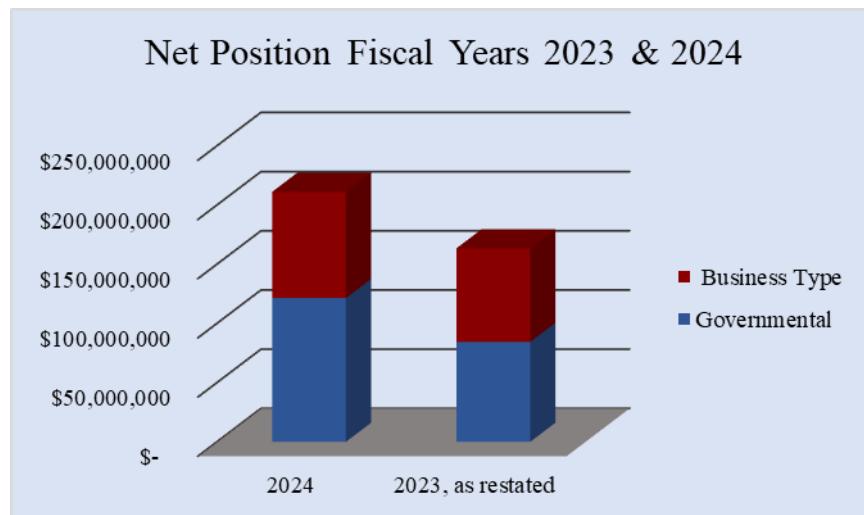
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
Assets						
Current and other assets	\$ 89,197,705	\$ 60,013,339	\$ 33,503,302	\$ 25,798,733	\$ 122,701,007	\$ 85,812,072
Capital assets	101,158,404	95,822,037	108,511,198	105,615,093	209,669,602	201,437,130
Total assets	190,356,109	155,835,376	142,014,500	131,413,826	332,370,609	287,249,202
Total deferred outflows of resources	8,917,318	8,741,352	3,355,172	3,473,345	12,272,490	12,214,697
Liabilities						
Noncurrent liabilities	67,808,273	70,547,406	50,873,196	53,290,270	118,681,469	123,837,676
Other liabilities	4,484,073	4,105,385	3,676,747	1,518,057	8,160,820	5,623,442
Total liabilities	72,292,346	74,652,791	54,549,943	54,808,327	126,842,289	129,461,118
Total deferred inflows of resources	5,532,685	5,494,422	1,099,282	1,052,333	6,631,967	6,546,755
Net position						
Net investment in capital assets	89,541,888	82,504,370	71,596,386	66,744,923	161,138,274	149,249,293
Restricted	58,635,984	33,285,503	8,306,610	5,034,604	66,942,594	38,320,107
Unrestricted	(26,729,476)	(31,360,358)	9,817,451	7,246,984	(16,912,025)	(24,113,374)
Total net position (as restated)	\$ 121,448,396	\$ 84,429,515	\$ 89,720,447	\$ 79,026,511	\$ 211,168,843	\$ 163,456,026

By far the largest portion of the City's net position (76%) 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 (32%) 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, 2024 (CONTINUED)**



The City's overall net position increased by \$47,712,817 from the prior fiscal year. The key components of this increase are discussed in the following sections for governmental and business-type activities.

Governmental Activities: Governmental activities increased the City's net position by \$37,018,881 from the prior fiscal year for an ending balance of \$121,448,396.

Prior Period Adjustments Impacting Net Position: To correct errors made in previously issued financial statements the City has recorded prior period adjustments with the following impacts to net position:

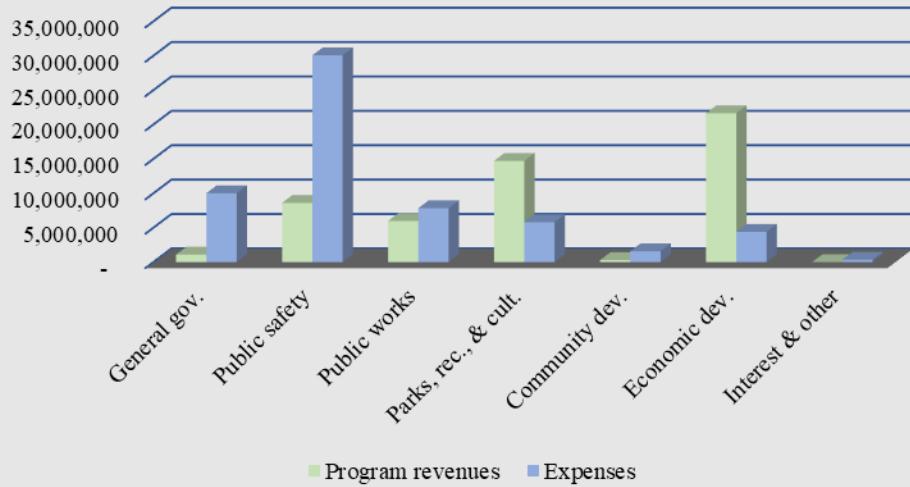
	Governmental Activities	Business Type Activities	Entity-Wide
Net Position, June 30, 2022, as previously reported	\$ 59,175,830	\$ 72,266,032	\$ 131,441,862
Decrease - correction for previously overstated grant revenue/receivables	(352,540)	-	(352,540)
Increase - correction for overstated accumulated depreciation/depreciation expense	-	94,808	94,808
Net Position, July 1, 2022, as restated	<u>58,823,290</u>	<u>72,360,840</u>	<u>131,184,130</u>
Net Position, June 30, 2023, as previously reported	84,721,055	78,912,742	163,633,797
Decrease - correction for previously overstated grant revenue/receivables	(352,539)	-	(352,539)
Increase - correction for overstated accumulated depreciation/depreciation expense	-	113,769	113,769
Increase - correction for unrecorded capital assets/capital contributions	60,999	-	60,999
Net Position, July 1, 2023, as restated	<u>\$ 84,429,515</u>	<u>\$ 79,026,511</u>	<u>\$ 163,456,026</u>

CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 (CONTINUED)

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
Revenues:						
Program revenues:						
Charges for services	\$ 11,757,701	\$ 11,073,639	\$ 28,641,078	\$ 27,767,282	\$ 40,398,779	\$ 38,840,921
Operating grants and contributions	5,460,130	5,103,125	-	-	5,460,130	5,103,125
Capital grants and contributions	35,131,267	24,248,294	8,336,189	5,748,480	43,467,456	29,996,774
Total program revenues:	52,349,098	40,425,058	36,977,267	33,515,762	89,326,365	73,940,820
General Revenues:						
Property taxes	11,851,899	10,413,842	-	-	11,851,899	10,413,842
Sales taxes - local option	7,322,847	6,631,311	-	-	7,322,847	6,631,311
Sales taxes - local accommodations and hospitality	4,871,909	4,734,880	-	-	4,871,909	4,734,880
Business and franchise fees	12,229,718	11,812,953	-	-	12,229,718	11,812,953
State shared taxes	1,140,282	1,081,345	-	-	1,140,282	1,081,345
Other	4,977,563	2,266,608	1,487,848	869,462	6,465,411	3,136,070
Total general revenues	42,394,218	36,940,939	1,487,848	869,462	43,882,066	37,810,401
Total revenues	94,743,316	77,365,997	38,465,115	34,385,224	133,208,431	111,751,221
Expenses:						
General government	10,017,494	9,267,996	-	-	10,017,494	9,267,996
Public safety	30,065,639	27,670,154	-	-	30,065,639	27,670,154
Public works	7,849,204	7,211,635	-	-	7,849,204	7,211,635
Parks, recreation and culture	5,806,657	5,440,059	-	-	5,806,657	5,440,059
Community development	1,590,365	1,895,737	-	-	1,590,365	1,895,737
Economic development	4,402,362	2,028,246	-	-	4,402,362	2,028,246
Interest and other charges	354,475	359,690	-	-	354,475	359,690
Water and sewer services	-	-	25,409,418	25,605,807	25,409,418	25,605,807
Total expenses	60,086,196	53,873,517	25,409,418	25,605,807	85,495,614	79,479,324
Increase (decrease) in net position before transfers	34,657,120	23,492,480	13,055,697	8,779,417	47,712,817	32,271,897
Transfers	2,361,761	2,113,745	(2,361,761)	(2,113,745)	-	-
Change in net position	37,018,881	25,606,225	10,693,936	6,665,672	47,712,817	32,271,897
Net position - beginning of year as restated	84,429,515	58,823,290	79,026,511	72,360,840	163,456,026	131,184,130
Net position - end of year as restated	\$121,448,396	\$ 84,429,515	\$ 89,720,447	\$ 79,026,511	\$ 211,168,843	\$ 163,456,026

Program Revenues vs. Expenses - Governmental Activities



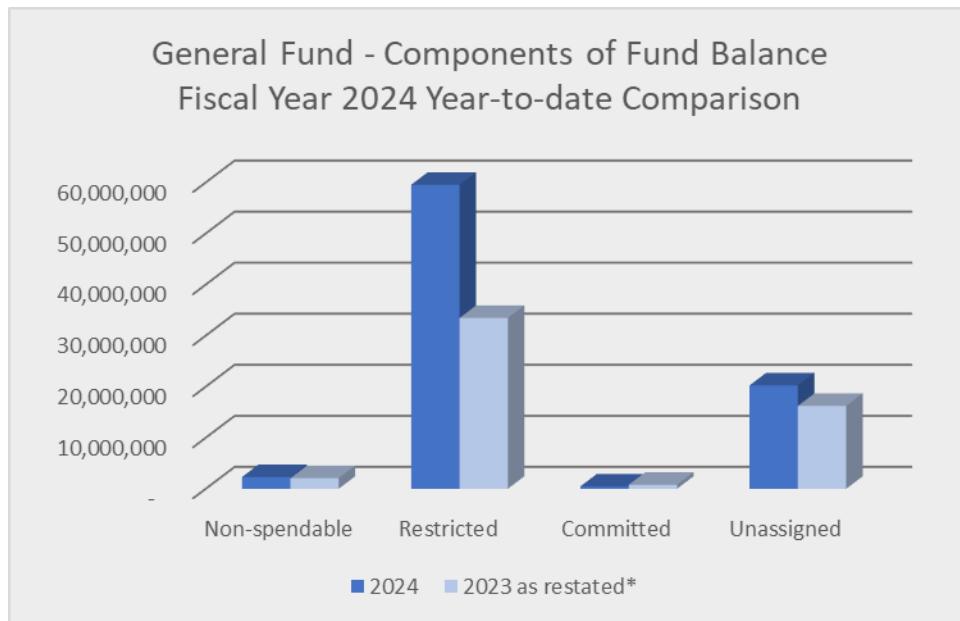
**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 (CONTINUED)**

Business-Type Activities: Business-type activities increased the City's net position during the current year by \$10,693,936, a 13.5% increase, for an ending balance of \$89,720,447. Total operating revenues increased by \$873,796 (3.15%) while total operating expenses decreased by \$196,389 (-.77%).

Financial Analysis of the Government's Funds

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

As of June 30, 2024, the City's governmental funds reported combined fund balances of \$82,978,229, an increase of \$29,302,238 in comparison with the prior year. Approximately 24% of this amount (\$19,932,505) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either non-spendable, restricted or committed to indicate that it is 1) not in spendable form (\$2,293,490), 2) restricted for specific purposes (\$60,290,267) or 3) committed for the specific purposes determined by a formal action of the City's government (\$461,967).



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 \$20,246,712 with a total fund balance of \$82,556,732. 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 32% of total general fund expenditures while total fund balance represents 128% of that same amount.

The fund balance of the City's general fund increased by \$29,727,121 during the current fiscal year. The increase is primarily in relation to fiscal year 2024 capital grants and contributions. The City received state appropriations for the Military Museum (\$15,000,000), improvements to Bobby Richardson Park (\$5,465,000), revitalization of a historic barn structure at Shaw Sumter Farm (\$4,277,900), and several park projects (\$7,731,750), including Swan Lake Playground improvements, Memorial Park improvements, Riley Park, Manning Avenue Art Complete, and the

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 (CONTINUED)**

Palmetto Tennis Center expansion. The chart on page 22 is an illustration of the change in fund balance. Both restricted and unassigned fund balance increased for fiscal year 2024.

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 \$9,817,451. The unrestricted net position increased by \$2,570,467 from the prior fiscal year. Total net position increased by \$10,693,936.

General Fund Budgetary Highlights

Original budget compared to final budget. Revenues were \$41,605,412 (95%) greater compared to the final budget while expenditures were \$11,832,101 (23%) more than the final budget. The positive variance in revenues is related primarily to higher than projected revenues from State and federal governments (\$35,136,342), Interest income and investment return (\$2,974,716), Property and Sales taxes (\$1,125,241), and Licenses, permits and franchise fees (\$875,586). The negative variance in expenditures is mostly related to capital expenditures which were paid for with debt proceeds and other funding sources from a prior year and over-budget revenues in the current year.

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, 2024, was \$209,669,602 (net of accumulated depreciation).

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
Land	\$ 19,698,795	\$ 20,567,308	\$ 1,430,894	\$ 1,430,894	\$ 21,129,689	\$ 21,998,202
Other non-depreciable	1,313,244	1,240,482	-	-	1,313,244	1,240,482
Buildings	44,874,320	45,908,192	2,651,372	2,569,983	47,525,692	48,478,175
Plants, machinery and equipment	10,689,879	9,996,026	41,877,487	41,434,141	52,567,366	51,430,167
Distribution and collection system	-	-	53,723,308	54,438,247	53,723,308	54,438,247
Wells and tanks	-	-	3,628,515	3,864,865	3,628,515	3,864,865
Infrastructure	14,829,640	12,511,817	-	-	14,829,640	12,511,817
Construction in progress	9,752,526	5,598,212	5,199,622	1,876,963	14,952,148	7,475,175
Totals	\$ 101,158,404	\$ 95,822,037	\$ 108,511,198	\$ 105,615,093	\$ 209,669,602	\$ 201,437,130

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 \$5,072,776.
- Completion of construction projects include the Swan Lake Support Facilities, Birnie Park Expansion, Fiber and Security Project, Centennial Plaza Update, Fire Department Call Center and Storage Building, Hampton and Harvin Parking Lot and Overhead Street Signs. The total cost of these construction projects completed and placed into service for governmental activities during the year was \$4,066,478.
- Completion of water and sewer projects in the amount of \$3,509,163. The projects include water and sewer infrastructure and waste water treatment plan secondary aeration basin diffuser replacement.
- Additional costs for ongoing construction in progress for various water, wastewater and storm water projects in the amount of \$3,668,146. Major projects ongoing during the current fiscal year include the extension of Deschamps Road water lines, Live Oak Industrial Park new well and tank and Water Plant #5 expansion.
- Purchase of a Combination Sewer Cleaner at a cost of \$575,260 and routine replacement of equipment and vehicles for water and sewer and storm water operations at a cost of \$696,349.

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

Long-term Debt. At the end of the current fiscal year, the City had total debt outstanding of \$51,722,438. Of this amount, \$3,511,000 of general obligation debt is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises revenue bonds, leases, and notes payable.

**CITY OF SUMTER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 (CONTINUED)**

Outstanding Debt. Bonds, Notes Payable and Leases:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 3,511,000	\$ 4,039,000	\$ -	\$ -	\$ 3,511,000	\$ 4,039,000
Tax increment financing bonds	2,320,000	2,685,000	-	-	2,320,000	2,685,000
Revenue bonds (hospitality)	2,749,000	3,389,000	-	-	2,749,000	3,389,000
Notes payable	198,000	258,000	-	-	198,000	258,000
Lease obligations	4,492,799	4,501,741	976,639	613,049	5,469,438	5,114,790
Revenue bonds (water & sewer)	-	-	37,475,000	39,890,000	37,475,000	39,890,000
Total	\$ 13,270,799	\$ 14,872,741	\$ 38,451,639	\$ 40,503,049	\$ 51,722,438	\$ 55,375,790

The City's total debt decreased by \$3,653,352 (6.6%) during the current fiscal year. The City entered into a lease agreement in the amount of \$2,165,000 to purchase certain capital equipment during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation of property. The current debt limitation for the City is \$12,973,360, which is in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note II, E on pages 53-55.

Economic Factors and Next Year's Budgets and Rates

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

The fiscal year 2024-2025 budget was adopted with an appropriation of \$52,593,555 for the General Fund (including TIF fund appropriations). The City's total millage rate for 2024-2025 remained unchanged from fiscal year 2023-2024, at a millage of 107.

Reissuance of Annual Comprehensive Financial Report

Subsequent to issuing the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, management determined that certain federal expenditures were omitted from the Schedule of Expenditures of Federal Awards (SEFA) included in the originally issued report. The ACFR has been reissued to correct this omission and to ensure compliance with federal reporting requirements.

Professional auditing and financial reporting standards require that, when an ACFR is reissued, management evaluate and incorporate all facts known as of the reissuance date. Accordingly, this reissued report includes additional adjustments unrelated to federal programs that were identified after the original issuance and that impact the government-wide and/or fund financial statements.

These unrelated adjustments would have otherwise been reported as prior period adjustments in the subsequent year's ACFR. Their inclusion in this reissued report ensures that the primary financial statements and related analyses fairly present the City's financial position and results of operations based on the most current information available at the time of reissuance.

