# CLEAR SPRING FIRE AND RESCUE

## BASIC FINANCIAL STATEMENTS

## JUNE 30, 2025

**CLEAR SPRING FIRE AND RESCUE**

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT

To Fire Control
Clear Springs Fire and Rescue
Simpsonville, South Carolina

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clear Springs Fire and Rescue, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Clear Springs Fire and Rescue'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, each major fund, and the aggregate remaining fund information of the Clear Springs Fire and Rescue, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clear Springs Fire and Rescue's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clear Springs Fire and Rescue'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, pension schedules, and budgetary comparison information 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 Clear Springs Fire and Rescue's basic financial statements. The accompanying detailed schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 comprises the introductory and statistical sections but 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 November 10, 2025, on our consideration of the Clear Springs Fire and Rescue'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 Clear Springs Fire and Rescue'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 Clear Springs Fire and Rescue's internal control over financial reporting and compliance.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
November 10, 2025

# CLEAR SPRING FIRE AND RESCUE
# MANAGEMENT DISCUSSION AND ANALYSIS
# YEAR ENDED JUNE 30, 2025

This management's discussion and analysis ("MD&A") OF Clear Spring Fire and Rescue ("CSFR") financial performance provides an overview of CSFR's financial activities for the fiscal year ended June 30, 2025 ("FY 2025" or "2025") compared to fiscal year ended June 30, 2024 ("FY 2024" or "2024"). The intent of this MD&A is to present CSFR's financial performance as a whole: readers should also review the financial statements, the notes to the financial statements, the required supplementary information, and the supplementary information to enhance their understanding of CSFR's financial performance.

## FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of CSFR exceeded its liabilities and deferred inflows of resources at June 30, 2025 by $5,253,751. Of this amount, $2,875,010 is unrestricted and may be used to meet CSFR's ongoing obligations to citizens and creditors.
- CSFR's total net position increased by $545,655 in 2025. The primary reason for the increase in total net position is due to revenues exceeding expenses of CSFR.
- CSFR had $3,257,680 in expenses related to governmental activities. General revenues (primarily taxes) of $3,945,511 provided funding for CSFR's programs.
- As of the close of the current fiscal year, CSFR's governmental funds reported ending fund balances of $5,062,792, an increase of $1,078,627 from the prior year ending fund balances primarily due revenue exceeding expenditures as property taxes were higher than the prior year. At June 30, 2025, unassigned fund balances were $4,441,919.
- During 2025, CSFR's general fund revenues increased $298,908 to $3,569,324. The increase was primarily due to an increase in property tax revenue of $123,507 and increase in interest revenues of $149,559. CSFR's General Fund expenditures were $4,862,261 compared to $3,573,995 in the prior year. The increase was primarily due to higher personnel costs of $172,817 and higher capital outlay of $1,063,818.
- CSFR's total net capital assets increased by $1,524,375 during the current fiscal year. The primary reason for the increase the purchase of a ladder truck of $1,824,812.
- CSFR's total debt increased by $2,120,000 due to regularly schedule payments and issuance of a new bond.

## OVERVIEW OF THE FINANCIAL STATEMENTS

**Government-Wide Financial Statements.** The financial statements include two kinds of statements that presents different views of CSFR. The first two statements are *government-wide financial statements* that provide a broad overview of CSFR's overall financial status, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* presents information on all of CSFR's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the differences between these reported as net position. Overtime, increase or decreases in net position may serve as a useful indicator of whether the financial position of CSFR is improving or deteriorating.

**OVERVIEW OF THE FINANCIAL STATEMENT (CONTINUED)**

The *Statement of Activities* presents information showing how CSFR'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, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unusual vacation leave).

The government-wide financial statements may distinguish functions of CSFR that are principally supported by taxes and other 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 CSFR include fire safety and emergency response services. CSFR does not have any business-type activities.

The government-wide financial statements can be found as listed in the table of contents.

**Fund Financial Statements.** The remaining financial statements are *fund financial statements* that focus on *individual parts* of CSFR, reporting operations in more detail than the government-wide 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. CSFR's like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. There are three categories of funds that are typically used by state and local governments: governmental funds, proprietary funds, and fiduciary funds. CSFR utilizes only governmental funds in reporting its operations.

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 uses of the 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 government funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and governmental activities.

CSFR maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund which are both considered major funds. The governmental fund financial statements can be found as listed in the table of contents.

## OVERVIEW OF THE FINANCIAL STATEMENT (CONTINUED)

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

**Other Information.** In addition to the financial statements and accompanying notes, required supplemental information and supplemental information have been provided which enhanced the financial statements. This other information can be found as listed in the table of contents of this report.

**Figure A-1**

**Major Features of CSFR's Government-Wide and Fund Financial Statements**

| Statements | Government-Wide Financial Statements | Governmental Fund Financial |
|---|---|---|
| Scope | Entire District | The activities of CSFR that are governmental in nature |
| Required Financial statements | Statement of Net Position<br>Statement of Activities | Balance Sheet<br>Statement of Revenues, Expenditures, and Changes in Fund Balances |
| Accounting basis and Measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus |
| Type of balance sheet Information | All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long term | Only assets and deferred outflows of resources (if any) expected to have used us and liabilities and deferred in flows of resources that come due during the year or soon thereafter; no capital assets or long-term obligations are included. |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when Cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter |

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of CSFR, assets as deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by summary of CSFR's net position at June 30, 2025 and 2024:

**Table 1- Net Position**

| Governmental Activities | | | |
|---|---|---|---|
| Assets: | 2025 | 2024 | Change |
| Current and other assets | $ 5,226,753 | $ 4,111,071 | $ 1,115,682 |
| Capital assets, net | 6,622,202 | 5,097,827 | 1,524,375 |
| Total Assets | 11,843,658 | 9,208,898 | 2,640,057 |
| Deferred Inflow of Resources | 666,422 | 852,997 | (186,575) |
| Liabilities: | | | |
| Other liabilities | 143,987 | 108,426 | 35,561 |
| Net pension liability | 2,043,989 | 2,080,643 | (36,654) |
| Long term liabilities | 4,923,598 | 2,778,847 | 2,144,751 |
| Total Liabilities | 7,111,574 | 4,967,916 | 2,143,658 |
| Deferred Inflows of Resources | 144,754 | 380,585 | (235,831) |
| Net Position: | | | |
| Net investment in capital assets | 1,760,128 | 2,374,800 | (614,969) |
| Restricted | 623,910 | 76,238 | 547,672 |
| Unrestricted | 2,875,011 | 2,262,356 | 612,654 |
| Total Net Position | $ 5,259,049 | $ 4,713,394 | $ 532,292 |

The increase in total assets for 2025 compared to 2024 was primarily due to an increase in net capital assets of $1,519,078.

The decrease in total liabilities for 2025 compared to 2024 was primarily due to an overall increase in net pension liability. However, the decrease in the long-term liabilities is primarily due to regularly scheduled payments. The changes in the net pension liability and deferred outflows and inflows of resources were primarily due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of CSFR's share of the net pension liability in State retirement plans.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Governmental accounting principles require CSFR to classify its net position in up to three categories. CSFR uses the following categories to classify its net position:

- Net investment in capital assets – This represents amounts invested in capital assets (less accumulated depreciation and amortization on those assets) less any related outstanding debt used to acquire those assets. On June 30, 2025 and 2024, the net investment in capital assets was $1,754,831 (33%) and $2,374,800 (50%), respectively.

- Restricted – This represents the portion of net position that is restricted by outside parties for a specific purpose. The balance of restricted net position as of June 30, 2025 and 2024 was $621,749 (11%) and $76,238 (2%), respectively, and was restricted for debt service and the other explorer program.

- Unrestricted – This represents the portion of net position that can be used to financed the daily operations of CSFR for which no restrictions are imposed. The balance of unrestricted net position as of June 30, 2025, and 2024 was $2,869,106 (55%) and $2,262,356 (48%), respectively.

Table 2 shows the changed in net position for 2025 and 2024:

**Table 2 - Change in Net Position**

| Governmental Activities | | | |
|---|---|---|---|
| General Revenue | 2025 | 2024 | Changes |
| Property taxes | $ 3,692,849 | $ 3,443,984 | $ 248,865 |
| Operating grants and contributions | 20,468 | - | 20,468 |
| Gain (loss) on sale of assets | - | 10,341 | (10,341) |
| Miscellaneous revenue | 51,934 | 17,560 | 34,374 |
| Unrestricted investment earnings | 180,260 | 33,348 | 146,912 |
| Total Revenues | 3,945,511 | 3,505,233 | 440,278 |
| Program Expenses: | | | |
| Fire safety and emergency response | 3,257,680 | 3,062,629 | 195,051 |
| Interest and other charges | 142,176 | 74,733 | 67,443 |
| Total Program Expenses | 3,399,856 | 3,137,362 | 262,494 |
| Changes in Net Position | 545,655 | 367,939 | 172,419 |
| Net Position Beginning of Year | 4,713,394 | 4,345,455 | 367,939 |
| Net Position, End of Year | $ 5,259,049 | $ 4,713,394 | $ 540,358 |

CSFR's net position increased in 2025 by $545,655 or 10%. Key elements of this increase are as follows:

- Total revenue increased $440,278 from the prior year primarily due to greater property tax collections ($248,865).

## FINANCIAL ANALYSIS OF CSFR'S FUNDS

- Program expenses increased $262,494 from the prior year primarily an increase in salaries and benefits of $200,348 with all other expenses increasing $67,443.

As noted earlier, CSFR uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The analysis of the governmental funds serves the purpose of determining available fund resources, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

CSFR has only two governmental funds – the General Fund and the Debt Service Fund.

For the year ended June 30, 2025, CSFR's general fund, a major fund, reported fund balance of $4,441,919 compared to $3,910,044 for the prior year. The increase in fund balance is primarily due to the issuance of a new $2,300,000 GO Bond, an increase in property taxes received along with higher personnel cost and capital outlay in the current year. Revenues were higher in 2025 by $298,908, primarily due to higher property taxes of $123,507. Expenditures were higher in 2025 by $1,288,306, primarily due to an increase in personnel costs of $157,561 and an increase in capital outlay of $1,063,818.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. On June 30, 2025, CSFR's unassigned fund balance for the general fund was $4,441,919.

For the year ended June 30, 2025, CSFR's Debt Service Fund, a major fund, reported fund balance of $620,729 compared to $74,121 for the prior year. The increase is primarily attributed to property tax and interest revenues exceeding expenditures for regularly scheduled debt service and interest. Revenues were higher in 2024 primarily due to a decrease in property tax collections.

### General Fund Budgetary Highlights

CSFR's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The only budget fund of CSFR is the General Fund. During the course of 2025, no amendments were made to CSFR's revenue and expenditures budgets. Actual revenues were higher than budgeted revenues by $528,938 primarily due to an increase in property tax collections and higher than expected miscellaneous income. Actual expenditures were higher than budgeted expenditures by $1,845,478, primarily due to unbudgeted capital outlay.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

CSFR had approximately $7,213,746 and $5,097,827 in capital assets at the close of 2025 and 2024, respectively. Table 3 shows capital asset balances by category on June 30, 2025 and 2024:

**Table 3 – Capital Assets**

| | June 30, 2025 | June 30, 2024 |
|---|---|---|
| Land | $ 210,635 | $ 210,635 |
| Buildings | 4,452,148 | 4,422,648 |
| Emergency vehicles | 5,037,531 | 3,089,680 |
| Support vehicles | 194,309 | 194,308 |
| Equipment | 332,913 | 332,913 |
| Land improvements | 25,880 | 25,880 |
| Leasehold improvements | 146,116 | 146,116 |
| Less: Accumulated depreciation | (3,777,330) | (3,324,353) |
| Total capital assets, net of depreciation | $ 6,622,202 | $ 5,097,827 |

The total increase in CSFR's capital assets for 2025 was $1,519,077 and consisted of the following:

- Purchased emergency vehicles of $1,972,554
- Purchase of building improvements $29,500
- Depreciation expenses of $452,927

More detailed information about CSFR's capital assets is included in the notes to the financial statements.

### *Debt Administration*

At June 30, 2025 and 2024, CSFR had outstanding debt of $4,825,000 and $2,705,000, respectively. Table 4 shows long-term debt at June 30, 2025 and 2024:

**Table 4 – Long Term Debt**

| | June 30, 2025 | June 30, 2024 |
|---|---|---|
| Due to Greenville County for go bond insurance | $ 4,825,000 | $ 2,705,000 |

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Debt Administration (Continued)*

The net increase in CSFR's long-term debt was $2,120,000. Major long-term debt events during the current year included:

- Regularly scheduled principal payments of $180,000.
- Issuance of GO Bond in the amount of $2,300,000 for the purchasing of a ladder truck.

CSFR has other long-term liabilities outstanding at year end which consisted of compensated absences liability and the net pension liability. More detailed information about CSFRs long-term liabilities is included in the notes to the financial statements.

## ECONOMIC FACTORS

CSFR is a fire protection created by an ordinance of Greenville, South Carolina County Council in 1981. Prior to its legal name change on July 1, 2004, CSFR was known as East Simpsonville Fire District. CSFR provides fire protection and emergency response within its boundaries. CSFR is continuing to experience positive population growth.

## FISCAL YEAR 2025 BUDGET

Many factors were considered by CSFR's administration during the process of developing the year ended June 30, 2026 ("2026") budget. CSFR's 2025 budget was prepared to continue the vision and mission of CSFR. CSFR has budgeted revenues of $3,016,783 and expenditures of $3,016,783 for 2025.