All analyses, comparisons, and discussions within this MD&A have been updated where necessary to reflect the adjustments incorporated into the reissued ACFR.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents	\$ 15,984,773	\$ 10,421,918	\$ 26,406,691
Investments	3,790,591	8,712,369	12,502,960
Receivables, net of allowance for doubtful accounts	6,016,299	6,062,405	12,078,704
Inventories	505,326	-	505,326
Property held for resale	1,788,164	-	1,788,164
Restricted cash and cash equivalents	29,551,278	8,306,610	37,857,888
Restricted investments	31,561,274	-	31,561,274
Capital assets, not being depreciated	30,764,565	6,630,516	37,395,081
Capital assets, depreciable, net of accumulated depreciation	70,393,839	101,880,682	172,274,521
Total Assets	190,356,109	142,014,500	332,370,609
Deferred Outflows of Resources			
Deferred loss on bond refunding	-	1,536,827	1,536,827
Deferred pension charges	7,132,805	1,372,218	8,505,023
Deferred other post employment benefits charges	1,784,513	446,127	2,230,640
Total Deferred Outflows of Resources	8,917,318	3,355,172	12,272,490
Liabilities			
Current liabilities:			
Accounts payable	3,277,180	2,914,134	6,191,314
Accrued interest payable	171,768	118,395	290,163
Accrued salaries and payroll withholdings	754,412	87,931	842,343
Court bonds and confiscated funds payable	211,905	-	211,905
Customer deposits	4,275	556,287	560,562
Unearned revenue	64,533	-	64,533
Noncurrent liabilities:			
Due within one year	4,993,155	3,010,615	8,003,770
Due in more than one year	14,255,039	36,196,959	50,451,998
Net pension liability	42,221,627	10,081,007	52,302,634
Net other post employment benefits liability	6,338,452	1,584,615	7,923,067
Total Liabilities	72,292,346	54,549,943	126,842,289
Deferred Inflows of Resources			
Deferred revenue - local option sales tax	263,580	-	263,580
Deferred revenue - grants and contributions	953,092	-	953,092
Deferred pension credits	945,292	256,602	1,201,894
Deferred other post employment benefits credits	3,370,721	842,680	4,213,401
Total Deferred Inflows of Resources	5,532,685	1,099,282	6,631,967
Net Position			
Net investment in capital assets	89,541,888	71,596,386	161,138,274
Restricted for:			
Capital Projects	-	6,735,715	6,735,715
Debt service	-	1,570,895	1,570,895
Parks, recreation and culture	30,553,065	-	30,553,065
Community development	23,746	-	23,746
Economic development	27,545,032	-	27,545,032
Public safety and law enforcement	514,141	-	514,141
Unrestricted	(26,729,476)	9,817,451	(16,912,025)
Total Net Position	\$ 121,448,396	\$ 89,720,447	\$ 211,168,843

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government administration	\$ 10,017,494	\$ 95,001	\$ 999,440	\$ -	\$ (8,923,053)	\$ -	\$ (8,923,053)
Public safety and law enforcement	30,065,639	6,478,168	2,139,242	-	(21,448,229)	-	(21,448,229)
Public works	7,849,204	4,491,418	1,494,386	-	(1,863,400)	-	(1,863,400)
Parks, recreation and culture	5,806,657	604,796	39,212	14,070,617	8,907,968	-	8,907,968
Community development	1,590,365	-	297,268	-	(1,293,097)	-	(1,293,097)
Economic development	4,402,362	88,318	490,582	21,060,650	17,237,188	-	17,237,188
Interest on long-term debt	354,475	-	-	-	(354,475)	-	(354,475)
Total governmental activities	60,086,196	11,757,701	5,460,130	35,131,267	(7,737,098)	-	(7,737,098)
Business-type activities:							
Water and sewer	25,409,418	28,641,078	-	8,336,189	-	11,567,849	11,567,849
Total business-type activities	25,409,418	28,641,078	-	8,336,189	-	11,567,849	11,567,849
Total	\$ 85,495,614	\$ 40,398,779	\$ 5,460,130	\$ 43,467,456	\$ (7,737,098)	\$ 11,567,849	\$ 3,830,751
General revenues:							
Property taxes				\$ 11,851,899	\$ -	\$ 11,851,899	
Sales taxes - local option				7,322,847	-	7,322,847	
Sales taxes - local accommodations and hospitality				4,871,909	-	4,871,909	
Franchise taxes and business licenses				12,229,718	-	12,229,718	
Grants and contributions not restricted to specific programs				1,140,282	-	1,140,282	
Gain (loss) on sale or disposition of capital assets				1,262,086	-	1,262,086	
Unrestricted interest income				3,348,805	1,376,588	4,725,393	
Other				366,672	111,260	477,932	
Transfers				2,361,761	(2,361,761)	-	
Total general revenues and transfers				44,755,979	(873,913)	43,882,066	
Change in net position				37,018,881	10,693,936	47,712,817	
Net position - beginning of year as restated				84,429,515	79,026,511	163,456,026	
Net position - end of year				\$ 121,448,396	\$ 89,720,447	\$ 211,168,843	

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 13,461,818	\$ 2,522,955	\$ 15,984,773
Investments	3,790,591	-	3,790,591
Receivables, net of allowance for doubtful accounts	3,480,247	2,536,052	6,016,299
Due from other funds	3,556,116	-	3,556,116
Restricted cash and cash equivalents	28,839,320	711,958	29,551,278
Restricted investments	31,561,274	-	31,561,274
Inventories	505,326	-	505,326
Property held for resale	1,788,164	-	1,788,164
Total assets	\$ 86,982,856	\$ 5,770,965	\$ 92,753,821
Liabilities			
Liabilities:			
Accounts payable	\$ 2,758,801	\$ 518,379	\$ 3,277,180
Accrued salaries and payroll withholdings	728,906	25,506	754,412
Customer Deposits	1,575	2,700	4,275
Unearned Revenue	50,292	14,241	64,533
Escrow for seized funds and bonds	3,104	208,801	211,905
Due to other funds	-	3,556,116	3,556,116
Total liabilities	3,542,678	4,325,743	7,868,421
Deferred Inflows of Resources			
Unavailable revenue - property taxes	294,719	-	294,719
Unavailable revenue - local option sales tax	263,580	-	263,580
Unavailable revenue - notes and mortgages	325,147	70,633	395,780
Unavailable revenue - grants and contributions	-	953,092	953,092
Total deferred inflows of resources	883,446	1,023,725	1,907,171
Fund Balances:			
Nonspendable			
Inventories	505,326	-	505,326
Property held for resale	1,788,164	-	1,788,164
Restricted			
Purchase of capital assets	942,325	711,958	1,654,283
Parks, recreation and culture	30,553,065	-	30,553,065
Community development	-	23,746	23,746
Economic development	27,545,032	-	27,545,032
Public safety and law enforcement	514,141	-	514,141
Committed			
General government administration	415,200	-	415,200
Community development	46,767	-	46,767
Unassigned	20,246,712	(314,207)	19,932,505
Total fund balances	82,556,732	421,497	82,978,229
Total liabilities, deferred inflows of resources and fund balances	\$ 86,982,856	\$ 5,770,965	\$ 92,753,821

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, 2024

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

Total fund balance of governmental funds (page 29)	\$ 82,978,229
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	101,158,404
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	294,719
Mortgages/Contributions	395,780
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds:	
Accrued compensated absences	(5,977,395)
Accrued interest	(171,768)
Bonds and leases payable	(13,270,799)
Net pension liability	(42,221,627)
Net other post employment benefits liability	(6,338,452)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred pension charges	7,132,805
Deferred other post employment benefits charges	1,784,513
Deferred pension credits	(945,292)
Deferred other post employment benefits credits	<u>(3,370,721)</u>
Net position of governmental activities (page 27)	<u><u>\$ 121,448,396</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, 2024

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Property and vehicle and fire fees	\$ 11,838,940	\$ -	\$ 11,838,940
Sales	7,322,847	4,871,909	12,194,756
Licenses, permits, and franchise fees	12,402,386	563,377	12,965,763
Intergovernmental revenue			
State and federal government	36,249,022	2,179,932	38,428,954
Local governments	7,757,891	-	7,757,891
Charges for services			
Sanitation fees and container rentals	4,477,440	-	4,477,440
Other	592,648	-	592,648
Fines, fees, and forfeitures	175,532	16,702	192,234
Interest income and investment return	3,324,716	24,090	3,348,806
Other	1,295,896	56,328	1,352,224
Total revenues	85,437,318	7,712,338	93,149,656
Expenditures			
Current			
General government administration	8,981,421	418,589	9,400,010
Public safety and law enforcement	25,829,460	1,391,795	27,221,255
Public works	5,862,395	10,398	5,872,793
Parks, recreation and culture	3,734,278	684,357	4,418,635
Community development	916,631	333,735	1,250,366
Economic development	3,061,696	834,138	3,895,834
Debt Service			
Principal retirement-bond obligations	893,000	700,000	1,593,000
Principal retirement-lease obligations	1,598,682	-	1,598,682
Interest and fiscal charges	315,022	67,506	382,528
Capital Outlay			
General government administration	98,483	-	98,483
Public safety	3,493,072	630,238	4,123,310
Public works	2,140,419	-	2,140,419
Parks, recreation and culture	6,532,433	761,062	7,293,495
Economic development	827,688	614,259	1,441,947
Total expenditures	64,284,680	6,446,077	70,730,757
Excess (deficiency) of revenues over (under) expenditures	21,152,638	1,266,261	22,418,899
Other financing sources (uses)			
Transfers in	4,528,232	1,236,654	5,764,886
Transfers out	(475,327)	(2,927,798)	(3,403,125)
Sale of capital assets	2,931,838	-	2,931,838
Issuance of debt - lease	1,589,740	-	1,589,740
Total other financing sources	8,574,483	(1,691,144)	6,883,339
Net change in fund balances	29,727,121	(424,883)	29,302,238
Fund balances, beginning of year, as restated	52,829,611	846,380	53,675,991
Fund balances, end of year	\$ 82,556,732	\$ 421,497	\$ 82,978,229

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, 2024

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)	\$ 29,302,238
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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	15,097,654
Depreciation expense not recorded in funds	(8,372,784)
Loss on disposition of capital assets	(1,669,752)

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

Property taxes	12,959
Donated capital assets	281,250
Mortgages/Contributions	37,365

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

Payments on long-term debt	3,191,682
Issuance of long-term debt	(1,589,740)

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	28,053
Compensated absences	(522,538)

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

395,829

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

826,665

Change in net position of governmental activities (page 28)	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/>
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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, 2024

Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Over (Under)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 18,036,546	\$ 18,036,546	\$ 11,838,940	\$ (6,197,606)
Sales	-	-	7,322,847	7,322,847
Licenses, permits and franchise fees	11,376,800	11,526,800	12,402,386	875,586
Intergovernmental revenue				
State and federal government	1,112,680	1,112,680	36,249,022	35,136,342
Local governments	6,749,578	6,749,578	7,757,891	1,008,313
Charges for services				
Sanitation fees and container rentals	4,452,070	4,452,070	4,477,440	25,370
Other	453,150	553,150	592,648	39,498
Fines, fees, and forfeitures	188,250	188,250	175,532	(12,718)
Interest income and investment return	50,000	350,000	3,324,716	2,974,716
Other	126,000	862,832	1,295,896	433,064
Total revenues	42,545,074	43,831,906	85,437,318	41,605,412
EXPENDITURES				
General government administration:				
Administration	3,631,322	3,250,243	3,419,983	169,740
City store	123,822	123,822	124,476	654
Planning	985,083	985,083	873,498	(111,585)
Business license department	366,532	366,532	283,385	(83,147)
Appropriations to other agencies	267,081	267,081	259,383	(7,698)
General insurance	888,000	1,308,000	1,543,558	235,558
Retiree insurance	323,989	548,989	897,015	348,026
Maintenance contracts	931,231	1,026,231	989,993	(36,238)
Miscellaneous	202,250	287,250	590,130	302,880
	7,719,310	8,163,231	8,981,421	818,190
Public Safety and Law Enforcement:				
Police	14,567,272	15,022,915	15,409,608	386,693
Fire	8,480,238	8,830,238	8,803,140	(27,098)
Building inspection	918,292	918,292	799,730	(118,562)
Codes enforcement	524,679	524,679	526,135	1,456
Municipal court	268,420	268,420	290,847	22,427
	24,758,901	25,564,544	25,829,460	264,916
Public Works:				
Construction	805,649	805,649	687,413	(118,236)
Public works	1,517,409	1,517,409	1,663,929	146,520
Buildings and grounds maintenance	20,000	20,000	7,299	(12,701)
Sanitation	3,531,226	3,531,226	3,424,715	(106,511)
Vehicle maintenance	160,746	160,746	79,039	(81,707)
	6,035,030	6,035,030	5,862,395	(172,635)

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, 2024

Page 2 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- (Under)
	Original	Final		
Parks, recreation and culture				
Parks	1,349,870	1,349,870	1,146,284	(203,586)
Gardens	1,014,366	1,014,366	1,133,746	119,380
Tennis	634,398	664,878	965,866	300,988
Aquatics	475,946	475,946	374,687	(101,259)
Opera House	79,543	79,543	113,695	34,152
	<u>3,554,123</u>	<u>3,584,603</u>	<u>3,734,278</u>	<u>149,675</u>
Community and Economic Development:				
Downtown revitalization programs	1,008,630	1,008,630	3,020,679	2,012,049
Liberty Center	47,505	47,505	39,058	(8,447)
Hope Centers	880,259	880,259	869,443	(10,816)
Youth Development	-	17,328	17,328	-
Other Community Development Programs	-	29,860	31,819	1,959
	<u>1,936,394</u>	<u>1,983,582</u>	<u>3,978,327</u>	<u>1,994,745</u>
Debt service				
Principal retirement-bond obligations	893,000	893,000	893,000	-
Principal retirement-lease obligations	1,517,039	1,594,244	1,598,682	4,438
Interest and fiscal charges	296,496	314,571	315,022	451
	<u>2,706,535</u>	<u>2,801,815</u>	<u>2,806,704</u>	<u>4,889</u>
Capital Outlay				
General government administration	10,000	76,972	98,483	21,511
Public safety	1,301,000	1,651,000	3,493,072	1,842,072
Public works	1,339,546	1,304,929	2,140,419	835,490
Parks, recreation and culture	210,000	936,832	6,532,433	5,595,601
Economic Development:	122,840	350,041	827,688	477,647
	<u>2,983,386</u>	<u>4,319,774</u>	<u>13,092,095</u>	<u>8,772,321</u>
Total expenditures	<u>49,693,679</u>	<u>52,452,579</u>	<u>64,284,680</u>	<u>11,832,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,148,605)</u>	<u>(8,620,673)</u>	<u>21,152,638</u>	<u>29,773,311</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,445,592	4,445,592	4,528,232	82,640
Transfers out	(476,151)	(476,151)	(475,327)	824
Sale of capital assets	614,500	906,560	2,931,838	2,025,278
Issuance of debt - lease	1,475,933	1,589,757	1,589,740	(17)
Total other financing sources (uses)	<u>6,059,874</u>	<u>6,465,758</u>	<u>8,574,483</u>	<u>2,108,725</u>
Net change in fund balances	<u>(1,088,731)</u>	<u>(2,154,915)</u>	<u>29,727,121</u>	<u>31,882,036</u>
Fund balances, beginning of year	<u>52,829,611</u>	<u>52,829,611</u>	<u>52,829,611</u>	<u>-</u>
Fund balances, end of year	<u>\$ 51,740,880</u>	<u>\$ 50,674,696</u>	<u>\$ 82,556,732</u>	<u>\$ 31,882,036</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
June 30, 2024

Assets	Enterprise Funds			
	Non-major			
	Water and Sewer Fund	Storm Water Utility Fund	Totals	
Current assets:				
Cash and cash equivalents	\$ 8,927,136	\$ 1,494,782	\$ 10,421,918	
Investments	8,712,369	-	8,712,369	
Accounts receivable, net of allowance for uncollectibles	5,918,970	143,435	6,062,405	
Total current assets	23,558,475	1,638,217	25,196,692	
Non-current assets:				
Restricted cash and cash equivalents	8,306,610	-	8,306,610	
Capital assets, not being depreciated	6,315,002	315,514	6,630,516	
Capital assets, depreciable, net of accumulated depreciation	97,947,649	3,933,033	101,880,682	
Total non-current assets	112,569,261	4,248,547	116,817,808	
Total assets	136,127,736	5,886,764	142,014,500	
Deferred Outflows of Resources				
Deferred loss on bond refunding	1,536,827	-	1,536,827	
Deferred pension charges	1,348,478	23,740	1,372,218	
Deferred other post employment benefits charges	446,127	-	446,127	
Total deferred outflows of resources	3,331,432	23,740	3,355,172	
Liabilities				
Current liabilities:				
Accrued interest payable	118,395	-	118,395	
Accounts payable	2,895,471	18,663	2,914,134	
Accrued payroll	86,297	1,634	87,931	
Customer deposits	556,287	-	556,287	
Compensated absences payable-current portion	247,147	2,312	249,459	
Bonds and leases payable - current portion	2,761,156	-	2,761,156	
Total current liabilities	6,664,753	22,609	6,687,362	
Non-current liabilities:				
Compensated absences payable	501,782	4,694	506,476	
Bonds and leases payable	35,690,483	-	35,690,483	
Net pension liability	9,920,104	160,903	10,081,007	
Net other post employment benefits liability	1,584,615	-	1,584,615	
Total non-current liabilities	47,696,984	165,597	47,862,581	
Total liabilities	54,361,737	188,206	54,549,943	
Deferred Inflows of Resources				
Deferred pension credits	255,761	841	256,602	
Deferred other post employment benefits credits	842,680	-	842,680	
Total deferred inflows of resources	1,098,441	841	1,099,282	
Net Position				
Net investment in capital assets	67,347,839	4,248,547	71,596,386	
Restricted for:				
Capital projects	6,735,715	-	6,735,715	
Debt service	1,570,895	-	1,570,895	
Unrestricted	8,344,541	1,472,910	9,817,451	
Total net position	\$ 83,998,990	\$ 5,721,457	\$ 89,720,447	