## CONTACTING DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of CSFR's finances and to show CSFR's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Deputy Chief Kardos at 3008 Woodruff Road, Simpsonville, SC 29681, telephone 864-288-1173.

**CLEAR SPRING FIRE AND RESCUE**
**STATEMENT OF NET POSITION**
**JUNE 30, 2025**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ | 4,535,249 |
| Cash and investments held by county treasurer | | 600,511 |
| Property tax receivable | | 90,993 |
| Capital assets | | |
| Non-depreciable capital assets | | 210,635 |
| Depreciable capital assets, net | | 6,411,567 |
| Total assets | | 11,848,955 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Deferred charges on pension liability | | 666,423 |
| Total deferred outflows of resources | | 666,423 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities | | 74,190 |
| Accrued payroll and taxes | | 69,797 |
| Long-term liabilities | | |
| Due within one year | | |
| Compensated absences | | 61,524 |
| Accrued interest | | 37,074 |
| Due to Greenville County | | 380,000 |
| Due in more than one year | | |
| Net pension liability | | 2,043,989 |
| Due to Greenville County | | 4,445,000 |
| Total liabilities | | 7,111,574 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred charges on pension liability | | 144,755 |
| Total deferred inflows of resources | | 144,755 |
| **NET POSITION** | | |
| Net investment in capital assets | | 1,760,128 |
| Restricted for debt service | | 623,910 |
| Unrestricted | | 2,875,011 |
| Total net position | $ | 5,259,049 |

The notes to the financial statements are an integral part of this statement.

**CLEAR SPRING FIRE AND RESCUE**
**STATEMENT OF ACTIVITIES**
**YEAR ENDED JUNE 30, 2025**

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government Governmental Activities |
| **PRIMARY GOVERNMENT** | | | | | |
| **Governmental activities** | | | | | |
| Fire safety and emergency response | $ 3,257,680 | $ - | $ 20,468 | $ - | $ (3,237,212) |
| Interest expense | 142,176 | - | - | - | (142,176) |
| Total governmental activities | $ 3,399,856 | $ - | $ 20,468 | $ - | (3,379,388) |

| | |
|---|---|
| **GENERAL REVENUES** | |
| Property taxes levied for General purposes | 3,692,849 |
| Interest | 180,260 |
| Miscellaneous revenue | 51,934 |
| Total general revenues | 3,925,043 |
| Change in net position | 545,655 |
| Net position, beginning of year | 4,713,394 |
| Net position, end of year | $ 5,259,049 |

The notes to the financial statements are an integral part of this statement.

**CLEAR SPRING FIRE AND RESCUE**
**BALANCE SHEET - GOVERNMENTAL FUNDS**
**JUNE 30, 2025**

| | General Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 4,535,249 | $ - | $ 4,535,249 |
| Cash and investments held by county treasurer | - | 600,511 | 600,511 |
| Property tax receivable | 67,594 | 23,399 | 90,993 |
| Total assets | $ 4,602,843 | $ 623,910 | $ 5,226,753 |
| **LIABILITIES AND FUND BALANCES** | | | |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | $ 74,190 | $ - | $ 74,190 |
| Accrued payroll and taxes | 69,797 | - | 69,797 |
| Total liabilities | 143,987 | - | 143,987 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred property taxes | 16,937 | 3,037 | 19,974 |
| **FUND BALANCES** | | | |
| Restricted: | | | |
| Restricted for debt service | - | 620,873 | 620,873 |
| Unassigned | 4,441,919 | - | 4,441,919 |
| Total fund balances | 4,441,919 | 620,873 | 5,062,792 |
| Total liabilities and fund balances | $ 4,602,843 | $ 623,910 | $ 5,226,753 |

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

**CLEAR SPRING FIRE AND RESCUE**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**
**TO THE STATEMENT OF NET POSITION**
**JUNE 30, 2025**

| | |
|---|---|
| **Total fund balances - governmental funds** | $ 5,062,792 |
| **Amounts reported for governmental activities in the statement of net position are different because:** | |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds. | 6,622,202 |
| CSFR's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plan are not recorded in the government funds but are recorded in the statement of net position. | (1,522,321) |
| Outstanding property taxes which will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are deferred in the governmental funds. | 19,974 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated absences | (61,524) |
| Due to Greenville County | (4,825,000) |
| Accrued interest | (37,074) |
| **Net position** | $ 5,259,049 |

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

**CLEAR SPRING FIRE AND RESCUE**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**GOVERNMENTAL FUNDS**
**YEAR ENDED JUNE 30, 2025**

| | General Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 3,317,771 | $ 373,584 | $ 3,691,355 |
| Interest | 179,151 | 1,109 | 180,260 |
| Grants | 20,468 | - | 20,468 |
| Miscellaneous revenues | 51,934 | - | 51,934 |
| Total revenues | 3,569,324 | 374,693 | 3,944,017 |
| **EXPENDITURES** | | | |
| Current | | | |
| Personnel | 2,348,496 | - | 2,348,496 |
| General | 536,414 | - | 536,414 |
| Capital outlay | 1,977,351 | - | 1,977,351 |
| Debt service: | | | |
| Principal | - | 180,000 | 180,000 |
| Interest | - | 123,129 | 123,129 |
| Total expenditures | 4,862,261 | 303,129 | 5,165,390 |
| Excess (deficiency) of revenues over expenditures | (1,292,937) | 71,564 | (1,221,373) |
| **OTHER FINANCING (USES) SOURCES** | | | |
| Bond proceeds | 2,300,000 | - | 2,300,000 |
| Transfers, net | (475,188) | 475,188 | - |
| Total other financing (uses) sources | 1,824,812 | 475,188 | 2,300,000 |
| Net change in fund balances | 531,875 | 546,752 | 1,078,627 |
| Fund balances, beginning of year | 3,910,044 | 74,121 | 3,984,165 |
| Fund balances, end of year | $ 4,441,919 | $ 620,873 | $ 5,062,792 |

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

**CLEAR SPRING FIRE AND RESCUE**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
**YEAR ENDED JUNE 30, 2025**

| | | |
|---|---|---|
| **Net change in fund balances - governmental funds** | | $ 1,078,627 |
| **Amounts reported for governmental activities in the statement of activities are different because:** | | |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in deferred revenues for the year. | | 1,494 |
| 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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. | | |
| Capital asset additions | $ 1,977,351 | |
| Depreciation expense | (452,976) | 1,524,375 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. | | |
| Proceeds from bonds | (2,300,000) | |
| Repayment of bond payable | 180,000 | (2,120,000) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| This adjustment relates to the change in compensated absences from the prior year. | | (5,704) |
| Changes in the District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities | | 85,910 |
| In the statement of activities, interest is accrued on long term debt, whereas in governmental funds, interest is expensed when due. | | |
| This adjustment relates to the change in accrued interest from the prior year. | | (19,047) |
| **Change in net position** | | $ 545,655 |

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of CSFR

Clear Spring Fire and Rescue ("CSFR") is a fire protection area created by an ordinance of Greenville, South Carolina County Council ("Council") in 1981. Prior to its legal name change on July 1, 2004, CSFR was known as East Simpsonville Fire District, CSFR provides fire protection within its boundaries. The governing body is the Board of Fire Control Board ("Board") which consists of seven members who are appointed by Council who establish policy for CSFR. CSFR is a component unit of Greenville County as it is fiscally dependent on the County.

For the purposes of applying accounting principles generally accepted in the United States of America (GAAP) to its activities, CSFR's management has determined that it is governmental entity. The Governmental Accounting Standards Board (GASB), which has jurisdiction over accounting and financial reporting standards applicable to governmental entities, and the Financial Accounting Standards Board (FASB), which has jurisdiction over such standards applicable to nongovernmental entities, have agreed on a definition of governmental entity that is to be used when determining whether governmental accounting principles are applicable. Since (a) CSFR is a public benefit entity, (b) the members of CSFR's governing commission are appointed by Council and (c) upon dissolution of CSFR, all of the net assets would revert to another governmental entity as pursuant to state law, CSFR meets the criteria set forth in the definition of a governmental entity. Accordingly, the accompanying financial statements of CSFR have been prepared in accordance with GAAP applicable to governmental units.

The accounting and reporting policies of CSFR related to funds included in the accompanying basic financial statements conform to accounting principles GAAP applicable to state and local governmental entities. GAAP for local governmental include those principles prescribed by the GASB, the American Institute of Certified Public Accountants in the audit and accounting guide entitled *State and Local Governments* and by the FASB when applicable.

### Reporting Entity

Pursuant to governmental accounting principles generally accepted in the United States of America, in evaluating CSFR as a reporting entity, management must consider all potential component units. The decision to include any potential component units in CSFR's reporting entity was based on the following criteria:

- CSFR's financial accountability for the potential component unit was considered. CSFR is financially accountable if it appoints a voting majority of the governing board of the potential component unit and (1) it is able to impose its will on the potential component unit or (2) a financial benefit/burden relationship exists between CSFR and the potential component unit.

- The potential component unit's fiscal dependence on CSFR was considered.

- The nature and significance of the relationship between CSFR and the potential component unit was considered to determine whether exclusion of potential component unit from the reporting entity would render CSFR's financial statements, misleading or incomplete.

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Based on the above criteria, management has determined that there are no potential component units eligible for inclusion in CSFR's financial statements.

**Basis of Presentation**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of CSFR (the "Primary Government"). Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Presently, CSFR has no business-type activities.

The Statements of Activities demonstrate the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues consist of operating grants and contributions and capital grants and contributions restricted for use in a specific program. Property taxes from Greenville County, unrestricted grants and contributions and other items not classified as program revenues are reported as general revenues.

The fund financial statements report transactions related to certain functions or activities in sperate funds in order to aid financial management and to comply with certain restrictions on the funds. CSFR has presented the following major governmental funds:

- General Fund: This fund is used as an operating fund for all financial resources not required to be accounted for in another fund and is funded primarily by property taxes from Greenville County. This is a budgeted fund, and any fund balance is considered a resource available for use.

- Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and payments of general obligation bond principal, interest and related costs to Greenville County. The Greenville County Treasurer calculates and collects property taxes levied for the purpose of retiring general obligation bonds and remits them directly to the bond paying agent.

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position and the operating statement presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability in incurred, regardless of the timing of related cash flows.

(Continued)

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental fund statements are reported using the current financial resources measurement focus are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, or when they become both measurable and “available”. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. CSFR considers revenues as available if they are collected within 60 days of year-end. The revenues susceptible to accrual include funds received from property taxes. All other fund revenues are recognized when received. Expenditures are recorded when claims and judgments, and compensated absences, which are recognized as expenditures to the next extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, noted payable and acquisitions under capital leases are reported as other financing sources.

### Cash, Cash Equivalents, and Investments

CSFR considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool (the "Pool") to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the Pool are reported as investments.

CSFR maintains its cash balances in local, national banks and South Carolina Government Investment Pool.

CSFR’s investment policy is designed to operate within existing state statutes. State Laws authorize investments by political subdivisions in instruments including but not limited to (a) obligations of the United States of America or its related agencies, (b) obligations of the state of South Carolina, or (c) savings and loans association deposits to the extent insured by the Federal Deposit Insurance Corporation (FDIC).

CSFR’s cash investment objectives are preservation of capital, liquidity and yield. CSFR reports its cash and investments at fair value, which is normally determined by quoted market prices. CSFR currently or in the past year has used the following investments:

- Cash and investments held by the County Treasurer which are property taxes collected by CSFR’s fiscal agent that have not yet been remitted to CSFR. The County Treasurer invests these funds in investments authorized by the state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.

### Property Taxes Receivables

Property taxes receivable consist of real and personal property taxes that are to be collected by Greenville County and remitted to CSFR. All property taxes receivable are shown net of an allowance for uncollectible taxes.

### Capital Assets

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide financial statements, but are not reported in the fund financial statements.

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

All capital assets are recorded at historical cost. CSFR capitalization limit for buildings, vehicles, fire trucks, equipment, land improvements and leasehold improvements is $5,000. Interest is not capitalized during the construction of capital assets. Other than land and construction in progress, all capital assets are

depreciated over their estimated useful lives using the straight-line method. Construction projects being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate fixed asset category. Improvements are depreciated over the remaining useful lives of the related capital assets.

In the government-wide financial statements, maintenance and repairs are expensed when incurred. Betterments and renewals that meet CSFR's capitalization limits are capitalized. When capital assets are sold or otherwise disposed of, the asset cost and related accumulated depreciation are removed from the respective accounts and the resulting gains or losses are included in the Statement of Activities.

Estimate useful lives are as follows:

| | |
|---|---|
| Buildings | 39 years |
| Emergency vehicles | 5 – 10 years |
| Support vehicles | 5 years |
| Equipment | 5 – 10 years |
| Land improvements | 10 years |
| Leasehold improvements | 10 – 15 years |

**Payables, Accruals and Long-Term Liabilities**
All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements. In general payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, long-term obligations, claims and judgements, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability only when payment is due.

**Pensions**
In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 8 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. CSFR recognizes a net pension liability for each qualified pension plan in which it participates, which represents the access of the total pension liability over the fiduciary net position of the qualified pension plan, or CSFR's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Plan's fiscal yearend. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from change in actuarial assumptions or other inputs and differences between expected or actual

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the differences occurred.