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, 2024

	Enterprise Funds			
	Non-major			
	Water and Sewer Fund	Storm Water Utility Fund	Totals	
Operating revenue				
Charges for services				
Water	\$ 12,344,199	\$ -	\$ 12,344,199	
Sewer	13,012,622	-	13,012,622	
Storm water	-	841,739	841,739	
Other operating revenues	2,408,713	-	2,408,713	
Total operating revenues	<u>27,765,534</u>	<u>841,739</u>	<u>28,607,273</u>	
Operating expenses				
Salaries and wages	5,682,358	109,677	5,792,035	
Employee benefits	2,180,878	50,361	2,231,239	
Utilities	2,259,078	-	2,259,078	
Purchased services	1,246,008	209,736	1,455,744	
Materials and supplies	1,655,192	17,015	1,672,207	
Other operating expense	3,832,346	42,043	3,874,389	
Depreciation	5,853,458	380,336	6,233,794	
Total operating expenses	<u>22,709,318</u>	<u>809,168</u>	<u>23,518,486</u>	
Operating income	5,056,216	32,571	5,088,787	
Non-operating revenues (expenses)				
Interest expense	(1,572,535)	-	(1,572,535)	
Miscellaneous expense	-	(46,748)	(46,748)	
Interest income and investment return	1,376,588	-	1,376,588	
Gain on sale of capital assets	33,805	-	33,805	
Economic development	(271,649)	-	(271,649)	
Miscellaneous revenue	111,260	-	111,260	
Total non-operating revenues (expenses)	<u>(322,531)</u>	<u>(46,748)</u>	<u>(369,279)</u>	
Income before contributions and transfers	4,733,685	(14,177)	4,719,508	
Capital contributions	8,174,557	161,632	8,336,189	
Transfers out	(2,361,761)	-	(2,361,761)	
Change in net position	<u>10,546,481</u>	<u>147,455</u>	<u>10,693,936</u>	
Total net position, beginning of year as restated	<u>73,452,509</u>	<u>5,574,002</u>	<u>79,026,511</u>	
Total net position, end of year	<u><u>\$ 83,998,990</u></u>	<u><u>\$ 5,721,457</u></u>	<u><u>\$ 89,720,447</u></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, 2024

	Enterprise Funds		
	Non-major		
	Water and Sewer Fund	Storm Water Utility Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 25,362,077	\$ 977,686	\$ 26,339,763
Payments to suppliers	(7,233,145)	(353,844)	(7,586,989)
Payments to employees	(8,144,713)	(165,405)	(8,310,118)
Net Cash Flows Provided by Operating Activities	<u>9,984,219</u>	<u>458,437</u>	<u>10,442,656</u>
Cash Flows from Non-capital Financing Activities			
Transfer to other fund	(2,361,761)	-	(2,361,761)
Net Cash Flows Used by Non-Capital Financing Activities	<u>(2,361,761)</u>	<u>-</u>	<u>(2,361,761)</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from capital grants	7,764,936	38,312	7,803,248
Proceeds from disposition of capital assets	59,865	-	59,865
Purchase and construction of capital assets	(8,134,189)	(488,829)	(8,623,018)
Principal paid on capital debt	(2,051,410)	-	(2,051,410)
Interest paid on capital debt	(1,482,017)	-	(1,482,017)
Net Cash Flows Used by Capital Financing Activities	<u>(3,842,815)</u>	<u>(450,517)</u>	<u>(4,293,332)</u>
Cash Flows from Investing Activities			
Interest on cash and cash equivalents	943,457	-	943,457
Net Cash Provided by Investing Activities	<u>943,457</u>	<u>-</u>	<u>943,457</u>
Increase in cash and cash equivalents			
Cash and cash equivalents, beginning of year	4,723,100	7,920	4,731,020
Cash and cash equivalents, end of year	12,510,646	1,486,862	13,997,508
	<u>\$ 17,233,746</u>	<u>\$ 1,494,782</u>	<u>\$ 18,728,528</u>
Reconciliation of net operating income to net cash provided by operating activities:			
Operating income	\$ 5,056,216	\$ 32,571	\$ 5,088,787
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,853,458	380,336	6,233,794
Change in current assets and liabilities:			
Increase/Decrease in accounts receivable	(2,565,106)	135,947	(2,429,159)
Decrease in deferred outflows of resources	21,290	831	22,121
Increase/Decrease in accrued absences	57,564	(2,448)	55,116
Increase in customer deposits	161,649	-	161,649
Increase in accounts payable	1,759,479	(85,050)	1,674,429
Increase in accrued payroll	9,691	59	9,750
Decrease in net pension liability	(17,445)	(365)	(17,810)
Decrease in net OPEB liability	(402,970)	-	(402,970)
Increase/Decrease in deferred inflows of resources	50,393	(3,444)	46,949
Net cash provided by operating activities	<u>\$ 9,984,219</u>	<u>\$ 458,437</u>	<u>\$ 10,442,656</u>
Noncash Capital and Related Financing Items			
Capital contributions	\$ 409,621	\$ 123,320	\$ 532,941
Deferred charge on refunding	(96,052)	-	(96,052)
Net Noncash Capital and Related Financing Items	<u>\$ 313,569</u>	<u>\$ 123,320</u>	<u>\$ 436,889</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 9,927	\$ 7,011,879
Receivables:		
Charges for services	-	117,847
Total assets	<u>9,927</u>	<u>7,129,726</u>
Liabilities		
Accounts payable	-	38,655
Due to customers	-	61,665
Total liabilities	<u>-</u>	<u>100,320</u>
Net Position		
Restricted for:		
Individuals, organizations, and other governments	<u>\$ 9,927</u>	<u>\$ 7,029,406</u>

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For the Year Ended June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
Additions		
Charitable contributions	\$ -	\$ 1,084,554
Charges for services	- -	1,241,579
Interest earned	<u>330</u>	<u>281,570</u>
Total additions	<u><u>330</u></u>	<u><u>2,607,703</u></u>
Deductions		
Distributions to/on behalf of beneficiaries	- -	1,119,263
Program service expenditures	- -	65,309
Utilities	- -	247,907
Administrative	- -	173,847
Other custodial disbursements	<u>- -</u>	<u>13,170</u>
Total deductions	<u><u>- -</u></u>	<u><u>1,619,496</u></u>
Change in Net Position		
Net position, beginning of year	<u>9,597</u>	<u>6,041,199</u>
Net position, end of year	<u><u>\$ 9,927</u></u>	<u><u>\$ 7,029,406</u></u>

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, 2024

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, 2024

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

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

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

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

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

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

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

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position by distinguishing operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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

D. Budgetary Information

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

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

Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All investments are reported at fair value. Cash equivalents, for purposes of the statement of cash flows for proprietary funds, are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectables. The property tax receivable allowance is equal to 75 percent of outstanding property taxes at June 30, 2024.

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

Inventories and Prepaid Items

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

Real Estate Held for Resale

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

Restricted Assets

Certain proceeds of general fund bonds and leases and enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, proceeds from certain appropriations and donations are classified as restricted assets on the balance sheet because their use is limited to specified projects. If both restricted and unrestricted resources are to be used for the same purpose, it is the government's policy to first use restricted resources. At year end the City reports restricted cash and cash equivalents in the amount of \$37,857,888 and restricted investments in the amount of \$31,561,274.

Capital Assets

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

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

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

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

Capitalized Interest

Historically, the City has capitalized interest incurred (net of interest earned for tax exempt debt) in its proprietary funds during the construction of qualifying assets, however, during fiscal year 2018, the City adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which requires construction period interest to be recognized as an expense during the period it is incurred. Accordingly, during the year ended June 30, 2024, there was no capitalized interest incurred by the Water and Sewer Enterprise Fund. In the past, the City has not capitalized interest on capital assets used in governmental activities. As such, the implementation of GASB Statement No. 89 does not affect the City's governmental activities.

Deferred Outflows/Inflows of Resources

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

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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

Long-term obligations

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

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

Property Taxes

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

Net Position

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

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

Governmental Fund Balances

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

- *Nonspendable*: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form (e.g., inventories and prepaid amounts), or are legally or contractually required to be maintained intact.
- *Restricted*: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., city ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.
- *Committed*: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the City Council. Formal action may be in the form of an ordinance or a resolution. Both actions are equally binding for purposes of committing fund balance. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to commit those amounts previously. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- *Assigned*: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or by a City official or body to which Council has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned*: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Use of Estimates

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

F. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

Carolina Retirement System (SCRS) and additions to/deductions from SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Other Post-Employment Benefits

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

H. Capital Contributions

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

I. Leases

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

J. Subscription-Based Information Technology Arrangements

According to GASB Statement No. 96 ("GASB 96"), a subscription-based information technology arrangement ("SBITA") is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The reporting requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022. Based on the applicable criteria, Management has determined that the City is not party to a reportable SBITA contract as of June 30, 2024. For more information on GASB 96, see Note III, F.

II. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash Deposits

As of June 30, 2024, the carrying amount of the government's bank deposits was \$12,838,145. Of this amount, \$1,039,556 are fiduciary in nature. The respective bank balances totaled \$15,814,384. \$1,821,877 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining balance of \$13,992,507 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, 2024, in accordance with South Carolina law applicable to local government deposits and investments, the government had the following investments:

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

Investments	Maturities (in years)	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	Less than 1	\$ 50,272,097
Federal Treasury Obligation Fund #398	Less than 1	2,188,994
Repurchase Certificates-Treasury and federal agency securities	Less than 1	43,995,850
		<u><u>\$ 96,456,941</u></u>

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 \$68,384.

South Carolina Pooled Investment Fund

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in repurchase agreements are valued using significant other observable inputs (Level 2). The SC State investment pool is measured at the Net Asset Value.

Credit Risk

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

Interest Rate Risk.

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. The City held no investments with original maturity greater than 3 months at year end. As such, management considers any interest rate risk as of June 30, 2024, to be insignificant.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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	\$ 1,320,931	\$ -	\$ -	\$ 1,320,931
Sales and franchise	- -	556,449	- -	556,449
Intergovernmental	65,973	1,700,054	2,292,514	4,058,541
Accounts	2,818,467	- -	2,744,151	5,562,618
Unbilled receivables	- -	- -	1,247,193	1,247,193
Loans and notes	309,483	279,549	45,000	634,032
Other	- -	- -	55,100	55,100
Non-current:				
Notes	- -	- -	78,750	78,750
Gross receivables	4,514,854	2,536,052	6,462,708	13,513,614
Less, allowance for uncollectibles	(1,034,607)	- -	(400,303)	(1,434,910)
Net total receivables	\$ 3,480,247	\$ 2,536,052	\$ 6,062,405	\$ 12,078,704

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 \$64,533 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, 2024 was as follows:

	Beginning Balance, as restated	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 20,567,308	\$ 448,298	\$ 1,316,811	\$ -	\$ 19,698,795
Non-depreciable Assets	1,240,482	72,762	- -	- -	1,313,244
Construction in progress	5,598,212	8,257,949	37,157	(4,066,478)	9,752,526
Total capital assets not being depreciated	27,406,002	8,779,009	1,353,968	(4,066,478)	30,764,565
Capital assets being depreciated:					
Infrastructure	45,012,133	1,553,373	- -	2,626,986	49,192,492
Buildings and improvements	71,826,450	222,438	- -	1,439,492	73,488,380
Motor vehicles and outdoor equipment	32,524,391	4,824,084	1,872,646	(16,300)	35,459,529
Office equipment	7,238,724	- -	112,762	- -	7,125,962
Total capital assets being depreciated	156,601,698	6,599,895	1,985,408	4,050,178	165,266,363
Less accumulated depreciation for:					
Infrastructure	32,500,316	1,862,536	- -	- -	34,362,852
Buildings and improvements	25,918,258	2,695,802	- -	- -	28,614,060
Motor vehicles and outdoor equipment	23,207,210	3,372,603	1,556,862	(16,300)	25,006,651
Office equipment	6,559,879	441,844	112,762	- -	6,888,961
Total accumulated depreciation	88,185,663	8,372,785	1,669,624	(16,300)	94,872,524
Total capital assets being depreciated, net	68,416,035	(1,772,890)	315,784	4,066,478	70,393,839
Governmental activities capital assets, net	\$ 95,822,037	\$ 7,006,119	\$ 1,669,752	\$ -	\$ 101,158,404

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

	Beginning Balance, as restated	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,430,894	\$ -	\$ -	\$ -	\$ 1,430,894
Construction in progress	1,876,963	3,668,145	-	(345,486)	5,199,622
Total capital assets not being depreciated	<u>3,307,857</u>	<u>3,668,145</u>	<u>-</u>	<u>(345,486)</u>	<u>6,630,516</u>
Capital assets being depreciated:					
Buildings and improvements	3,395,575	174,100	-	-	3,569,675
Plants and improvements	86,359,070	1,982,433	-	-	88,341,503
Distribution and collection system	81,865,088	1,882,345	41,696	27,450	83,733,187
Wells and tanks	13,029,142	177,325	156,588	-	13,049,879
Machinery and equipment	16,464,013	1,271,609	150,690	334,336	17,919,268
Total capital assets being depreciated	<u>201,112,888</u>	<u>5,487,812</u>	<u>348,974</u>	<u>361,786</u>	<u>206,613,512</u>
Less accumulated depreciation for:					
Buildings and improvements	825,592	92,711	-	-	918,303
Plants and improvements	47,761,956	2,084,946	-	-	49,846,902
Distribution and collection system	27,426,841	2,598,675	15,637	-	30,009,879
Wells and tanks	9,164,277	413,676	156,589	-	9,421,364
Machinery and equipment	13,626,986	1,043,786	150,690	16,300	14,536,382
Total accumulated depreciation	<u>98,805,652</u>	<u>6,233,794</u>	<u>322,916</u>	<u>16,300</u>	<u>104,732,830</u>
Total capital assets being depreciated, net	<u>102,307,236</u>	<u>(745,982)</u>	<u>26,058</u>	<u>345,486</u>	<u>101,880,682</u>
Business-type activities capital assets, net	<u><u>\$ 105,615,093</u></u>	<u><u>\$ 2,922,163</u></u>	<u><u>\$ 26,058</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 108,511,198</u></u>

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

Governmental activities:	
General government	\$ 726,468
Public safety	3,222,276
Public works	2,071,327
Parks, recreation and culture	1,459,558
Community development	328,087
Economic development	<u>565,069</u>
Total depreciation expense - governmental activities	<u><u>\$ 8,372,785</u></u>
Business-type activities:	
Water and sewer services	\$ 5,853,458
Storm water services	<u>380,336</u>
Total depreciation expense - business type activities	<u><u>\$ 6,233,794</u></u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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

	Expenditures To Date	Total Contract	Contract	
			Payments Contract	Payments Remaining*
<i>Governmental Activities</i>				
Palmetto Tennis Center - Clay Courts	\$ 1,804,087	\$ 1,996,421	\$ 192,334	
Shot Pouch Greenway	2,268,410	2,724,128	455,718	
Manning Ave Park	11,520	11,520	-	
Economic Development Board Building & Parking Lot Improvements	8,060	8,060	-	
Opera House Expansion/Renovation	2,140,401	2,926,697	786,296	
Barn Revitalization - Shaw Welcome Center	17,500	32,000	14,500	
S. Sumter Art Park (Manning Ave.)	936,636	1,234,509	297,873	
S. Sumter Park Improvements	619,725	1,859,411	1,239,686	
Washington St. Lot Improvements	2,491	16,496	14,005	
Aquatic Center Pool Resurfacing & Updates	18,964	263,326	244,362	
North Main/Morris College Entrance	100,040	106,320	6,280	
Westend Neighborhood Park	98,336	103,230	4,894	
Bobby Richardson Baseball Complex	48,800	795,684	746,884	
Swan Lake Playground	15,560	92,100	76,540	
Memorial Park Improvements	35,789	45,472	9,683	
Riley Park Facility Upgrades, PH I	1,583,838	1,616,504	32,666	
Swan Lake Iris Market	1,900	7,500	5,600	
Sumter Shaw Ph II (Veterans Park)	3,700	37,350	33,650	
Swan Lake North Entrance	3,666	13,000	9,334	
Liberty Center Conference Room IT Upgrades	33,103	41,671	8,568	
<i>Total Governmental</i>	\$ 9,752,526	\$ 13,931,399	\$ 4,178,873	
<i>Business-type Activities</i>				
Public Services Administration Building	\$ 426,783	\$ 426,783	\$ -	
Mayesville Elevated Tank Replacement	51,001	75,000	23,999	
Deschamps Rd Water Line Extension	932,718	1,099,833	167,115	
Water Plant #3 Storage Tank Upgrade	1,965,644	6,076,632	4,110,988	
Miller to Morgan Storm Water Improvements	110,730	3,020,035	2,909,305	
Lafayette Storm Water Improvements	163,298	331,500	168,202	
Crosswell Storm Water Improvements	41,486	310,400	268,914	
Dryer Drum for Wastewater Treatment Plant Biosolids System	281,148	937,160	656,012	
Kolb Rd. Bridge Utility Line Relocation	21,252	38,200	16,948	
Red Bay Rd. Bridge Utility Line Relocation	22,951	38,051	15,100	
Water Plant # 5 Expansion	1,071,399	1,127,760	56,361	
Broad Ct Sewer Line	6,250	6,250	-	
Elevated Tank Water Plant 5	86,364	304,224	217,860	
West Side Sewer Rerouting	18,598	332,020	313,422	
<i>Total Business-type Activities</i>	\$ 5,199,622	\$ 14,123,848	\$ 8,924,226	
				\$ 14,952,148
				\$ 28,055,247
				\$ 13,103,099

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

E. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2024, for both the City's governmental activities and business-type activities. Details by type of obligation and a summary of debt service requirements follow.