**Deferred Outflows and Inflows of Resources**

As defined by GASB Concept Statement No. 4, *Elements of Financial Statements,* deferred outflows of resources and deferred inflows or resources represents the consumption of net position by the government or an acquisition of net position by the government, respectively, that is applicable to a future reporting period.

In addition to assets, the Statement of Net Position and the Balance Sheet will report a separate section whenever the element, *deferred outflows of resources,* is presented. This separate financial statement element represents a consumption of net position that applies to a future period(s) and that will be recognized as an outflow of resources (expense/expenditure) during that future period(s). CSFR currently has one type of deferred outflows resources: (1) CSFR reports deferred pension charges in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System.

These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (e.g., pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in the future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will report a separate section whenever the element, *deferred inflows of resources,* is presented. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and that will be recognized as an inflow of resources (revenue) during that future period(s). CSFR currently has two types of deferred inflows of resources: (1) CSFR reports deferred property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow or resources (property taxes revenues) in the period amounts become available. (2) CSFR also reports deferred pension credits in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

**Fund Balances**

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* governmental funds report fund balances in classifications based primarily on the extent to which CSFR is bound to honor constraints on specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

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

- Committed Fund Balance – Includes amounts that can only be used for the specific purposes determined by a formal action of CSFR's highest level of decision-making authority, the Board of Fire Control. Commitments may be changed or lifted only by CSFR taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

- Assigned Fund Balance – Includes amounts intended to be used by CSFR for specific purposes that are neither restricted nor committed. Intent is expressed by (a) CSFR or (b) a body (the Board of Fire Control, fire chief, or Greenville County) to which the assigned amounts are to be used for specific purposes.

- Unassigned Fund Balance – Includes all residual amounts in governmental funds that are not classified as non-spendable, restricted, committed or assigned. This residual classification is also used for all negative fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the other of restricted, committed, assigned, and unassigned.

In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

**Net Position**
Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and related. Net position is reported as restricted when there are limitations imposed on its used. Unrestricted net position is any amount not included in net investment in capital assets or in restricted net position.

**Restricted Assets/Net Position**
Restricted assets include any asset restricted as to their use in specific CSFR programs either through enabling legislation or through external restrictions imposed by donors, grantors, creditors, or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, CSFR first applies restricted position and then unrestricted position. At June 30, 2025, CSFR had restricted assets of $623,910 which consist of $610,511 of cash and $23,399 of receivables in the Debt Service Fund.

(Continued)

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

### 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

### Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CSFR can access at the measurement date.

- Level 2 Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

  - Quoted prices for similar assets and liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted market prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs to the valuation methodology that are unobservable for an asset or liability and include:

  - Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. CSFR believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

(Continued)

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

### Leases

GASB Statement No. 87, Leases, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 were effective for the year ending June 30, 2023. CSFR considers the effects of GASB No. 87 to be immaterial and therefore, CSFR has not recorded current leases under the standard.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### Custodial Credit Risk Related to Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, CSFR's deposits may not be recovered. South Carolia state law requires banks to collateralize deposits for governmental entities that exceed the amount of insurance coverage provided by the Federal Deposit Corporation (FDIC). Accounts held at each institution are insured by the FDIC up to $250,000. CSFR has no additional deposits policy for custodial credit risk. As of June 30, 2025, none of CSFR's bank balance of $5,196,215 were exposed to custodial credit risk.

As of June 30, 2025, CSFR had the following investments:

| Investment Type | Credit Rating | Fair Value | Weighted Average Maturity (Years) |
|---|---|---|---|
| Cash and investment held by | | | |
| County Treasurer | Not rated | $ 600,511 | 3.42 |
| LGIP | Not rated | 4,383,238 | >1.00 |

Interest Rate Risk: CSFR does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Credit Risk for Investments: The Credit risk for investments is the risk that an issuer or other counter party to an investment will not fulfill its obligation. The Pool is an unrated non-security investment.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CSFR's policy regarding custodial credit risk for investments is that all investments are collateralized by highly stable and low risk debt securities. CSFR monitors its investments periodically to ensure that the collateral exceeds the market value of investments. As of June 30, 2025, none of CSFR's investments were exposed to custodial credit risk.

A reconciliation of CSFR's deposits and investments at June 30, 2025 on its statement of net position to this footnote disclosure is as follows:

CSFR does not typically put its funds in security investments, and thus has not developed a policy for credit risk, custodial credit risk or concentration of credit risk for these types of investments.

## NOTE 3 – PROPERTY TAXES

Greenville County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet its funding obligations for CSFR. This obligation is established each year by the Greenville County Council and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Property taxes other than those on motor vehicles are levied and billed by the County on real and business personal properties on October 1 based on the assessed valuation of the property located within CSFR's district of the preceding December 31. For the year ended June 30, 2025, the assessed value was approximately $108.5 million at rates of 27.50, mils for the General Fund and 2.30 mils for the Debt Service Fund. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

| | |
|---|---|
| January 16 through February 1 | 3% of tax |
| February 2 through March 16 | 10% of cost |
| After March 16 | 15% of tax plus $15 execution cost |

Current year real and business personal property taxes become delinquent on March 17. Unpaid property taxes become a lien against the property as of the date the tax liability is fixed (usually, December 31 of the year preceding the tax levy). The levy date for the motor vehicles id the first day of the month in which the motor vehicle license is renewed. These taxes are due by the last day of the same month.

CSFR has recorded uncollected, delinquent property taxes at June 30, 2025, of $67,522 less an allowance for estimated uncollectible property taxes of $9,227. Delinquent property taxes of $39,815 have been recognized as revenue at June 30, 2025 because they were collected and had been received by CSFR within 60 days of year-end. At June 30, 2025, $19,974 has been recorded as deferred revenue on the governmental funds financial statements because it is not expected to be collected within 60 days of year end thus is not considered available.

## NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets activities for the year ended June 30, 2025:

| | June 30, 2024 | Additions | Disposals | June 30, 2025 |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Capital assets | | | | |
| Being depreciated: | | | | |
| Buildings | $ 4,422,648 | $ 29,500 | $ - | $ 4,452,148 |
| Emergency vehicles | 3,089,680 | 1,947,851 | - | 5,037,531 |
| Support vehicles | 194,309 | - | - | 194,309 |
| Equipment | 332,913 | - | - | 332,913 |
| Land improvements | 25,880 | - | - | 25,880 |
| Leasehold Improvements | 146,116 | - | - | 146,116 |
| Total Capital Assets Being Depreciated | 8,211,546 | 1,977,351 | - | 10,188,897 |
| Less: Accumulated depreciation | | | | |
| Buildings | 896,857 | 113,486 | - | 1,010,343 |
| Emergency vehicles | 1,921,608 | 309,163 | - | 2,230,771 |
| Support vehicles | 113,814 | 12,314 | - | 126,128 |
| Equipment | 330,633 | 1,304 | - | 331,937 |
| Land improvements | 21,134 | 1,726 | - | 22,860 |
| Leasehold improvements | 40,308 | 14,983 | - | 55,291 |
| Total Accumulated Depreciation | 3,324,353 | 452,976 | - | 3,777,330 |
| Capital assets being Depreciated, net | 4,887,193 | 1,524,375 | - | 6,411,567 |
| Capital assets not being depreciated | | | | |
| Land | 210,635 | - | - | 210,635 |
| Capital assets Not being depreciated | 210,635 | - | - | 210,635 |
| Government Activities Capital Assets, Net | $ 5,097,828 | $ 1,519,078 | $ - | $ 6,622,202 |

Depreciation expense of $452,976 related to capital assets that serve all CSFR functions is included as a separate line item in the accompanying Statement of Activities for the year ended June 30, 2025.