Summary of changes in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 4,039,000	\$ -	\$ 528,000	\$ 3,511,000	\$ 543,000
Tax increment financing bonds	2,685,000	-	365,000	2,320,000	370,000
Revenue bonds	3,389,000	-	640,000	2,749,000	652,000
Notes payable	258,000	-	60,000	198,000	63,000
Leases	4,501,741	1,589,740	1,598,682	4,492,799	1,392,614
Compensated absences	5,454,857	3,387,233	2,864,695	5,977,395	1,972,541
Governmental activity long-term liabilities	<u>\$ 20,327,598</u>	<u>\$ 4,976,973</u>	<u>\$ 6,056,377</u>	<u>\$ 19,248,194</u>	<u>\$ 4,993,155</u>
Business-type activities:					
Revenue bonds	\$ 39,890,000	\$ -	\$ 2,415,000	\$ 37,475,000	\$ 2,490,000
Leases	613,049	575,260	211,670	976,639	271,156
Compensated absences	700,819	498,876	443,760	755,935	249,459
Business-type activity long-term liabilities	<u>\$ 41,203,868</u>	<u>\$ 1,074,136</u>	<u>\$ 3,070,430</u>	<u>\$ 39,207,574</u>	<u>\$ 3,010,615</u>

General Obligation Bonds

The City has issued general obligation bonds to provide for construction and purchase of capital assets used in carrying out its governmental activities. General obligation bonds have been issued only for general government activities. General obligation bonds are direct obligations and pledge the City's full faith and credit. As of year end, the City had general obligation bonds outstanding as follows:

\$6,000,000 Series 2018, payable in annual installments varying from
\$647,460 to \$648,362 including interest at 2.98%, maturing July 15, 2029 \$ 3,511,000

Tax Increment Financing (TIF) Bonds Payable

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

\$4,500,000 Series 2016, payable in annual installments varying from
\$270,790 to \$428,538 including interest at 2.04%, maturing July 2029 \$ 2,320,000

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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	\$ 904,000
\$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	1,845,000
Total Hospitality Fee Revenue Bonds	\$ 2,749,000

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	\$ 37,475,000
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Notes

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

\$843,000 note payable in annual installments to the US Department of Housing and Urban Development in annual installments ranging from \$30,000 to \$69,000 including interest at 4.5%, maturing August 2026; Refinanced starting FY20 - FY26 at interest ranging from 2.54% to 2.86%; Interest savings of \$89,226 over 7 years	\$ 198,000
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Leases

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

Year Ending June 30,	Governmental		Business-Type	
	Activities	Activities		Totals
2025	\$ 1,525,769	\$ 304,029	\$ 1,829,798	
2026	1,267,118	290,307	1,557,425	
2027	1,047,926	221,701	1,269,627	
2028	676,208	175,137	851,345	
2029	288,780	64,285	353,065	
Total minimum lease payments	4,805,801	1,055,459	5,861,260	
Less: amount representing interest	(313,002)	(78,820)	(391,822)	
Present value of minimum lease payments	<u>\$ 4,492,799</u>	<u>\$ 976,639</u>	<u>\$ 5,469,438</u>	

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

The assets acquired through leases are as follows:

	Governmental Activities	Business-type Activities	Totals
Asset:			
Motor vehicles and outdoor equipment	\$ 14,534,011	\$ -	\$ 14,534,011
Machinery and equipment	- 1,850,177	1,850,177	1,850,177
Less: accumulated depreciation	(9,462,240) (647,759)	(10,109,999)	(10,109,999)
Total	\$ 5,071,771	\$ 1,202,418	\$ 6,274,189

Summary of Debt Service Requirements

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

Year Ending June 30,	Debt			Lease Obligations			Totals
	Principal	Interest	Total	Principal	Interest		
Governmental Activities							
2025	\$ 1,628,000	\$ 199,256	\$ 1,827,256	\$ 1,392,614	\$ 133,155	\$ 3,353,025	
2026	1,670,000	160,926	1,830,926	1,172,979	94,139	3,098,044	
2027	1,709,000	121,473	1,830,473	990,889	57,037	2,878,399	
2028	1,357,000	86,325	1,443,325	652,461	23,747	2,119,533	
2029	1,385,000	55,690	1,440,690	283,856	4,924	1,729,470	
2030-2034	1,029,000	26,904	1,055,904	- -	- -	1,055,904	
Total	\$ 8,778,000	\$ 650,574	\$ 9,428,574	\$ 4,492,799	\$ 313,002	\$ 14,234,375	
Business-Type Activities							
2025	\$ 2,490,000	\$ 1,383,388	\$ 3,873,388	\$ 271,156	\$ 32,873	\$ 4,177,417	
2026	2,570,000	1,304,275	3,874,275	266,472	23,835	4,164,582	
2027	2,660,000	1,215,963	3,875,963	206,769	14,932	4,097,664	
2028	2,760,000	1,114,213	3,874,213	168,785	6,352	4,049,350	
2029	2,860,000	1,016,113	3,876,113	63,457	828	3,940,398	
2030-2034	13,600,000	3,655,687	17,255,687	- -	- -	17,255,687	
2035-2039	7,145,000	1,689,625	8,834,625	- -	- -	8,834,625	
2040-2044	3,390,000	145,475	3,535,475	- -	- -	3,535,475	
Total	\$ 37,475,000	\$ 11,524,739	\$ 48,999,739	\$ 976,639	\$ 78,820	\$ 50,055,198	

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, 2024, were:

	Receivable Fund	Payable Fund	Amount
258	General Fund	HUD Section 8 Loans Fund	\$ 132,514
261	General Fund	Community Development Block Grant Fund	65,854
274	General Fund	State Accommodations Tax Fund	1,650,811
252	General Fund	Federal and State Grants	1,626,916
242	General Fund	E911 Fund	80,021
			\$ 3,556,116

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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, 2024, consisted of the following:

Transfers Out:	Transfers In:		
	Nonmajor		Totals
	Governmental		
General Fund	General Fund	Fund	
General Fund	\$ 68,500	\$ 406,827	\$ 475,327
Nonmajor Governmental Funds	2,097,971	829,827	2,927,798
Water and Sewer Enterprise Fund	2,361,761	-	2,361,761
	<u>\$ 4,528,232</u>	<u>\$ 1,236,654</u>	<u>\$ 5,764,886</u>

* - Transfers were made between programs within general fund

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, 2024

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, 2024

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

Contributions

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

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

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

Required employee contribution rates for fiscal year 2024 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 2024 are as follows:

SCRS	
Employer Class Two	18.41 % of earnable compensation
Employer Class Three	18.41 % of earnable compensation
Employer Incidental Death Benefit	0.15 % of earnable compensation
PORS	
Employer Class Two	20.84 % of earnable compensation
Employer Class Three	20.84 % 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, 2024

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, 2023, 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	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 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, 2024, the City reported a liability of \$31,776,811 for the SCRS and \$20,525,823 for the PORS for a total of \$52,302,634 for its proportionate share of the NPL. The NPL was measured as of June 30, 2023, 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, 2023, the City's proportion was 0.131432% for the SCRS, which is an increase of .00013% from its proportion measured as of June 30, 2022. At June 30, 2023 the City's portion was .674283% for the PORS, which is a decrease of .00105% from its proportion measured as of June 30, 2022. The General Fund has been used in prior years to liquidate the net pension liability in governmental funds.

For the year ended June 30, 2024, the City recognized a pension credit of \$437,936 for the SCRS and \$102,937 for the PORS for a total pension credit of \$540,873. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SCRS	PORS	Total	SCRS	PORS	Total
Differences between expected and actual experience	\$ 551,702	\$ 965,964	\$ 1,517,666	\$ 88,122	\$ 253,038	\$ 341,160
Change in assumptions	486,867	446,727	933,594	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	43,495	35,226	78,721
Changes in proportionate share and difference between						
City contributions and proportionate share of contributions	115,486	216,731	332,217	557,773	224,240	782,013
City contributions subsequent to measurement date	3,163,080	2,558,466	5,721,546	-	-	-
Total	\$ 4,317,135	\$ 4,187,888	\$ 8,505,023	\$ 689,390	\$ 512,504	\$ 1,201,894

The amount of \$5,721,546 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, 2025. Collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods are aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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>
2025	\$ 371,589	\$ 681,800	\$ 1,053,389
2026	(827,273)	(475,533)	(1,302,806)
2027	938,986	932,121	1,871,107
2028	(18,638)	(21,471)	(40,109)
	<u>\$ 464,664</u>	<u>\$ 1,116,917</u>	<u>\$ 1,581,581</u>

Actuarial Assumptions and Methods

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

The June 30, 2023, 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for either system.

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

Assumptions used in the determination of the June 30, 2023, TPL are as follows:

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity¹	9.0%	10.91%	0.98%
Private Debt¹	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate ¹	9.0%	6.41%	0.58%
Infrastructure ¹	3.0%	6.62%	0.20%
Total Expected Return²	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			7.56%

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

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

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the City's proportionate share of each system's NPL calculated using the discount rate of 7 percent, as well as what the City's NPL for each system would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

System	1.00% Decrease		Current Discount Rate		1.00 % Increase	
	(6%)		(7%)		(8%)	
SCRS	\$ 41,058,670	\$ 31,776,811	\$ 24,062,050			
PORS	\$ 28,954,776	\$ 20,525,823	\$ 13,621,459			

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Annual Comprehensive Financial Report containing financial statements and required supplementary information for SCRS and PORS. The Annual Comprehensive Financial Report of the Pension Trust Funds is publicly available on PEBA's Retirement Benefit's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

C. Deferred Compensation Plans

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

D. Other Post-Employment Benefits

Plan Description

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

As of December 31, 2023, the most recent measurement date for the Plan, there were 654 covered participants; 145 members were retirees receiving benefits and 509 were active participants. The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to the Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

Funding Policy

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

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

Net OPEB Liability

The City's net OPEB liability of \$7,923,067 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2022. The General Fund has been used in prior years to liquidate the net OPEB liability in governmental funds.

Actuarial Assumptions and Methods

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00%-9.50%
PORS	3.50%-10.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	3.72%
Measurement Date	3.26%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.25% for 2023 decreasing to an ultimate rate of 4.50% by 2029
Mortality Assumptions	PUB-2010 Mortality Tables for Employees with a 135% multiplier

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

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

Target Allocation

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

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return
US Government Agency	58.0%	3.60%
US Govt MBS/CMO/CMBS	40.0%	5.00%
Cash and Short Duration (Net)	2.0%	4.25%
Total	100.0%	

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

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, 2022. In addition to the actuarial methods and assumptions of the December 31, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

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

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

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

<u>Discount Rate Sensitivity</u>			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(3.75%)	(4.75%)	(5.75%)
Net OPEB Liability	\$9,529,135	\$7,923,067	\$6,527,762

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%	Current	1%
	Decrease	Current	Increase
Net OPEB Liability	\$6,251,634	\$7,923,067	\$9,921,047

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, 2022. An expected total OPEB liability is determined as of December 31, 2023, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability as of the prior

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

measurement date, December 31, 2022, 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, 2023, is shown in the following table:

<u>Changes in the Net OPEB Liability</u>			
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of December 31, 2022	\$ 16,103,311	\$ 6,165,390	\$ 9,937,921
Changes for the year:			
Service Cost at the end of the year*	344,799	-	344,799
Interest on TOL and Cash Flows	745,699	-	745,699
Difference between expected and actual experience	(2,145,659)	-	(2,145,659)
Changes of assumptions or other inputs	427,929	-	427,929
Contributions - employer	-	1,141,761	(1,141,761)
Net investment income	-	254,035	(254,035)
Benefit payments and implicit subsidy credit	(818,254)	(818,254)	-
Plan administrative expenses	-	(8,174)	8,174
Net changes	<u>\$ (1,445,486)</u>	<u>\$ 569,368</u>	<u>\$ (2,014,854)</u>
Balance as of December 31, 2023	<u><u>\$ 14,657,825</u></u>	<u><u>\$ 6,734,758</u></u>	<u><u>\$ 7,923,067</u></u>

For the year ended June 30, 2024, the City recognized an OPEB credit of \$826,655. As of June 30, 2024, 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	\$ -	\$ 4,133,191
Changes of assumptions or other inputs	472,343	80,210
Net difference between projected and actual earnings on plan investments	1,050,196	-
City Contributions subsequent to the measurement date	708,101	-
Total	<u><u>\$ 2,230,640</u></u>	<u><u>\$ 4,213,401</u></u>

The amount of \$708,101 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, 2025. The remaining deferred outflows/inflows of resources will be recognized as a component of OPEB expense as follows:

<u>Measurement Period Ended</u>	<u>Total</u>
December 31	
2024	\$ (583,082)
2025	(565,092)
2026	(486,562)
2027	(617,073)
2028	(257,293)
Thereafter	<u>(181,760)</u>
	<u><u>\$ (2,690,862)</u></u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

E. Tax Abatements

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

F. Impact of Recently Issued Accounting Principles

GASB Statement No. 96

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). The objective of this statement is to establish uniform accounting and financial reporting standards for subscription-based information technology arrangements (SBITAs) to improve the comparability of financial statements among governments that have entered into SBITAs, and enhance the understandability, reliability, relevance, and consistency of information about SBITAs. GASB 96 became effective beginning with fiscal year 2023. As of June 30, 2024, Management has determined that the City is not party to a SBITA contract that meets the requirements for the new reporting, however, the requirements of GASB 96 could impact the City in future reporting periods.

G. 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.

H. Subsequent Events

Management has evaluated subsequent events through December 1, 2025, the date the financial statements were available for issue.

IV. PRIOR PERIOD ADJUSTMENTS

Restatement of Beginning Net Position/Fund Balance

For fiscal year 2024, the City recorded prior period adjustments for the correction of errors in previously issued financial statements. Both the government-wide and fund statements were impacted as follows:

Government-wide:

	Governmental Activities	Business Type Activities	Entity-Wide
Net Position, June 30, 2023, as previously reported	\$ 84,721,055	\$ 78,912,742	\$ 163,633,797
Increase - correction for unrecorded capital assets/capital contributions	60,999	-	60,999
Increase - correction for overstated accumulated depreciation/depreciation expense	-	113,769	113,769
Decrease - correction for overstated grant revenue/receivables	(352,539)	-	(352,539)
Net Position, July 1, 2023, as restated	<u><u>\$ 84,429,515</u></u>	<u><u>\$ 79,026,511</u></u>	<u><u>\$ 163,456,026</u></u>

Governmental Funds:

	Non-Major Governmental Funds	Total Governmental Funds
Fund Balance, June 30, 2023, as previously reported	\$ 1,198,919	\$ 54,028,530
Decrease - correction for overstated grant revenue/receivables	(352,539)	(352,539)
Fund Balance, July 1, 2023, as restated	<u><u>\$ 846,380</u></u>	<u><u>\$ 53,675,991</u></u>

Proprietary Funds:

	Water and Sewer Fund	Total Enterprise Funds
Net Position, June 30, 2023, as previously reported	\$ 73,338,740	\$ 78,912,742
Increase - correction for overstated accumulated depreciation/depreciation expense	113,769	113,769
Net Position, July 1, 2023, as restated	<u><u>\$ 73,452,509</u></u>	<u><u>\$ 79,026,511</u></u>

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024

V. REISSUANCE OF FINANCIAL STATEMENTS

The City originally issued its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, on December 9, 2024. After issuance, management identified federal expenditures that had been omitted from the Schedule of Expenditures of Federal Awards (SEFA). To correct this omission, the City has reissued its ACFR, including a revised SEFA and related notes.

In accordance with generally accepted accounting principles and applicable auditing standards, the City evaluated subsequent events and facts known at the time of reissuance. As a result of this evaluation, several adjustments were identified that affect the primary financial statements but do not relate to expenditures of federal awards.

These adjustments, consisting of additional grant/capital contribution revenues and receivables in Business Type/Proprietary Fund activities and corrections to capital asset balances and related income/expenses in Governmental activities, were incorporated into the reissued financial statements. If the ACFR had not been reissued due to the correction of the SEFA, these unrelated adjustments would have been reflected as prior period adjustments in the subsequent fiscal year.

The impact of these adjustments on net position/fund balance and on current-year activity is presented below:

<u>Government-wide Financial Statements</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Entity-Wide</u>
<i>Statement of Net Position:</i>			
Net Position, June 30, 2024, as previously reported	\$ 121,682,426	\$ 88,460,937	\$ 210,143,363
Increase - Addition to Receivable, net of allowance for doubtful accounts	-	1,259,510	1,259,510
Decrease - Reduction to Capital assets, depreciable, net of accumulated depreciation	(234,030)	-	(234,030)
Net Position, June 30, 2024, as restated	<u>\$ 121,448,396</u>	<u>\$ 89,720,447</u>	<u>\$ 211,168,843</u>
<i>Statement of Activities:</i>			
Net Position, June 30, 2024, as previously reported	\$ 121,682,426	\$ 88,460,937	\$ 210,143,363
Increase - Additional Capital Grants and Contributions	-	1,259,510	1,259,510.00
Decrease - Additional Expenses - General government administration	(20,513)	-	(20,513.00)
Decrease - Additional Expenses - Public safety and law enforcement	(182,360)	-	(182,360.00)
Decrease - Reduction to Gain (loss) on sale or disposition of capital assets	(31,157)	-	(31,157.00)
Net Position, June 30, 2024, as restated	<u>\$ 121,448,396</u>	<u>\$ 89,720,447</u>	<u>\$ 211,168,843</u>
<u>Fund Financial Statements - Proprietary</u>	<u>Water and Sewer Fund</u>	<u>Total Proprietary Funds</u>	
<i>Statement of Net Position:</i>			
Net Position, June 30, 2024, as previously reported	\$ 82,739,480	\$ 88,460,937	
Increase - Addition to Receivable, net of allowance for doubtful accounts	1,259,510	1,259,510	
Net Position, June 30, 2024, as restated	<u>\$ 83,998,990</u>	<u>\$ 89,720,447</u>	
<i>Statement of Revenues, Expenses, and Changes in Net Position:</i>			
Net Position, June 30, 2024, as previously reported	\$ 82,739,480	\$ 88,460,937	
Increase - Additional Capital Contributions	1,259,510	1,259,510	
Net Position, June 30, 2024, as restated	<u>\$ 83,998,990</u>	<u>\$ 89,720,447</u>	

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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, 2024

Schedule of Employer's Proportionate Share of Net Pension Liability

	2024		2023		2022		2021		2020	
	SCRS	PORS								
Proportion of the Net Pension Liability	0.131432%	0.674283%	0.131303%	0.684823%	0.136409%	0.682242%	0.134639%	0.659042%	0.137970%	0.658399%
Proportionate Share of the Net Pension Liability	\$ 31,776,811	\$ 20,525,823	\$ 31,830,586	\$ 20,537,703	\$ 29,520,630	\$ 17,553,508	\$ 34,402,633	\$ 21,855,245	\$ 31,504,210	\$ 18,869,332
Covered Payroll (A)	16,588,649	11,803,763	15,638,960	10,834,092	15,419,776	10,258,804	15,020,802	9,955,807	14,569,229	9,549,815
Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	191.56%	173.89%	203.53%	189.57%	191.45%	171.11%	229.03%	219.52%	216.24%	197.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.7%	67.8%	57.1%	66.4%	60.7%	70.4%	50.7%	58.8%	54.4%	62.7%
	2019		2018		2017		2016		2015	
	SCRS	PORS								
Proportion of the Net Pension Liability	0.134819%	0.668748%	0.134521%	0.680620%	0.132601%	0.669610%	0.130615%	0.66206%	0.128281%	0.63586%
Proportionate Share of the Net Pension Liability	\$ 30,208,709	\$ 18,949,258	\$ 30,282,841	\$ 18,645,999	\$ 28,323,378	\$ 16,984,488	\$ 24,771,764	\$ 14,429,661	\$ 22,085,735	\$ 12,173,040
Covered Payroll (A)	13,971,026	9,256,478	13,579,671	9,158,752	12,833,429	8,543,885	12,246,749	8,202,053	11,777,703	7,877,669
Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	216.22%	204.71%	223.00%	203.59%	220.70%	198.79%	202.27%	175.93%	187.52%	154.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.1%	61.7%	53.3%	60.9%	52.90%	60.40%	57.00%	64.60%	59.90%	67.50%

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

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS (CONTINUED)
For the Year Ended June 30, 2024

Schedule of Employer Contributions to SCRS

Fiscal Year	Contributions in					Contributions as a % of Covered Payroll
	Contractually Required Contribution ¹	Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll		
2015	1,334,896	1,334,896	-	12,246,749	10.90%	
2016	1,419,377	1,419,377	-	12,833,429	11.06%	
2017	1,569,810	1,569,810	-	13,579,671	11.56%	
2018	1,894,471	1,894,471	-	13,971,026	13.56%	
2019	2,121,280	2,121,280	-	14,569,229	14.56%	
2020	2,337,237	2,337,237	-	15,020,802	15.56%	
2021	2,399,317	2,399,317	-	15,419,776	15.56%	
2022	2,566,353	2,566,353	-	15,638,960	16.41%	
2023	2,888,084	2,888,084	-	16,588,649	17.41%	
2024	3,163,080	3,163,080	-	17,181,315	18.41%	

¹ Contribution rate multiplied by the covered payroll

² Actual employer contributions remitted to SCRS

Schedule of Employer Contributions to PORS

Fiscal Year	Contributions in					Contributions as a % of Covered Payroll
	Contractually Required Contribution ¹	Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll		
2015	1,099,895	1,099,895	-	8,202,053	13.41%	
2016	1,173,930	1,173,930	-	8,543,885	13.74%	
2017	1,304,206	1,304,206	-	9,158,752	14.24%	
2018	1,503,252	1,503,252	-	9,256,478	16.24%	
2019	1,646,388	1,646,388	-	9,549,815	17.24%	
2020	1,815,939	1,815,939	-	9,955,807	18.24%	
2021	1,871,206	1,871,206	-	10,258,804	18.24%	
2022	2,041,143	2,041,143	-	10,834,092	18.84%	
2023	2,341,867	2,341,867	-	11,803,763	19.84%	
2024	2,558,466	2,558,466	-	12,276,711	20.84%	

¹ Contribution rate multiplied by the covered payroll

² Actual employer contributions remitted to PORS

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
For the Year Ended June 30, 2024

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, 2024

<u>Year Ending December 31 (measurement date)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost at end of year	\$ 344,799	\$ 333,742	\$ 406,270	\$ 393,270	\$ 380,848	\$ 368,593
Interest on the Total OPEB Liability	745,699	733,471	869,857	849,693	884,640	865,344
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(2,145,659)	(11,804)	(3,208,881)	(45,796)	(1,624,133)	(102,309)
Changes of assumptions or other inputs	427,929	-	(144,548)	-	370,779	-
Benefit payments*	(818,254)	(778,167)	(809,420)	(736,754)	(758,717)	(692,835)
Net change in Total OPEB Liability	(1,445,486)	277,242	(2,886,722)	460,413	(746,583)	438,793
Total OPEB Liability-beginning	16,103,311	15,826,069	18,712,791	18,252,378	18,998,961	18,560,168
Total OPEB Liability-ending (a)	\$ 14,657,825	\$ 16,103,311	\$ 15,826,069	\$ 18,712,791	\$ 18,252,378	\$ 18,998,961
Plan Fiduciary Net Position						
Contributions - employer**	\$ 1,141,761	\$ 778,167	\$ 1,701,281	\$ 1,197,473	\$ 1,226,353	\$ 1,181,239
Net investment income	254,035	(1,040,591)	(158,789)	339,439	270,031	51,452
Benefit payments*	(818,254)	(778,167)	(809,420)	(736,754)	(758,717)	(692,835)
Administrative expense	(8,174)	(8,968)	(1,250)	(8,844)	-	(7,612)
Net change in Plan Fiduciary Net Position	569,368	(1,049,559)	731,822	791,314	737,667	532,244
Plan Fiduciary Net Position - beginning	6,165,390	7,214,949	6,483,127	5,691,813	4,954,146	4,421,902
Plan Fiduciary Net Position - ending (b)	6,734,758	6,165,390	7,214,949	6,483,127	5,691,813	4,954,146
Net OPEB Liability - ending (a) - (b)	\$ 7,923,067	\$ 9,937,921	\$ 8,611,120	\$ 12,229,664	\$ 12,560,565	\$ 14,044,815
Plan Fiduciary Net Position as a percentage of total OPEB Liability	45.95%	38.29%	45.59%	34.65%	31.18%	26.08%
Covered Payroll*	\$ 24,544,469	\$ 23,169,738	\$ 23,169,738	\$ 22,852,931	\$ 22,852,931	\$ 20,932,094
Net OPEB Liability as a percentage of covered payroll	32.28%	42.89%	37.17%	53.51%	54.96%	67.10%

* Benefit payments are net of participant contributions and include a payment of \$120,300 for the implicit subsidy.

Benefit payments include \$697,954 paid outside the Trust.

** Employer contribution includes \$697,954 paid outside of the Trust and \$120,300 due to the implicit subsidy.

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO OPEB
For the Year Ended June 30, 2024

<u>Fiscal Year Ending June 30,</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 915,690	\$ 988,329	\$ 1,084,251	\$ 1,176,523	\$ 1,178,029	\$ 1,180,765
Contributions in relation to the ADEC	1,141,761	778,167	1,701,281	1,197,473	1,226,353	1,181,239
Annual contribution deficiency (excess)	<u>\$(226,071)</u>	<u>\$ 210,162</u>	<u>\$(617,030)</u>	<u>\$ (20,950)</u>	<u>\$ (48,324)</u>	<u>\$(474)</u>
Covered payroll*	\$ 29,458,026	\$ 28,392,412	\$ 26,473,052	\$ 25,678,580	\$ 24,976,609	\$ 24,119,044
Actual contributions as a percentage of covered payroll	3.88%	2.74%	6.43%	4.66%	4.91%	4.90%

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

*Covered payroll amounts based on fiscal year

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
For the Year Ended June 30, 2024

Change of Benefit Terms:

December 31, 2023 (Valuation Date: December 31, 2022)

- None

Changes to Assumptions or other inputs:

December 31, 2023 (Valuation Date: December 31, 2022)

- None

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OTHER SUPPLEMENTARY INFORMATION

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

Page 1 of 2

	USDA Rural Business Fund	HUD Section 108	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grants Fund	Empowerment Zone Fund	Main Street Society Fund	Sunday Alcohol Permits Fund
ASSETS									
Cash and cash equivalents	\$ 283,112	\$ -	\$ 8,675	\$ 40,181	\$ -	\$ -	\$ 64,086	\$ 18,447	\$ 32,576
Receivables, net of allowance for doubtful accounts	70,633	208,915	-	-	1,431,399	88,784	-	-	3,000
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	\$ 353,745	\$ 208,915	\$ 8,675	\$ 40,181	\$ 1,431,399	\$ 88,784	\$ 64,086	\$ 18,447	\$ 35,576
LIABILITIES									
Liabilities									
Accounts payable	\$ -	\$ 57,418	\$ 3,970	\$ -	\$ 24,728	\$ 12,024	\$ 1,000	\$ -	\$ -
Accrued compensation and benefits	-	-	-	-	562	4,450	-	-	-
Unearned revenue	-	-	-	-	7,841	6,400	-	-	-
Customer deposits	-	-	-	-	-	-	2,700	-	-
Escrow for seized funds and deposits	-	-	-	-	-	-	-	-	-
Due to other funds	-	132,514	-	-	1,626,916	65,854	-	-	-
Total liabilities	-	189,932	3,970	-	1,660,047	88,728	3,700	-	-
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - notes & mortgages	70,633	-	-	-	-	-	-	-	-
Unavailable revenue - grants & contributions	-	-	-	-	953,092	-	-	-	-
Total Deferred Inflows of Resources	70,633	-	-	-	953,092	-	-	-	-
FUND BALANCES									
Restricted	-	18,983	4,705	-	-	58	-	-	-
Unassigned	283,112	-	-	40,181	(1,181,740)	(2)	60,386	18,447	35,576
Total fund balances	283,112	18,983	4,705	40,181	(1,181,740)	56	60,386	18,447	35,576
Total liabilities, deferred inflows of resources, and fund balances	\$ 353,745	\$ 208,915	\$ 8,675	\$ 40,181	\$ 1,431,399	\$ 88,784	\$ 64,086	\$ 18,447	\$ 35,576

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

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
ASSETS								
Cash and cash equivalents	\$ 1,219,016	\$ -	\$ 739,612	\$ 111,376	\$ 2,307	\$ -	\$ 3,567	\$ 2,522,955
Receivables, net of allowance for doubtful accounts	375,631	179,872	72,691	-	-	105,127	-	2,536,052
Restricted cash and cash equivalents	711,958	-	-	-	-	-	-	711,958
Total assets	\$ 2,306,605	\$ 179,872	\$ 812,303	\$ 111,376	\$ 2,307	\$ 105,127	\$ 3,567	\$ 5,770,965
LIABILITIES								
Liabilities								
Accounts payable	\$ 380,695	\$ 5,198	\$ 38	\$ 152	\$ -	\$ 33,156	\$ -	\$ 518,379
Accrued compensation and benefits	-	16,387	-	-	2,306	1,801	-	25,506
Unearned revenue	-	-	-	-	-	-	-	14,241
Customer deposits	-	-	-	-	-	-	-	2,700
Escrow for seized funds and deposits	-	-	-	208,801	-	-	-	208,801
Due to other funds	-	1,650,811	-	-	-	80,021	-	3,556,116
Total liabilities	380,695	1,672,396	38	208,953	2,306	114,978	-	4,325,743
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - notes & mortgages	-	-	-	-	-	-	-	70,633
Unavailable revenue - grants & contributions	-	-	-	-	-	-	-	953,092
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,023,725
FUND BALANCES								
Restricted	711,958	-	-	-	-	-	-	735,704
Unassigned	1,213,952	(1,492,524)	812,265	(97,577)	1	(9,851)	3,567	(314,207)
Total fund balances	1,925,910	(1,492,524)	812,265	(97,577)	1	(9,851)	3,567	421,497
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,306,605	\$ 179,872	\$ 812,303	\$ 111,376	\$ 2,307	\$ 105,127	\$ 3,567	\$ 5,770,965

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, 2024

Page 1 of 2

	USDA Rural Business Fund	HUD Section 108 Fund	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grants Fund	Empowerment Zone Fund	Main Street Society Fund	Sunday Alcohol Permits Fund
REVENUES									
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-	38,850
Intergovernmental revenue									
State and federal governments	-	-	-	-	1,248,762	297,268	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest income	1,482	6,923	-	-	-	-	-	-	-
Rent and miscellaneous	22,813	-	-	-	-	-	28,140	5,375	-
Total revenues	24,295	6,923	-	-	1,248,762	297,268	28,140	5,375	38,850
EXPENDITURES									
Current									
General government administration	-	-	-	-	418,589	-	-	-	-
Public safety	-	-	-	-	270,608	-	-	-	-
Public works	-	-	-	-	10,398	-	-	-	-
Parks, recreation and culture	-	-	-	-	7,649	-	-	-	24,618
Community development	-	-	36,467	-	-	297,268	-	-	-
Economic development	-	-	-	-	-	-	6,308	950	16,694
Debt service									
Bond principal	-	60,000	-	-	-	-	-	-	-
Interest and fiscal charges	-	6,247	-	-	-	-	-	-	-
Capital outlay									
Public safety	-	-	-	-	486,921	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Total expenditures	-	66,247	36,467	-	1,194,165	297,268	6,308	950	41,312
Excess (deficiency) of revenues over (under) expenditures	24,295	(59,324)	(36,467)	-	54,597	-	21,832	4,425	(2,462)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(28,140)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(28,140)	-	-
Net change in fund balances	24,295	(59,324)	(36,467)	-	54,597	-	(6,308)	4,425	(2,462)
Fund balances, beginning of year as restated	258,817	78,307	41,172	40,181	(1,236,337)	56	66,694	14,022	38,038
Fund balances, end of year	\$ 283,112	\$ 18,983	\$ 4,705	\$ 40,181	\$ (1,181,740)	\$ 56	\$ 60,386	\$ 18,447	\$ 35,576

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, 2024

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	\$ 4,077,137	\$ -	\$ 794,772	\$ -	\$ -	\$ -	\$ -	\$ 4,871,909
Licenses, permits and fees	-	-	-	-	-	524,527	-	563,377
Intergovernmental revenue								
State and federal governments	-	450,957	-	-	-	-	182,945	2,179,932
Fines and forfeitures	-	-	-	722	15,980	-	-	16,702
Interest income	15,685	-	-	-	-	-	-	24,090
Rent and miscellaneous	-	-	-	-	-	-	-	56,328
Total revenues	4,092,822	450,957	794,772	722	15,980	524,527	182,945	7,712,338
EXPENDITURES								
Current								
General government administration	-	-	-	-	-	-	-	418,589
Public safety	-	-	-	9,515	72,848	855,834	182,990	1,391,795
Public works	-	-	-	-	-	-	-	10,398
Parks, recreation and culture	541,628	106,371	4,091	-	-	-	-	684,357
Community development	-	-	-	-	-	-	-	333,735
Economic development	118	771,105	38,963	-	-	-	-	834,138
Debt service								
Bond principal	640,000	-	-	-	-	-	-	700,000
Interest and fiscal charges	61,259	-	-	-	-	-	-	67,506
Capital outlay								
Public safety	40,168	9,826	-	-	-	93,323	-	630,238
Parks, recreation and culture	743,454	-	17,608	-	-	-	-	761,062
Economic development	614,259	-	-	-	-	-	-	614,259
Total expenditures	2,640,886	887,302	60,662	9,515	72,848	949,157	182,990	6,446,077
Excess (deficiency) of revenues over (under) expenditures	1,451,936	(436,345)	734,110	(8,793)	(56,868)	(424,630)	(45)	1,266,261
OTHER FINANCING SOURCES (USES)								
Transfers in	689,827	489,959	-	-	56,868	-	-	1,236,654
Transfers out	(2,388,050)	-	(511,608)	-	-	-	-	(2,927,798)
Total other financing sources (uses)	(1,698,223)	489,959	(511,608)	-	56,868	-	-	(1,691,144)
Net change in fund balances	(246,287)	53,614	222,502	(8,793)	-	(424,630)	(45)	(424,883)
Fund balances, beginning of year as restated	2,172,197	(1,546,138)	589,763	(88,784)	1	414,779	3,612	846,380
Fund balances, end of year	\$ 1,925,910	\$ (1,492,524)	\$ 812,265	\$ (97,577)	\$ 1	\$ (9,851)	\$ 3,567	\$ 421,497