## NOTE 5 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025 was as follows:

| | June 30, 2024 | Additions | Reductions | June 30, 2025 | Amount Due in One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Net pension liability | $ 2,080,643 | $ - | $ (36,654) | $ 2,043,989 | $ - |
| Due to Greenville County for General obligation bond issuance | 2,725,000 | 2,300,000 | (180,000) | 4,645,000 | 380,000 |
| Compensated absences | 55,820 | 5,704 | - | 61,524 | 61,524 |
| Governmental Activities Long-term Liabilities | $ 4,861,463 | $ 2,305,704 | $ (216,654) | $ 6,750,513 | $ 441,524 |

Compensated absences and the net pension liability have been liquidated in the past by the General Fund. CSFR's policies regarding compensated absences and its pension liability are described below in Note 7 and Note 8, respectively.

CSFR has recognized long-term debt due to Greenville County for general obligation bonds issued at CSFR's request. In June 2017, at CSFR's request, Greenville County Council issued $3,875,000 of general obligation refunding and improvement bonds ("2017 GORIB"). These bonds are backed by the full faith, credit and taxing power of the County. As such Greenville County appropriates funds to service the debt of the general obligation bonds and has all responsibility for the management and service of the bonds. The bonds are not collateralized by any present or future assets of CSFR. The County provided a millage increase for purposes of servicing the bond obligations.

In August 2014, at CSFR's request, Greenville County Council issued $2,300,000 of general obligation refunding and improvement bonds ("2024 GOS"). These bonds are backed by the full faith, credit and taxing power of the County. As such Greenville County appropriates funds to service the debt of the general obligation bonds and has all responsibility for the management and service of the bonds. The bonds are not collateralized by any present or future assets of CSFR. The County provided a millage increase for purposes of servicing the bond obligations.

The general obligation bond principal is due in annual installments of $160,000 to $245,000 beginning on April 1, 2018 through April 1, 2037, plus interest from 2.0% to 3.0% due semi-annually on April 1st and October 1st. This general obligation bind will be liquidated by the County's Debt Service Fund.

This general obligation bind issue was used to refund the 2003 GOB and to provide the funding for the acquisition, construction, installation, renovation, equipping, and furnishing of a new fire station for CSFR.

(Continued)

## NOTE 5 – LONG-TERM LIABILITIES, Continued

Annual debt service requirements to maturity for long-term debt are as follows:

| Year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 380,000 | $ 151,998 | $ 531,998 |
| 2027 | 387,000 | 141,220 | 528,220 |
| 2028 | 399,000 | 129,262 | 528,262 |
| 2029 | 412,000 | 116,925 | 528,925 |
| 2030 | 425,000 | 104,173 | 529,173 |
| 2031-2035 | 2,342,000 | 283,869 | 2,625,869 |
| 2036-Thereafter | 480,000 | 21,750 | 501,750 |
| | $ 4,825,000 | $ 949,197 | $ 5,774,197 |

## NOTE 6 – COMPENSATED ABSENCES

CSFR provides annual leave to employees based on length of service. The financial statements reflect an accrual for the estimated liability based on the straight-time hourly rates in effect at June 30, 2025.

## NOTE 7 – RISK MANAGEMENT

CSFR is exposed to various types of risk including loss related to torts; theft of, damage to and destruction of real and personal property; injuries to employees and others; and damage to property of others. Therefore, CSFR has purchased insurance contracts from commercial insurance companies to manage such risk. There was no significant reduction in insurance coverage during the year ended June 30, 2025, and no claim settlements have exceeded insurance coverage during the years ended June 30, 2025, 2024 or 2023.

## NOTE 8 – PENSION PLANS

**State Retirement Plan**

The CSFR participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA").

(Continued)

**NOTE 8 – PENSION PLANS, Continued**

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

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

**Plan Descriptions**

- The South Carolina Retirement System (SCRS), a cost–sharing multiple-employer defined benefit pension plan, was established 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

(Continued)

**NOTE 8 – PENSION PLANS, Continued**

- The South Carolina Police Officers Retirement System (PORS), a cost–sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be 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. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**Benefits**

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

(Continued)

**NOTE 8 – PENSION PLANS, Continued**

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.
  The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.
  The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase

**Plan Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute.

Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

(Continued)

**NOTE 8 – PENSION PLANS, Continued**

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

Required employee contribution rates[1] are as follows:

| | Fiscal Year 2025[1] | Fiscal Year 2024[1] |
|---|---|---|
| **SCRS** | | |
| Employee Class Two | 9.00% | 9.00% |
| Employee Class Three | 9.00% | 9.00% |
| **State ORP** | | |
| Employee | 9.00% | 9.00% |
| **PORS** | | |
| Employee Class Two | 9.75% | 9.75% |
| Employee Class Three | 9.75% | 9.75% |

Required employer contribution rates[1] are as follows:

| | Fiscal Year 2025[1] | Fiscal Year 2024[1] |
|---|---|---|
| **SCRS** | | |
| Employee Class Two | 18.56%[2] | 18.56%[2] |
| Employee Class Three | 18.56%[2] | 18.56%[2] |
| **State ORP** | | |
| Employer Contribution[3] | 18.56%[2] | 18.56%[2] |
| **PORS** | | |
| Employee Class Two | 21.24%[4] | 21.24%[4] |
| Employee Class Three | 21.24%[4] | 21.24%[4] |

(Continued)

[1] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
[2] Includes incidental death benefit contribution rate of 0.15%.
[3] Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.
[4] Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each.

**NOTE 8 – PENSION PLANS, Continued**

**Actuarial Assumptions and Methods**
Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

| | **SCRS** | **PORS** |
|---|---|---|
| Actuarial cost method: | Entry age normal | Entry age normal |
| Investment rate of return[5] | 7% | 7% |
| Projected salary increases | 3.0% to 11.0% (varies by service) [5] | 3.5% to 10.5% (varies by service) [5] |
| 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.