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-	
				Over (Under)	
	Original	Final			
REVENUES					
Hospitality fees	\$ 3,350,000	\$ 3,700,000	\$ 4,077,137	\$ 377,137	
Interest income	-	-	15,685	15,685	
Total revenues	<u>3,350,000</u>	<u>3,700,000</u>	<u>4,092,822</u>	<u>392,822</u>	
EXPENDITURES					
Quality of life projects	961,950	2,050,740	1,939,627	(111,113)	
Debt Service	-	-	701,259	701,259	
Total expenditures	<u>961,950</u>	<u>2,050,740</u>	<u>2,640,886</u>	<u>590,146</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	689,827	689,827	
Transfers out	(2,388,050)	(2,388,050)	(2,388,050)	-	
Total other financing sources	<u>(2,388,050)</u>	<u>(2,388,050)</u>	<u>(1,698,223)</u>	<u>689,827</u>	
Net change in fund balance	-	(738,790)	(246,287)	492,503	
Fund balance, beginning of year	2,172,197	2,172,197	2,172,197	-	
Fund balance, end of year	<u>\$ 2,172,197</u>	<u>\$ 1,433,407</u>	<u>\$ 1,925,910</u>	<u>\$ 492,503</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget-	
	Original	Final	Amounts	Over (Under)	
REVENUES					
Accommodations fees	\$ 625,000	\$ 625,000	\$ 794,772	\$ 169,772	
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>794,772</u>	<u>169,772</u>	
EXPENDITURES					
Quality of life projects	113,392	113,392	60,662	(52,730)	
Total expenditures	<u>113,392</u>	<u>113,392</u>	<u>60,662</u>	<u>(52,730)</u>	
OTHER FINANCING SOURCES (USES)					
Transfers out	(511,608)	(511,608)	(511,608)	-	
Total other financing uses	<u>(511,608)</u>	<u>(511,608)</u>	<u>(511,608)</u>	<u>-</u>	
Net change in fund balance	-	-	222,502	222,502	
Fund balance, beginning of year	589,763	589,763	589,763	-	
Fund balance, end of year	<u>\$ 589,763</u>	<u>\$ 589,763</u>	<u>\$ 812,265</u>	<u>\$ 222,502</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget-	
	Original	Final	Amounts	Over	(Under)
REVENUES					
Victims services	\$ 19,000	\$ 19,000	\$ 15,980	\$ (3,020)	
Total revenues	19,000	19,000	15,980	(3,020)	
EXPENDITURES					
Public safety	76,692	76,692	72,848	(3,844)	
Total expenditures	76,692	76,692	72,848	(3,844)	
OTHER FINANCING SOURCES					
Transfers in	57,692	57,692	56,868	(824)	
Total other financing sources	57,692	57,692	56,868	(824)	
Net change in fund balance	-	-	-	-	
Fund balance, beginning of year	1	1	1	-	
Fund balance, end of year	\$ 1	\$ 1	\$ 1	\$ -	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final		
Revenue				
Water revenue	\$ 12,045,337	\$ 12,045,337	\$ 12,344,199	\$ 298,862
Sewer revenue	13,054,938	13,054,938	13,012,622	(42,316)
Other operating revenue	1,990,500	1,990,500	2,408,713	418,213
Capital grants and contributions	-	5,500,000	8,174,557	2,674,557
Interest income and investment return	425,000	425,000	1,376,588	951,588
Gain (loss) on sale of capital assets	120,000	120,000	33,805	(86,195)
Miscellaneous	221,448	796,691	111,260	(685,431)
Appropriation from net position	250,000	250,000	-	(250,000)
	28,107,223	34,182,466	37,461,744	3,279,278
Expenses				
Salaries and wages	5,795,885	5,795,885	5,682,358	(113,527)
Utilities	2,297,280	2,297,280	2,259,078	(38,202)
Purchased services	1,907,301	1,907,301	1,246,008	(661,293)
Materials and supplies	1,898,510	1,898,510	1,655,192	(243,318)
Other operating expense	3,711,175	7,782,562	3,832,346	(3,950,216)
Employee benefits	3,006,976	3,006,976	2,180,878	(826,098)
Depreciation	2,415,000	2,415,000	5,853,458	3,438,458
Interest expense	1,634,463	1,698,809	1,572,535	(126,274)
Economic development	226,164	226,164	271,649	45,485
Transfers	2,460,666	2,460,666	2,361,761	(98,905)
Operating reserve	126,103	637,000	-	(637,000)
Capital reserve	800,000	800,000	-	(800,000)
Capital expenditures	1,827,700	3,256,313	8,134,189	4,877,876
	28,107,223	34,182,466	35,049,452	866,986
Operating Income	\$ -	\$ -	2,412,292	\$ 2,412,292
Reconciliation to change in net position:				
Capital expenditures			8,134,189	
Change in net position			\$ 10,546,481	

CITY OF SUMTER, SOUTH CAROLINA
WATER AND SEWER FUND – DEBT COVERAGE RATIO – REQUIRED BY LENDER
For the Year Ended June 30, 2024

Operating revenue	\$ 27,765,534
Operating expenses exclusive of depreciation	<u>(16,855,860)</u>
Net revenue available for debt service	<u><u>\$ 10,909,674</u></u>
Debt service requirement	
Principal	\$ 2,415,000
Interest	<u>1,453,944</u>
Total	<u><u>\$ 3,868,944</u></u>
Revenue bond coverage for the year ended June 30, 2024	<u><u>2.82</u></u>

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

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

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

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

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

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

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
June 30, 2024

	Nell Fund	George Fund	Ella Fund	Tuomey Fund	Trust Fund	Emergency Total
ASSETS						
Cash and cash equivalents	\$ 4,001	\$ 517	\$ 1,491	\$ 3,918	\$ 3,918	\$ 9,927
Total assets	4,001	517	1,491	3,918	3,918	9,927
LIABILITIES						
NET POSITION						
Restricted for:						
Individuals, organizations, and other governments	\$ 4,001	\$ 517	\$ 1,491	\$ 3,918	\$ 3,918	\$ 9,927

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2024

	Nell Fund	George Fund	Ella Fund	Tuomey Fund	Trust Fund	Emergency Fund	Responders Fund	Total
ADDITIONS								
Interest	\$ 326	\$ -	\$ -	\$ -	\$ 4	\$ 330		
Contributions	-	-	-	-	-	-		
Total additions	<u>326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>330</u>		
DEDUCTIONS								
Distributions to beneficiaries	-	-	-	-	-	-		
Total deductions	-	-	-	-	-	-		
Change in net position	326	-	-	-	4	330		
Net position, beginning of year	3,675	517	1,491	3,914	9,597			
Net position, end of year	<u>\$ 4,001</u>	<u>\$ 517</u>	<u>\$ 1,491</u>	<u>\$ 3,918</u>	<u>\$ 9,927</u>			

CITY OF SUMTER, SOUTH CAROLINA
FIDUCIARY FUNDS
CUSTODIAL FUNDS

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

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

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

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

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

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

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

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
June 30, 2024

	CHDO Fund	Sumter Green Fund	Swan Fund	Support of Shaw Fund	Dalzell Water District Fund	Oswego Water District Fund	Total
ASSETS							
Cash and cash equivalents	\$ 5,919,150	\$ 40,320	\$ 326	\$ 272,397	\$ 701,592	\$ 78,094	\$ 7,011,879
Accounts receivable	-	-	-	-	77,480	40,367	117,847
Total assets	<u>5,919,150</u>	<u>40,320</u>	<u>326</u>	<u>272,397</u>	<u>779,072</u>	<u>118,461</u>	<u>7,129,726</u>
LIABILITIES							
Accounts payable	1,525	3,918	-	-	10,885	22,327	38,655
Due to customers	-	-	-	-	37,565	24,100	61,665
Total liabilities	<u>1,525</u>	<u>3,918</u>	<u>-</u>	<u>-</u>	<u>48,450</u>	<u>46,427</u>	<u>100,320</u>
NET POSITION							
Restricted for:							
Individuals, organizations, and other governments	\$ 5,917,625	\$ 36,402	\$ 326	\$ 272,397	\$ 730,622	\$ 72,034	\$ 7,029,406

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For the Year Ended June 30, 2024

	CHDO Fund	Sumter Green Fund	Swan Fund	Support of Shaw Fund	Dalzell Water District Fund	Oswego Water District Fund	Total
ADDITIONS							
Charitable contributions	\$ 1,021,304	\$ 54,500	\$ -	\$ 8,750	\$ -	\$ -	\$ 1,084,554
Charges for services	-	16,360	-	-	686,520	538,699	1,241,579
Interest earned	279,448	-	-	-	2,122	-	281,570
Total additions	1,300,752	70,860	-	8,750	688,642	538,699	2,607,703
DEDUCTIONS							
Distributions to/on behalf of beneficiaries	482,300	-	-	-	360,105	276,858	1,119,263
Program service expenditures	-	51,990	-	13,319	-	-	65,309
Utilities	-	-	-	-	31,454	216,453	247,907
Administrative	754	21,537	-	-	111,189	40,367	173,847
Other custodial disbursements	-	575	-	-	12,595	-	13,170
Total deductions	483,054	74,102	-	13,319	515,343	533,678	1,619,496
CHANGE IN NET POSITION							
	817,698	(3,242)	-	(4,569)	173,299	5,021	988,207
Net position, beginning of year	5,099,927	39,644	326	276,966	557,323	67,013	6,041,199
Net position, end of year	\$ 5,917,625	\$ 36,402	\$ 326	\$ 272,397	\$ 730,622	\$ 72,034	\$ 7,029,406

CITY OF SUMTER, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2024

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			\$ 232,599.00	\$ 232,599.00
Court fines and assessments remitted to State Treasurer			\$ (116,316.00)	\$ (116,316.00)
Total Court Fines and Assessments retained	\$ -	\$ -	\$ 116,283.00	\$ 116,283.00
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 5,379.00	\$ 5,379.00
Assessments retained			\$ 10,601.00	\$ 10,601.00
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 15,980.00	\$ 15,980.00

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ 1.00		\$ 1.00
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ 10,601.00		\$ 10,601.00
Victim Service Surcharges Retained by City/County Treasurer	\$ 5,379.00		\$ 5,379.00
Interest Earned			\$ -
Grant Funds Received			
Grant from:			\$ -
General Funds Transferred to Victim Service Fund	\$ 56,868.00		\$ 56,868.00
Contribution Received from Victim Service Contracts:			
(1) Town of			\$ -
(2) Town of			\$ -
(3) City of			\$ -
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 72,849.00	\$ -	\$ 72,849.00

CITY OF SUMTER, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2024

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 65,285.00		\$ 65,285.00
Operating Expenditures	\$ 7,563.00		\$ 7,563.00
Victim Service Contract(s):			
(1) Entity's Name			\$ -
(2) Entity's Name			\$ -
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			\$ -
(2) Rape Crisis Center:			\$ -
(3) Other local direct crime victims service agency:			\$ -
Transferred to General Fund			\$ -
Total Expenditures from Victim Service Fund/Program (B)	\$ 72,848.00	\$ -	\$ 72,848.00
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ 1.00		\$ 1.00
Less: Prior Year Fund Deficit Repayment			\$ -
Carryforward Funds – End of Year	\$ 1.00	\$ -	\$ 1.00

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
E911 FUND
For the Year Ended June 30, 2024

REVENUES

Licenses, Permits, and Fees:	\$ 524,527
TOTAL REVENUE ALL SOURCES	<u>524,527</u>

EXPENDITURES

Public Safety Communications:	
Personnel Services	76,004
General Operating	118,807
Repairs and Maintenance	17,636
Contractual Services	590,283
Service Charges	53,104
Total Public Safety Communications	855,834
Capital Outlay	93,323
Depreciation	-
TOTAL EXPENDITURES	<u>949,157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(424,630)</u>
NET CHANGE IN FUND BALANCE	<u>(424,630)</u>
FUND BALANCE, Beginning of Year	414,779
FUND BALANCE, End of Year	<u>\$ (9,851)</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	98-102
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	103-106
These schedules contain information to help the reader assess the City's most significant governmental fund revenue source, the property tax.	
Debt Capacity	107-111
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.	
Demographic and Economic Information	112-113
These schedules are presented to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	114-116
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.	

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

Table 1

	2015*	2016*	2017	2018*	2019*	2020	2021	2022	2023	2024*
Governmental activities										
Net investment in capital assets	\$ 37,859,121	\$ 44,895,830	\$ 51,316,040	\$ 62,306,724	\$ 63,918,549	\$ 66,736,286	\$ 73,593,680	\$ 75,531,689	\$ 82,443,370	\$ 89,541,888
Restricted	3,674,181	4,017,629	2,563,750	1,363,618	1,602,553	713,234	974,859	17,032,392	33,285,503	58,635,984
Unrestricted	(15,213,181)	(12,683,745)	(12,763,242)	(28,535,032)	(31,388,906)	(34,040,211)	(39,832,995)	(33,388,251)	(31,007,818)	(26,729,476)
Total governmental activities net position	\$ 26,320,121	\$ 36,229,714	\$ 41,116,548	\$ 35,135,310	\$ 34,132,196	\$ 33,409,309	\$ 34,735,544	\$ 59,175,830	\$ 84,721,055	\$ 121,448,396
Business-type activities										
Net investment in capital assets	\$ 51,883,642	\$ 59,804,646	\$ 61,235,765	\$ 60,881,625	\$ 64,413,720	\$ 64,717,438	\$ 64,598,978	\$ 66,774,411	\$ 66,631,154	\$ 71,596,386
Restricted	2,998,574	3,413,145	3,141,584	1,495,645	1,407,022	1,424,185	1,444,971	1,492,804	5,034,604	8,306,610
Unrestricted	12,448,335	12,153,772	10,330,498	8,798,637	5,159,856	4,192,241	2,512,128	3,998,817	7,246,984	9,817,451
Total business-type activities net position	\$ 67,330,551	\$ 75,371,563	\$ 74,707,847	\$ 71,175,907	\$ 70,980,598	\$ 70,333,864	\$ 68,556,077	\$ 72,266,032	\$ 78,912,742	\$ 89,720,447
Primary government totals										
Net investment in capital assets	\$ 89,742,763	\$ 104,700,476	\$ 112,551,805	\$ 123,188,349	\$ 128,332,269	\$ 131,453,724	\$ 138,192,658	\$ 142,306,100	\$ 149,074,524	\$ 161,138,274
Restricted	6,672,755	7,430,774	5,705,334	2,859,263	3,009,575	2,137,419	2,419,830	18,525,196	38,320,107	66,942,594
Unrestricted	(2,764,846)	(529,973)	(2,432,744)	(19,736,395)	(26,229,050)	(29,847,970)	(37,320,867)	(29,389,434)	(23,760,834)	(16,912,025)
Total primary government net position	\$ 93,650,672	\$ 111,601,277	\$ 115,824,395	\$ 106,311,217	\$ 105,112,794	\$ 103,743,173	\$ 103,291,621	\$ 131,441,862	\$ 163,633,797	\$ 211,168,843

* Beginning net position restated

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

Table 2
Page 1 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 5,473,334	\$ 6,451,137	\$ 6,914,238	\$ 6,878,117	\$ 7,568,694	\$ 8,700,701	\$ 8,463,366	\$ 8,271,476	\$ 9,267,996	\$ 10,017,494
Public safety	18,447,133	20,279,524	22,661,191	24,276,099	25,317,244	27,139,712	26,504,213	27,364,813	27,670,154	30,065,639
Public works	5,478,100	5,952,721	6,046,733	6,252,507	6,636,236	6,810,483	7,144,712	7,267,741	7,211,635	7,849,204
Parks, recreation and culture	4,128,482	4,060,104	4,498,693	4,910,697	4,592,630	4,238,718	4,612,439	5,413,470	5,440,059	5,806,657
Community development	381,600	372,307	542,944	568,986	678,566	590,211	979,369	828,125	1,895,737	1,590,365
Economic development	1,898,790	2,216,399	2,408,864	2,452,098	2,611,732	2,586,377	2,455,838	2,742,698	2,028,246	4,402,362
Interest on long-term debt	175,056	164,617	212,333	241,549	472,193	413,786	434,051	395,911	359,690	354,475
Total governmental activities expenses	<u>35,982,495</u>	<u>39,496,809</u>	<u>43,284,996</u>	<u>45,580,053</u>	<u>47,877,295</u>	<u>50,479,988</u>	<u>50,593,988</u>	<u>52,284,234</u>	<u>53,873,517</u>	<u>60,086,196</u>
Business-type activities:										
Water and sewer services	17,659,418	20,412,516	22,951,594	23,184,832	23,864,071	24,667,715	25,603,019	26,532,523	25,624,769	25,409,418
Total business-type activities expenses	<u>17,659,418</u>	<u>20,412,516</u>	<u>22,951,594</u>	<u>23,184,832</u>	<u>23,864,071</u>	<u>24,667,715</u>	<u>25,603,019</u>	<u>26,532,523</u>	<u>25,624,769</u>	<u>25,409,418</u>
Total primary government expenses	<u>\$ 53,641,913</u>	<u>\$ 59,909,325</u>	<u>\$ 66,236,590</u>	<u>\$ 68,764,885</u>	<u>\$ 71,741,366</u>	<u>\$ 75,147,703</u>	<u>\$ 76,197,007</u>	<u>\$ 78,816,757</u>	<u>\$ 79,498,286</u>	<u>\$ 85,495,614</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 59,224	\$ 65,661	\$ 78,871	\$ 85,586	\$ 92,360	\$ 89,503	\$ 90,874	\$ 98,343	\$ 111,182	\$ 95,001
Public safety and courts	4,192,162	4,338,495	4,635,011	4,518,708	4,357,327	4,395,400	5,414,539	5,218,777	5,935,568	6,478,168
Public works	2,586,280	2,731,542	2,686,200	2,889,655	2,904,271	3,173,461	3,189,083	3,289,978	4,343,371	4,491,418
Parks, recreation and culture	435,833	443,058	477,921	576,368	612,721	391,488	332,281	530,386	495,590	604,796
Economic development	68,010	57,850	51,046	39,047	153,127	11,606	102,005	66,295	187,928	88,318
Operating grants and contributions	2,654,380	2,139,975	3,176,857	2,267,893	3,374,237	3,490,958	5,372,517	8,143,982	5,103,125	5,460,130
Capital grants and contributions	1,207,142	9,064,025	6,255,540	9,520,114	1,382,806	5,368,009	3,916,396	22,457,824	24,187,294	35,131,267
Total governmental activities program revenues	<u>11,203,031</u>	<u>18,840,606</u>	<u>17,361,446</u>	<u>19,897,371</u>	<u>12,876,849</u>	<u>16,920,425</u>	<u>18,417,695</u>	<u>39,805,585</u>	<u>40,364,058</u>	<u>52,349,098</u>
Business-type activities:										
Charges for services - water and sewer	21,634,744	22,576,678	22,827,222	23,166,411	23,372,515	23,575,673	24,387,933	26,387,895	27,767,282	28,641,078
Operating grants and contributions	-	-	-	-	-	-	-	2,889,638	-	-
Capital grants and contributions	1,985,402	6,727,154	654,066	757,170	717,200	1,912,105	908,317	2,821,469	5,748,480	8,336,189
Total business-type activities program revenues	<u>23,620,146</u>	<u>29,303,832</u>	<u>23,481,288</u>	<u>23,923,581</u>	<u>24,089,715</u>	<u>25,487,778</u>	<u>25,296,250</u>	<u>32,099,002</u>	<u>33,515,762</u>	<u>36,977,267</u>
Total primary government activities program revenues	<u>\$ 34,823,177</u>	<u>\$ 48,144,438</u>	<u>\$ 40,842,734</u>	<u>\$ 43,820,952</u>	<u>\$ 36,966,564</u>	<u>\$ 42,408,203</u>	<u>\$ 43,713,945</u>	<u>\$ 71,904,587</u>	<u>\$ 73,879,820</u>	<u>\$ 89,326,365</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expenses)/revenues										
Governmental activities	\$ (24,779,464)	\$ (20,656,203)	\$ (25,923,550)	\$ (25,682,682)	\$ (35,000,446)	\$ (33,559,563)	\$ (32,176,293)	\$ (12,478,649)	\$ (13,509,459)	\$ (7,737,098)
Business-type activities	5,960,728	8,891,316	529,694	738,749	225,644	820,063	(306,769)	5,566,479	7,890,993	11,567,849
Total primary government net expenses	<u>\$ (18,818,736)</u>	<u>\$ (11,764,887)</u>	<u>\$ (25,393,856)</u>	<u>\$ (24,943,933)</u>	<u>\$ (34,774,802)</u>	<u>\$ (32,739,500)</u>	<u>\$ (32,483,062)</u>	<u>\$ (6,912,170)</u>	<u>\$ (5,618,466)</u>	<u>\$ 3,830,751</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 9,637,697	\$ 10,148,185	\$ 9,935,294	\$ 9,746,300	\$ 9,857,168	\$ 10,263,884	\$ 9,633,998	\$ 10,367,700	\$ 10,413,842	\$ 11,851,899
Sales taxes										
Local options sales taxes	4,019,596	4,121,745	4,539,418	4,052,214	4,585,665	5,092,151	5,412,393	6,600,876	6,631,311	7,322,847
Local accommodations taxes	433,245	574,495	554,749	575,888	646,968	546,255	596,555	743,217	813,828	794,772
Local hospitality taxes	2,456,313	2,654,675	2,731,193	2,839,557	2,962,714	2,842,689	3,295,766	3,396,445	3,921,052	4,077,137
Franchise taxes	9,684,170	9,929,608	10,017,899	10,733,153	11,550,918	10,649,959	11,218,098	11,947,378	11,812,953	12,229,718
State shared taxes	951,401	933,862	1,025,715	999,263	1,595,660	1,050,281	1,021,742	1,032,791	1,081,345	1,140,282
Interest and other	154,366	631,365	284,611	330,675	745,913	309,370	133,407	222,447	1,523,964	3,715,477
Gain (loss) on sale of property	136,148	192,318	190,850	138,163	74,123	135,109	448,724	526,176	742,644	1,262,086
Transfers	1,340,599	1,379,543	1,530,655	1,681,705	1,923,203	1,946,978	1,741,845	2,081,905	2,113,745	2,361,761
Total governmental activities	<u>28,813,535</u>	<u>30,565,796</u>	<u>30,810,384</u>	<u>31,096,918</u>	<u>33,942,332</u>	<u>32,836,676</u>	<u>33,502,528</u>	<u>36,918,935</u>	<u>39,054,684</u>	<u>44,755,979</u>
Business-type activities										
Interest and other	503,229	1,765,981	337,245	259,884	485,294	480,181	270,827	225,381	869,462	1,487,848
Transfers	(1,340,599)	(1,379,543)	(1,530,655)	(1,681,705)	(1,923,203)	(1,946,978)	(1,741,845)	(2,081,905)	(2,113,745)	(2,361,761)
Total business-type activities	<u>(837,370)</u>	<u>386,438</u>	<u>(1,193,410)</u>	<u>(1,421,821)</u>	<u>(1,437,909)</u>	<u>(1,466,797)</u>	<u>(1,471,018)</u>	<u>(1,856,524)</u>	<u>(1,244,283)</u>	<u>(873,913)</u>
Total primary government	<u>\$ 27,976,165</u>	<u>\$ 30,952,234</u>	<u>\$ 29,616,974</u>	<u>\$ 29,675,097</u>	<u>\$ 32,504,423</u>	<u>\$ 31,369,879</u>	<u>\$ 32,031,510</u>	<u>\$ 35,062,411</u>	<u>\$ 37,810,401</u>	<u>\$ 43,882,066</u>
Changes in net position										
Governmental activities	\$ 4,034,071	\$ 9,909,593	\$ 4,886,834	\$ 5,414,236	\$ (1,058,114)	\$ (722,887)	\$ 1,326,235	\$ 24,440,286	\$ 25,545,225	\$ 37,018,881
Business-type activities	5,123,358	9,277,754	(663,716)	(683,072)	(1,212,265)	(646,734)	(1,777,787)	3,709,955	6,646,710	10,693,936
Total primary government	<u>\$ 9,157,429</u>	<u>\$ 19,187,347</u>	<u>\$ 4,223,118</u>	<u>\$ 4,731,164</u>	<u>\$ (2,270,379)</u>	<u>\$ (1,369,621)</u>	<u>\$ (451,552)</u>	<u>\$ 28,150,241</u>	<u>\$ 32,191,935</u>	<u>\$ 47,712,817</u>

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

Table 3

	2015*	2016	2017	2018	2019*	2020	2021	2022	2023	2024*
General fund										
Nonspendable	\$ 937,635	\$ 871,998	\$ 1,121,067	\$ 1,340,885	\$ 1,415,889	\$ 1,822,278	\$ 2,307,285	\$ 2,458,644	\$ 2,072,318	\$ 2,293,490
Restricted	1,747,994	1,271,024	8,315,700	2,373,497	1,521,922	1,210,716	27,272	17,107,413	33,453,961	59,554,563
Committed	-	-	-	-	-	-	-	1,718,107	781,449	461,967
Unassigned	13,939,785	17,259,471	15,343,958	16,135,376	15,177,437	14,666,602	13,708,927	13,745,700	16,521,883	20,246,712
Total general fund	16,625,414	19,402,493	24,780,725	19,849,758	18,115,248	17,699,596	16,043,484	35,029,864	52,829,611	82,556,732
All other governmental funds										
Restricted	3,674,181	4,017,629	2,563,750	1,363,618	3,608,325	2,499,494	3,240,347	2,184,837	1,404,708	735,704
Unassigned	-	-	-	-	-	(550,928)	(627,586)	(356,646)	(205,789)	(314,207)
Total all other governmental funds	3,674,181	4,017,629	2,563,750	1,363,618	3,608,325	1,948,566	2,612,761	1,828,191	1,198,919	421,497
Total fund balances, governmental funds	\$ 20,299,595	\$ 23,420,122	\$ 27,344,475	\$ 21,213,376	\$ 21,723,573	\$ 19,648,162	\$ 18,656,245	\$ 36,858,055	\$ 54,028,530	\$ 82,978,229

*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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 16,703,384	\$ 17,491,876	\$ 17,222,554	\$ 17,625,474	\$ 18,023,005	\$ 18,519,027	\$ 19,242,380	\$ 21,124,119	\$ 21,863,414	\$ 24,033,696
Licenses and permits	10,017,818	10,288,917	10,505,914	11,317,317	12,019,355	11,148,864	11,952,585	12,720,217	12,468,621	12,965,763
Intergovernmental	7,952,977	15,560,058	13,766,239	16,065,032	9,122,553	11,978,795	14,272,217	32,498,594	33,900,887	46,186,845
Charges for services	3,090,515	3,186,806	3,189,280	3,436,666	3,491,444	3,568,559	3,514,808	3,782,251	4,807,783	5,070,088
Fines and forfeits	444,010	520,929	426,563	338,920	405,754	243,095	217,103	198,481	198,577	192,234
Interest earned and investment return	27,559	141,184	115,168	120,629	163,862	145,985	33,198	76,831	1,341,444	3,348,806
Other	103,196	503,657	172,038	363,287	1,057,146	1,119,469	489,773	2,438,986	1,404,431	1,352,224
Total revenues	\$ 38,339,459	\$ 47,693,427	\$ 45,397,756	\$ 49,267,325	\$ 44,283,119	\$ 46,723,794	\$ 49,722,064	\$ 72,839,479	\$ 75,985,157	\$ 93,149,656
Expenditures										
General government	\$ 5,535,277	\$ 6,196,203	\$ 6,373,283	\$ 6,384,559	\$ 6,782,912	\$ 7,763,609	\$ 7,602,476	\$ 7,467,882	\$ 8,571,485	\$ 9,400,010
Public safety	17,983,142	18,312,228	19,922,523	20,519,438	21,221,972	22,580,466	22,680,026	24,503,913	25,236,460	27,221,255
Public works	3,922,498	4,018,174	4,254,877	4,414,269	4,738,337	4,712,638	4,836,633	5,272,882	5,308,828	5,872,793
Parks and gardens	2,051,372	2,178,291	2,144,481	2,324,951	2,034,583	2,060,170	1,907,823	2,361,052	2,601,420	2,366,050
Culture and recreation	1,420,143	1,004,796	1,367,230	1,565,518	1,513,670	1,268,220	1,701,811	2,083,013	1,358,181	2,052,585
Community development	289,640	203,418	389,652	255,773	371,838	294,684	668,227	465,058	1,569,149	1,250,366
Economic development	1,670,764	1,911,249	1,976,225	2,027,683	2,175,110	2,155,114	2,080,253	2,237,779	1,630,700	3,895,834
Capital outlay	3,828,240	11,788,296	11,532,355	24,808,032	8,722,710	8,623,984	11,904,821	10,735,670	13,872,182	15,097,654
Debt service										
Principal	1,764,903	1,837,738	1,870,817	2,215,542	2,441,317	2,447,385	2,719,370	2,776,357	3,146,390	3,191,682
Interest and other charges	184,848	172,802	154,941	223,344	312,106	439,375	452,778	409,920	387,438	382,528
Total expenditures	\$ 38,650,827	\$ 47,623,195	\$ 49,980,384	\$ 64,739,109	\$ 50,314,555	\$ 52,345,645	\$ 56,554,218	\$ 58,313,525	\$ 63,682,233	\$ 70,730,757
Excess of revenue over (under) expenditures	\$ (311,368)	\$ 70,232	\$ (4,588,628)	\$ (15,471,784)	\$ (6,031,436)	\$ (5,621,851)	\$ (6,832,154)	\$ 14,525,954	\$ 12,302,924	\$ 22,418,899
Other financing sources (uses)										
Proceeds from issuance of bonds	\$ -	\$ -	\$ 4,495,000	\$ 6,000,000	\$ 2,000,000	\$ -	\$ 2,550,000	\$ -	\$ -	\$ -
Leases issued	1,295,000	1,450,000	2,128,816	1,407,000	1,896,000	1,216,000	1,077,315	977,442	1,863,387	1,589,740
Sale of property	145,544	220,752	358,510	251,981	667,429	383,462	471,077	616,509	890,419	2,931,838
Transfers in	3,039,094	3,041,475	3,553,025	3,885,076	4,106,733	4,539,497	4,069,322	4,710,347	5,043,543	5,764,886
Transfers out	(1,698,495)	(1,661,932)	(2,022,370)	(2,203,372)	(2,183,530)	(2,592,519)	(2,327,477)	(2,628,442)	(2,929,798)	(3,403,125)
Total other financing sources (uses)	\$ 2,781,143	\$ 3,050,295	\$ 8,512,981	\$ 9,340,685	\$ 6,486,632	\$ 3,546,440	\$ 5,840,237	\$ 3,675,856	\$ 4,867,551	\$ 6,883,339
Net change in fund balances	\$ 2,469,775	\$ 3,120,527	\$ 3,924,353	\$ (6,131,099)	\$ 455,196	\$ (2,075,411)	\$ (991,917)	\$ 18,201,810	\$ 17,170,475	\$ 29,302,238
Debt service as a percentage of										
Non-capital expenditures	5.60%	5.61%	5.27%	6.11%	6.62%	6.60%	7.10%	6.70%	7.09%	6.42%

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					
2015	102,330	1,540	103,870	15,560	15,620	31,180	250	134,800	102	2,763,010	4.88%
2016	103,620	1,040	104,660	16,230	14,460	30,690	-	135,350	102	2,804,650	4.83%
2017	105,500	1,320	106,820	16,770	13,190	29,960	-	136,780	102	2,852,210	4.80%
2018	105,900	1,280	107,180	15,560	13,820	29,380	-	136,560	102	2,841,758	4.81%
2019	107,540	1,270	108,810	15,420	14,270	29,690	-	138,500	102	2,887,540	4.80%
2020	110,050	1,310	111,360	14,440	14,530	28,970	-	140,330	102	2,890,570	4.85%
2021	113,700	1,240	114,940	13,580	13,650	27,230	-	142,170	102	2,897,640	4.91%
2022	125,103	1,290	126,393	15,520	13,690	29,210	-	155,603	102	2,898,500	5.37%
2023	127,230	1,280	128,510	16,260	13,700	29,960	-	158,470	102	2,927,470	5.41%
2024	129,670	1,300	130,970	17,410	13,790	31,200	-	162,170	107	2,940,500	5.52%

State statute requires reassessment every 5 years. Reassessed values are reflected for fiscal years 2017 and 2022.

The City has a tax increment district. The total millage for the City is listed.

Source: Sumter County Auditor

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

Table 6

Fiscal Year	Overlapping Rates									
	City of Sumter(1)			Sumter County (2)			Sumter County School District (2)			Total
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2015	97.00	5.00	102.00	92.00	15.00	107.00	151.00	60.00	211.00	420.00
2016	97.00	5.00	102.00	96.30	15.00	111.30	151.00	60.00	211.00	424.30
2017 (3)	97.00	5.00	102.00	98.20	15.00	113.20	160.10	60.00	220.10	435.30
2018	98.00	4.00	102.00	98.20	15.00	113.20	160.10	50.00	210.10	425.30
2019	98.00	4.00	102.00	98.20	15.00	113.20	160.10	50.00	210.10	425.30
2020	98.00	4.00	102.00	98.20	15.00	113.20	160.10	60.00	220.10	435.30
2021	98.00	4.00	102.00	100.10	15.00	115.10	160.10	60.00	220.10	437.20
2022 (3)	98.00	4.00	102.00	95.90	15.00	110.90	159.40	60.00	219.40	432.30
2023	99.00	3.00	102.00	96.90	15.00	111.90	159.40	60.00	219.40	433.30
2024	104.00	3.00	107.00	98.90	15.00	113.90	159.40	60.00	219.40	440.30

(1) Source: City of Sumter Finance Department

(2) Source: Sumter County Auditor

(3) Reassessment year

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

Table 7

Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	2023		Percentage of Total Assessed Valuation	2014		Percentage of Total Assessed Valuation
	Assessed Valuation	Rank		Assessed Valuation	Rank	
Duke Energy Progress, Inc.	\$ 3,970	1	2.45%	\$ 1,950	1	1.45%
Retreat At Sumter Apartments, LLC	2,090	2	1.29%			
SRC Piedmont Plantation, LLC	1,280	3	0.79%	790	6	0.59%
Safe Federal Credit Union	1,260	4	0.78%	660	9	0.49%
FTC Diversified				1,180	2	0.88%
Ashton Mill OF Sumter	1,030	5	0.64%			
SCE&G				890	3	0.66%
WEG Sumter, LLC	840	6	0.52%			
Sumter Mall, HSI				830	4	0.62%
Frontier Communications				820	5	0.61%
Scott H Lee Jr as Trustee (Wal-Mart)	770	7	0.47%	720	8	0.53%
Sumter Propco, LLC	720	8	0.44%			
Select-Wesmark Plaza, LLC	720	9	0.44%			
Formed Fiber Technologies	720	10	0.44%			
Garrison Sumter LLC				720	7	0.53%
Farmers Telephone				660	10	0.49%
Totals	\$ 13,400		8.26%	\$ 9,220		6.84%

Source: Sumter County Auditor

Total assessed for tax year 2023: 162,167,000

Total assessed for tax year 2014: 134,806,850

CITY OF SUMTER, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS -
LAST TEN FISCAL YEARS
UNAUDITED

Table 8

Fiscal Year	Tax Year	Total Property Taxes Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2014	11,651,219	11,048,894	94.8%	482,919	11,531,813	99.0%
2016	2015	11,851,852	11,275,710	95.1%	351,016	11,626,726	98.1%
2017	2016 (2)	12,863,548	11,108,124	86.4%	382,764	11,490,888	89.3%
2018	2017	12,048,082	11,408,139	94.7%	375,766	11,783,905	97.8%
2019	2018	12,255,517	11,493,277	93.8%	531,668	12,024,945	98.1%
2020	2019	13,418,619	11,967,297	89.2%	387,161	12,354,458	92.1%
2021	2020	12,724,472	12,169,873	95.6%	349,328	12,519,201	98.4%
2022	2021 (2)	14,278,590	13,715,170	96.1%	396,242	14,111,412	98.8%
2023	2022	14,486,146	13,948,931	96.3%	411,403	14,360,334	99.1%
2024	2023	16,000,525	15,372,401	96.1%	-	15,372,401	96.1%