(Continued)

[5] Includes inflation at 2.25%

**NOTE 8 – PENSION PLANS, Continued**

Assumptions used in the determination of the June 30, 2024, TPL are as follows.

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

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

| System | CSFR's Net Pension Liability (Asset) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | CSFR's Proportionate Share of the Collective Net Pension Liability |
|---|---|---|---|
| SCRS | $ 68,681 | 61.8% | . 000293% |
| PORS | $ 1,975,308 | 70.5% | . 065848% |

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 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 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

**Long-term Expected Rate of Return**

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. 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.

(Continued)

**NOTE 8 – PENSION PLANS, Continued**

| Allocation/Exposure | Policy Target | Expected Arithmetic Real Rate of Return | Long Term Expected Portfolio Real Rate of Return |
|---|---|---|---|
| **Public Equity** | 46.0% | 6.23% | 2.86% |
| **Bonds** | 26.0% | 2.60% | 0.68% |
| **Private Equity**[6] | 9.0% | 9.60% | 0.86% |
| **Private Debt**[6] | 7.0% | 6.90% | 0.48% |
| **Real Assets** | **12.0%** | | |
| Real Estate[6] | 9.0% | 4.30% | 0.39% |
| Infrastructure[6] | 3.0% | 7.30% | 0.22% |
| Total Expected Real Return[7] | 100.0% | | 5.49% |
| Inflation for Actuarial Purposes | | | 2.25% |
| Total Expected Nominal Return | | | 7.74% |

**Pensions**

At June 30, 2025, the CSFR reported a liability of $68,681 and $1,975,308 for its proportionate share of the net pension liability for SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The CSFR's proportion of the net pension liability was based on a projection of the CSFR's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

**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 the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)

[6] 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.

[7] Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

**NOTE 8 – PENSION PLANS, Continued**

**Sensitivity Analysis**

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL 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 (6%) | Current Discount Rate (7%) | 1.00% Increase (8%) |
|---|---|---|---|
| CSFR's proportionate share of the net pension liability of the SCRS | $ 89,002 | $ 68,681 | $ 49,966 |
| CSFR's proportionate share of the net pension liability of the PORS | $ 2,861,844 | $ 1,975,308 | $ 1,249,190 |

**Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended June 30 2025, the CSFR recognized pension expense for the SCRS and PORS plans of $(11,079) and $342,132, respectively. At June 30, 2025, the CSFR reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred outflow of resources | Deferred inflow of resources |
|---|---|---|
| **SCRS** | | |
| Differences between expected and actual experience | $ 3,468 | $ 85 |
| Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions | - | 2,648 |
| Net difference between projected and actual earnings on pension plan investments | - | 19,953 |
| CSFR's contributions subsequent to the measurement date | 9,193 | - |
| Total SCRS | $ 12,661 | $ 22,686 |
| | | |
| **PORS** | | |
| Differences between expected and actual experience | $ 228,513 | $ 11,325 |
| Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 129,180 | 110,744 |
| CSFR's contributions subsequent to the measurement date | 296,069 | - |
| Total PORS | $ 653,762 | $ 122,069 |

(Continued)

**NOTE 8 – PENSION PLANS, Continued**

The $9,193 and $296,069 reported as deferred outflows of resources related to pensions resulting from CSFR contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2025 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2026.

The following schedule reflects the amortization of collective deferred outflows / (inflows) of resources related to pensions outstanding at June 30, 2025.

| Year Ended June 30, | SCRS | PORS | Total |
|---|---|---|---|
| 2025 | $ (12,735) | $ 73,374 | $ 60,639 |
| 2026 | (3,333) | 158,379 | 155,046 |
| 2027 | (2,455) | 33,152 | 30,697 |
| 2028 | (695) | (29,281) | (39,976) |
| | $ (19,218) | $ 235,624 | $ 216,406 |

As discussed in paragraph 71b of GASB 68, 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 should be 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. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

**Additional Financial and Actuarial Information**

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

**NOTE 9 – SUBSEQUENT EVENTS**

CSFR has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2025, through November 10, 2025, the date the financial statements were available to be issued. There were no other subsequent events that require recognition or disclosure in the financial statements.

**CLEAR SPRING FIRE AND RESCUE**
**REQUIRED SUPPLEMENTAL INFORMATION - BUDGETARY COMPARISON SCHEDULE**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance** |
| **REVENUES** | | | | |
| Property taxes | $ 3,016,783 | $ 3,016,783 | $ 3,317,771 | $ 300,988 |
| Interest | - | - | 179,151 | 179,151 |
| Grants | - | - | 20,468 | 20,468 |
| Miscellaneous revenues | - | - | 51,934 | 51,934 |
| Total revenues | 3,016,783 | 3,016,783 | 3,569,324 | 552,541 |
| **EXPENDITURES** | | | | |
| General governmental | | | | |
| Fire safety and emergency response | 2,883,870 | 2,883,870 | 2,884,910 | (1,040) |
| Capital outlay | 132,913 | 132,913 | 1,977,351 | (1,844,438) |
| Total expenditures | 3,016,783 | 3,016,783 | 4,862,261 | (1,845,478) |
| Revenues over (under) expenditures | - | - | (1,292,937) | 2,398,019 |
| **OTHER FINANCING (USES) SOURCES** | | | | |
| Bond proceeds | - | - | 2,300,000 | |
| Transfers, net | - | - | (475,188) | |
| Total other financing (uses) sources | - | - | 1,824,812 | - |
| Net change in fund balances | $ - | $ - | $ 531,875 | $ 2,398,019 |

**CLEAR SPRING FIRE AND RESCUE**
**SCHEDULE OF CLEAR SPRING FIRE AND RESCUE'S PROPORTIONATE SHRE OF THE NET PENSION LIABILITY**
**LAST TEN FISCAL YEARS**

| | Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **SOUTH CAROLINA RETIREMENT SYSTEM** | **2025** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** |
| CSFR's proportion of the net pension liability | 0.00029% | 0.00035% | 0.00040% | 0.00059% | 0.00123% | 0.00123% | 0.00048% | 0.00066% | 0.00096% | 0.00109% |
| CSFR's proportionate share of the net pension liability | $ 68,681 | $ 85,167 | $ 96,268 | $ 109,170 | $ 149,367 | $ 280,559 | $ 107,344 | $ 148,126 | $ 205,482 | $ 207,293 |
| CSFR's covered-employee payroll | $ 49,529 | $ 40,246 | $ 47,286 | $ 57,024 | $ 65,216 | $ 107,544 | $ 76,747 | $ 65,510 | $ 142,324 | $ 102,520 |
| CSFR's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 138.7% | 211.6% | 203.6% | 191.4% | 229.0% | 260.9% | 139.9% | 226.1% | 144.4% | 202.2% |
| Plan fiduciary net pension as a percentage of the total pension liability | 61.8% | 58.6% | 57.1% | 60.7% | 50.7% | 54.4% | 54.1% | 53.3% | 52.9% | 59.9% |

| | Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **POLICE OFFICERS RETIREMENT SYSTEM** | **2025** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** |
| CSFR's proportion of the net pension liability | 0.06585% | 0.06276% | 0.06190% | 0.05391% | 0.05143% | 0.06534% | 0.03391% | 0.05510% | 0.02845% | 0.03958% |
| CSFR's proportionate share of the net pension liability | $ 1,975,308 | $ 1,995,476 | $ 1,856,376 | $ 1,387,278 | $ 1,705,369 | $ 1,872,679 | $ 960,948 | $ 1,509,416 | $ 721,551 | $ 862,688 |
| CSFR's covered-employee payroll | $ 1,393,924 | $ 1,298,842 | $ 979,632 | $ 810,767 | $ 776,856 | $ 776,062 | $ 647,099 | $ 578,512 | $ 486,385 | $ 490,366 |
| CSFR's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 141.7% | 153.6% | 189.5% | 171.1% | 219.5% | 241.3% | 148.5% | 260.9% | 148.3% | 175.9% |
| Plan fiduciary net pension as a percentage of the total pension liability | 70.5% | 67.8% | 66.4% | 70.4% | 58.8% | 62.7% | 61.7% | 60.9% | 60.4% | 64.6% |

Notes to schedule:
The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

**CLEAR SPRING FIRE AND RESCUE**
**SCHEDULE OF CLEAR SPRING FIRE AND RESCUE'S CONTRIBUTIONS**
**LAST TEN FISCAL YEARS**

| | Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **SOUTH CAROLINA RETIREMENT SYSTEM** | **2025** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** |
| Contractually required contribution | $ 9,193 | $ 7,470 | $ 7,711 | $ 7,831 | $ 8,873 | $ 10,148 | $ 15,658 | $ 10,407 | $ 7,573 | $ 15,741 |
| Contributions in relation to the contractually required contribution | 9,193 | 7,470 | 7,711 | 7,831 | 8,873 | 10,148 | 15,658 | 10,407 | 7,573 | 15,741 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| CSFD's covered-employee payroll | $ 49,529 | $ 40,246 | $ 43,910 | $ 47,286 | $ 57,024 | $ 65,216 | $ 107,544 | $ 76,747 | $ 65,510 | $ 142,324 |
| Contributions as a percentage of covered-employee payroll | 18.56% | 18.56% | 17.56% | 16.56% | 15.56% | 15.56% | 14.56% | 13.56% | 11.56% | 11.06% |

| | Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **POLICE OFFICERS RETIREMENT SYSTEM** | **2025** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** |
| Contractually required contribution | $ 296,069 | $ 275,874 | $ 222,669 | $ 188,481 | $ 147,884 | $ 141,695 | $ 133,793 | $ 105,089 | $ 82,380 | $ 66,829 |
| Contributions in relation to the contractually required contribution | 296,069 | 275,874 | 222,669 | 188,481 | 147,884 | 141,695 | 133,793 | 105,089 | 82,380 | 66,829 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| CSFD's covered-employee payroll | $ 1,393,924 | $ 1,298,842 | $ 1,100,145 | $ 979,632 | $ 810,767 | $ 776,856 | $ 776,062 | $ 647,099 | $ 578,512 | $ 486,385 |
| Contributions as a percentage of covered-employee payroll | 21.24% | 21.24% | 20.24% | 19.24% | 18.24% | 18.24% | 17.24% | 16.24% | 14.24% | 13.74% |

**CLEAR SPRING FIRE AND RESCUE**
**SUPPLEMENTAL INFORMATION**
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **REVENUES** | | | | |
| Property taxes | $ 3,016,783 | $ 3,016,783 | $ 3,317,771 | $ 300,988 |
| Interest | - | - | 179,151 | 179,151 |
| Grants | - | - | 20,468 | 20,468 |
| Miscellaneous revenues | - | - | 51,934 | 51,934 |
| Total revenues | 3,016,783 | 3,016,783 | 3,569,324 | 552,541 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Personnel: | | | | |
| Salaries/wages | 1,462,970 | 1,462,970 | 1,464,596 | (1,626) |
| Health insurance | 495,000 | 495,000 | 465,617 | 29,383 |
| Retirement | 307,600 | 307,600 | 306,252 | 1,348 |
| Payroll taxes | 112,300 | 112,300 | 112,031 | 269 |
| Total personnel | 2,377,870 | 2,377,870 | 2,348,496 | 29,374 |
| General: | | | | |
| Computer expense | 50,000 | 50,000 | 45,418 | 4,582 |
| Gasoline/diesel fuel | 32,000 | 32,000 | 22,877 | 9,123 |
| Utilities/telephone | 48,000 | 48,000 | 42,305 | 5,695 |
| Repairs and maintenance | 51,900 | 51,900 | 68,501 | (16,601) |
| Small equipment | 95,000 | 95,000 | 74,108 | 20,892 |
| Training | 45,000 | 45,000 | 22,858 | 22,142 |
| Uniforms | 20,000 | 20,000 | 24,764 | (4,764) |
| Memberships/dues | 10,000 | 10,000 | 325 | 9,675 |
| Medical supplies | 7,000 | 7,000 | 4,254 | 2,746 |
| Insurance - liability | 53,100 | 53,100 | 62,184 | (9,084) |
| Insurance - workers comp | 43,000 | 43,000 | 43,857 | (857) |
| Professional services | 38,500 | 38,500 | 18,600 | 19,900 |
| Miscellaneous | 12,500 | 12,500 | 106,363 | (93,863) |
| Total general | 506,000 | 506,000 | 536,414 | (30,414) |
| Capital outlay | 132,913 | 132,913 | 1,977,351 | (1,844,438) |
| Total expenditures | 3,016,783 | 3,016,783 | 4,862,261 | (1,845,478) |
| Revenues over (under) expenditures | - | - | (1,292,937) | 2,398,019 |
| **OTHER FINANCING (USES) SOURCES** | | | | |
| Bond proceeds | - | - | 2,300,000 | (2,300,000) |
| Transfers, net | - | - | (475,188) | 475,188 |
| Total other financing (uses) sources | - | - | 1,824,812 | (1,824,812) |
| | $ - | $ - | $ 531,875 | $ 573,207 |

LOVE BAILEY

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Fire Control
Clear Springs Fire and Rescue
Simpsonville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clear Springs Fire and Rescue, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Clear Springs Fire and Rescue's basic financial statements, and have issued our report thereon dated November 10, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Clear Springs Fire and Rescue's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clear Springs Fire and Rescue's internal control. Accordingly, we do not express an opinion on the effectiveness of Clear Springs Fire and Rescue'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 Clear Springs Fire and Rescue'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
November 10, 2025