Source: Sumter County Treasurer - real property only

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

(2) Reassessment

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

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

Table 9

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Tax Increment Bonds	Note Payable HUD	Leases	Revenue Bonds	Notes Payable	Leases			
2015	2,714,307	1,020,000	-	636,000	2,891,391	30,684,808	-	-	37,946,506	2.77%	40,143
2016	2,255,462	772,000	-	597,000	3,249,497	57,661,193	-	-	64,535,152	4.61%	40,068
2017	1,781,443	519,000	4,500,000	556,000	4,275,517	54,834,352	-	361,953	66,828,265	4.63%	39,982
2018	7,297,137	262,000	4,295,000	513,000	4,456,281	51,903,418	-	287,154	69,013,990	4.65%	39,656
2019	6,797,426	2,000,000	4,095,000	467,000	4,918,671	48,847,455	-	239,620	67,365,172	4.40%	39,656
2020	6,068,199	2,000,000	3,750,000	419,000	4,809,514	46,650,000	-	110,711	63,807,424	3.51%	43,463
2021	5,319,333	4,287,000	3,400,000	368,000	4,580,326	44,460,000	-	453,547	62,868,206	3.38%	42,976
2022	4,551,000	4,017,000	3,045,000	314,000	4,228,744	42,220,000	-	309,553	58,685,297	3.12%	42,976
2023	4,039,000	3,389,000	2,685,000	258,000	4,501,741	39,890,000	-	613,049	55,375,790	2.76%	42,976
2024	3,511,000	2,749,000	2,320,000	198,000	4,492,799	37,475,000	-	976,639	51,722,438	2.66%	42,976

(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	
	General		Total	Actual	Per Capita
	Obligation Bonds (1)	Redevelopment Bonds		Taxable Value of Property	
2015	2,714,307	-	2,714,307	0.10%	68
2016	2,255,462	-	2,255,462	0.08%	56
2017	1,781,443	-	1,781,443	0.06%	45
2018	7,297,137	-	7,297,137	0.26%	184
2019	6,797,426	-	6,797,426	0.24%	171
2020	6,068,199	-	6,068,199	0.21%	140
2021	5,319,333	-	5,319,333	0.18%	124
2022	4,551,000	-	4,551,000	0.16%	106
2023	4,039,000	-	4,039,000	0.14%	94
2024	3,511,000	-	3,511,000	0.12%	82

(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, 2024
UNAUDITED

Table 11

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable to City of Sumter	Estimated Share of Direct and Overlapping Debt Applicable to City of Sumter
Overlapping debt			
Sumter County School District	\$ 5,910,000 (1)	35% (4)	\$ 2,068,500
Sumter County General Obligation	3,760,000 (2)	35% (4)	<u>1,316,000</u>
Subtotal , overlapping debt			
		<u>\$ 3,384,500</u>	
City direct debt			
General obligation bonds	3,511,000 (3)	100%	\$ 3,511,000
Revenue bonds	2,749,000 (3)	100%	2,749,000
Tax increment bonds	2,320,000 (3)	100%	2,320,000
Note payable - HUD	198,000 (3)	100%	198,000
Leases	\$ 4,492,799 (3)	100%	<u>4,492,799</u>
Total direct debt			
		<u>\$ 13,270,799</u>	
Total direct and overlapping debt			
		<u>\$ 16,655,299</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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 10,784,548	\$ 10,828,079	\$ 10,942,261	\$ 10,924,976	\$ 11,080,672	\$ 11,226,822	\$ 11,126,496	\$ 12,448,276	\$ 12,677,835	\$ 12,973,360
Total net debt applicable to limit	2,714,307	2,255,462	1,781,443	7,297,137	6,797,426	6,068,199	5,319,333	4,551,000	4,039,000	3,511,000
Legal debt margin	\$ 8,070,241	\$ 8,572,617	\$ 9,160,818	\$ 3,627,839	\$ 4,283,246	\$ 5,158,623	\$ 5,807,163	\$ 7,897,276	\$ 8,638,835	\$ 9,462,360
Total net debt applicable to the limit as a percentage of debt limit	25.17%	20.83%	16.28%	66.79%	61.34%	54.05%	47.81%	36.56%	31.86%	27.06%

Calculation of legal debt margin for fiscal year 2024:

Total assessed value	\$ 162,167,000
Debt limit (8% of total assessed value)	12,973,360
Less, total general obligation bonds outstanding	<u>(3,511,000)</u>
Legal debt margin	<u><u>\$ 9,462,360</u></u>

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

Table 13

Fiscal Year	Net Revenue		Debt Service Requirements			Revenue Bond Coverage Ratio	
	Revenues (1)	Expenses (2)	Debt Service	Principal	Interest		
2015	21,077,607	12,150,809	8,926,798	2,032,464	1,447,782	3,480,246	2.56
2016	21,956,162	14,151,646	7,804,516	1,863,615	1,593,319	3,456,934	2.26
2017	22,213,560	15,693,861	6,519,699	2,826,841	2,073,590	4,900,431	1.33
2018	22,542,250	14,795,460	7,746,790	2,930,934	1,967,440	4,898,374	1.58
2019	22,601,774	15,292,613	7,309,161	3,055,963	1,843,023	4,898,986	1.49
2020	22,755,559	15,951,551	6,804,008	2,197,455	1,739,054	3,936,509	1.73
2021	23,558,270	17,140,713	6,417,557	2,190,000	1,687,025	3,877,025	1.66
2022	25,333,194	16,968,211	8,364,983	2,240,000	1,631,650	3,871,650	2.16
2023	26,511,723	17,097,584	9,414,139	2,330,000	1,545,400	3,875,400	2.43
2024	27,765,534	16,855,860	10,909,674	2,415,000	1,453,944	3,868,944	2.82

(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		School Enrollment (4)	Unemployment Rate (2)
		Capita Income	Personal Income		
2015	40,143 (3)	34,166 (2)	1,371,525,738	17,237	6.1%
2016	40,068 (3)	34,974 (2)	1,401,338,232	16,511	7.4%
2017	39,982 (1)	36,128 (2)	1,444,469,696	16,393	5.7%
2018	39,656 (1)	37,440 (2)	1,484,720,640	16,501	4.8%
2019	39,656 (1)	38,573 (2)	1,529,650,888	16,387	3.6%
2020	43,463 (1)	41,807 (2)	1,817,057,641	15,788	3.7%
2021	42,976 (1)	43,245 (1)	1,858,497,120	15,197	8.7% *
2022	42,976 (1)	43,831 (1)	1,883,681,056	14,820	4.0%
2023	42,976 (1)	46,678 (1)	2,006,033,728	14,318	3.2%
2024	42,976 (1)	45,224 (1)	1,943,546,624	14,004	5.9%

(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	2024			2015		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Shaw Air Force Base (1)	8,509	1	46.11%	9,031	1	43.58%
Sumter County School District (3)	2,329	2	12.62%	3,019	2	14.57%
Continental Tire the Americas (2)	1,600	3	8.67%	700	8	3.38%
Prisma Health Tuomey (4)	1,010	4	5.47%	1,843	4	8.89%
Pilgrim's Inc. (2)	900	5	4.88%	2,150	3	10.37%
BD Diagnostics, Preanalytical Solutions (2)	990	6	5.36%	800	7	3.86%
Eaton Electrical (2)	900	7	4.88%	660	10	3.18%
State of South Carolina (5)	795	8	4.31%	903	6	4.36%
Thompson Industrial/CleanHarbors (7)	770	9	4.17%			
Sitel Group (Sykes) (Data Center) (2)	650	10	3.52%	950	5	4.58%
Sumter County Government (2)				667	9	3.22%
Total Employment	18,453			20,723		

Table reflects data for the entire county of Sumter

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

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

Table 16

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government										
Administrative	25	25	25	25	31	31.5	32.5	32.5	32.5	32.5
City store	2	2	2	2	2	2	2	2	2	2
Planning	8	10	10	11	11	11.5	11	11	11	11
Business license	4	4	4	4	4	5	5	5	5	5
Downtown	5	6	5	6	7	7.5	7.5	7.5	7.5	7.5
Public safety										
Building inspections	11	12	11	12	12	11	10	10	10	10
Codes	6	7	7	7	7	8	8	8	8	8
Police (1)	120	120	122	143	143	143	142.5	145.5	145.5	147.5
Police city-county	33	37	33	33	33	33.5	36.5	33.5	33.5	33.5
Municipal Court	2	2	2	2	2	2	2	2	2	2
Fire	106	107	108	101	101	102	101.5	101.5	101.5	101.5
Public works										
Construction	10	9	10	12	12	12	12	12	12	12
Engineering	7	9	7	7	6	6	6	6	6	6
Public works	8	9	8	9	9	9	9	9	9	10
Vehicle maintenance	1	1	1	1	1	1	1	1	1	1
Sanitation	38	37	39	41	41	41	41	41	41	41
Parks and gardens	39	38	39	33	33	33	33	33	33	32
Recreation	7	7	9	9	21	21	22	22	22	22.5
Stormwater	0	0	0	0	0	0	3	3	3	3
Community development										
Hope centers	12	12	12	11	11	11	12	11	11	11
Water and sewer										
Utility billing	27	28	26	27	27	28	28	28	28	28
Water & sewer distribution	30	28	29	33	33	32	32	32	32	32
Mechanical maintenance	11	10	12	11	11	11	11	11	11	13
Water plants	14	14	14	15	15	15	15	16	16	15
Sewer plant	26	26	25	28	28	28	29	29	29	28
Electrical maintenance	3	2	2	3	3	3	3	3	3	3
Mayesville	2	2	2	2	2	2	2	2	2	2
TOTAL EMPLOYEES	557	564	564	588	606	610	617.5	617.5	617.5	620

(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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government (4)										
Building permits issued -										
Commercial	135	213	209	173	165	559	590	517	563	464
Residential	862	1,017	881	795	762	1,759	1,963	2,425	2,137	2,398
Police (1)										
Number of police calls	87,492	86,440	75,767	72,838	76,635	77,929	90,125	69,484	64,991	59,422
Traffic violations	6,404	6,469	5,028	2,197	4,995	2,765	1,686	1,890	1,550	1,080
Fire (2)										
Calls answered	3,050	3,188	3,007	3,185	3,811	2,450	5,619	3,942	3,906	3,667
Water system (3)										
Service connections	23,305	23,079	23,068	23,708	23,673	23,673	23,991	24,344	24,556	24,853
Average daily consumptions (in millions of gallons)	11.9	12.3	13.1	13.9	13.3	11.7	12.7	13.4	12.9	13.5
Maximum daily capacity (in millions of gallons)	23.3	23.3	23.3	20.1	27.3	27.3	27.3	27.3	27.3	27.3
Wastewater system (3)										
Service connections	17,039	17,355	17,178	17,814	17,783	17,783	18,083	18,367	18,561	18,808
Average daily treatment (in millions of gallons)	8.6	11.6	10.4	10.4	11.9	12.86	11.28	9.45	10.1	10.2
Maximum daily capacity (in millions of gallons)	18.0	18.0	18.0	18.0	18.0	18.0	15.0	15.0	14.3	19.6

(1) Source: City of Sumter Police Department/Municipal Court

(2) Source: City of Sumter Fire Department

(3) Source: City of Sumter Public Services/Utility Billing Departments

(4) Source: City of Sumter Building Inspection/Codes Departments

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

Table 18

Function/Program	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police (1)										
*Stations	3	3	3	3	3	3	3	3	3	3
Fire stations (2)	5	5	5	5	5	5	5	5	5	5
Highways and streets (3)										
Streets (in miles)	89	91	93	93	95	95	95	95	97	98
Streetlights	2,673	1,492	1,516	2,406	2,410	2,410	2,410	2,410	2,485	2,485
Culture and recreation (4)										
Community centers	5	5	5	5	3	3	3	3	3	3
Parks	23	23	23	24	26	26	26	26	26	26
Park acreage	270	270	270	270	270	270	270	270	270	270
Water park	5	5	5	5	5	5	5	5	5	5
Aquatic center	1	1	1	1	1	1	1	1	1	1
Tennis courts	27	24	24	24	24	24	24	24	24	24
Water system (4)										
Water mains (in miles)	470	474	471	471	473	473	473	473	504	507
Fire hydrants	1,638	1,640	1,643	1,650	1,659	1,659	1,659	1,659	1,696	1,702
Wastewater system (4)										
Sanitary sewers (in miles)	340	341	342	342	344	344	344	344	354	355
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, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Defense Pass Through Program			
Department of Homeland Security	97.036	FEMA-4241-DR-SC	\$ 5,737
Federal Emergency Management Agency Pass-through Program From South Carolina Emergency Management Division			
Total Department of Defense			<u>\$ 5,737</u>
Department of Health and Human Services Pass Through Program			
Centers for Disease Control and Prevention	93.366		\$ 40,690
South Carolina Department of Health and Environmental Control			
Total Department of Health and Human Services			<u>\$ 40,690</u>
Department of Housing and Urban Development Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-24-MC-45-0011	\$ 65,717
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-45-0011	137,655
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-45-0011	90,294
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-45-0011	3,602
Department of Housing and Urban Development Pass-Through Program From South Carolina Office of Resilience Disaster Recovery			
Community Development Block Grant/Disaster Recovery	14.228	B-18-DP-06-0002	<u>38,312</u>
Total Department of Housing and Urban Development			<u>\$ 335,580</u>
Department of Justice Direct Programs:			
Bullet Proof Vest Partnership Program	16.607	2024BUBX24038421	\$ 5,373
Bullet Proof Vest Partnership Program	16.607	2023BUBX23033987	14,875
Bullet Proof Vest Partnership Program	16.607	2022BUBX22030106	13,023
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03757-JAGX	36,566
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02547-JAGX	32,162
Office of Community Oriented Policing Services	16.710	15JCOPS-23-GG-03997-TECP	491,939
Office of Community Oriented Policing Services	16.710	15JCOPS-22-GG-04843-TECP	66,606
Department of Justice Pass-through Programs From: South Carolina Department of Public Safety			
Victims of Crime	16.575	1S24041	19,788
Drug Enforcement Administration/OCDETF		SE-SC-0312	<u>218</u>
Total Department of Justice			<u>\$ 680,550</u>
Department of Transportation Pass Through Program			
South Carolina Department of Transportation			
Federal Transit-Metropolitan Planning Grants	20.205		\$ 418,589
Total Department of Transportation			<u>\$ 418,589</u>
U.S. Department of the Treasury Pass Through Program			
South Carolina Rural Infrastructure Authority			
Coronavirus State and Local Fiscal Recovery Funds	21.027	A-23-E003	\$ 1,724,248
Total U.S. Department of the Treasury			<u>\$ 1,724,248</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,205,394</u></u>

The accompanying notes are an integral part of this schedule.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

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, 2024. 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 minimis* indirect cost rate allowed under the Uniform Guidance.

Reissuance of the Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards (SEFA) included in this reissued Annual Comprehensive Financial Report (ACFR) replaces the version presented in the originally issued ACFR. The original SEFA omitted certain federal expenditures that should have been reported for the fiscal year ended June 30, 2024. The SEFA presented in this reissued report includes all federal expenditures in accordance with the Uniform Guidance.

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, (the "City") as of and for the year ended June 30, 2024, 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 1, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The Brittingham Group LLP

West Columbia, South Carolina
December 1, 2025

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sumter's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as item 2024-01. Our opinion on each major program federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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

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

The Brittingham Group LLP

West Columbia, South Carolina
December 1, 2025

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None

Federal Awards

Internal Control over major programs:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None

Type of Auditors' report issued on compliance for major programs:	<u>Unmodified</u>		
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No
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Identification of major programs

ALN Number	Program Name
16.710	Office of Community Oriented Policing Services
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	<u>\$</u>	<u>750,000</u>
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Auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No
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Section II - Financial Statement Findings

None.

Section III - Federal Awards Findings and Questioned Costs

2024-001:

Criteria:

The City was required to include all expenditures of federal awards received directly from federal agencies and indirectly from pass-through entities on the Schedule of Expenditures of Federal Awards.

Condition:

The City did not include all expenditures of federal awards received indirectly from pass-through entities on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2024 report issued on December 9, 2024 . The June 30, 2024 single audit had to be re-issued and an additional major program was tested.

Cause:

The City did not have procedures in place to ensure that all expenditures of federal awards were reported.

Effect:

The City was not in compliance with the Uniform Guidance compliance requirements for the Schedule of Expenditures of Federal Awards.

Auditor's Recommendation:

The City's management should implement procedures to ensure that expenditures for all federal awards are reported on the Schedule of Expenditures of Federal Awards for the applicable fiscal year.

Management's Response:

Management concurs with the auditor's finding. The omission of certain federal expenditures from the originally issued Schedule of Expenditures of Federal Awards (SEFA) was identified by management while reconciling federal expenditures for fiscal year 2025 to previously reported balances. It was determined that the fiscal year 2024 SEFA did not fully capture all grant-related transactions recorded in the general ledger. The SEFA has been corrected and reissued to include all qualifying expenditures, and updated procedures have been implemented to strengthen controls over SEFA preparation. Specifically, the Finance Department has designated certain expenditure accounts to be used only in conjunction with grant related expenditures and implemented a new procedure to identify any grant related transactions not recorded to those specified accounts.

Prior Year Findings:

No prior year audit findings.

CITY OF SUMTER, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2024

There were no prior year audit findings.