

# ***Belmont Fire Department***

*“Our Family, Helping Your Family”*

Anthony C. Segars, Fire Chief  
Phone: 864 277-6080  
chief@belmontfd.com  
www.belmontfd.com

February 12, 2026

## **Promotions**

Master FF/EMT **Adam Epstein** to the Rank of Engineer, at the predetermined salary, with added Incentives, for EMT, Explorer Post Leader & Education,

Master FF/EMT **Dillon Myers** to the Rank of Engineer, at the predetermined salary, with added Incentive for EMT.

# ***Belmont Fire Department***

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February 12, 2026

## **2026/2027 Fiscal Year Budget Adoption Schedule**

March 12, 2026 (First Reading)

April 9, 2026 (Second Reading)

April 16, 2026 (*Budget Workshop If Necessary*)

May 14, 2026 (Public Hearing & Third Reading)

*From the current County Provided Printouts, it looks like the budget will be around 1.8 Million Dollars.*

# 2024 South Carolina Code of Laws

## Title 6 - Local Government - Provisions Applicable to Special Purpose Districts and Other Political Subdivisions

### Chapter 1 - General Provisions

#### Section 6-1-80. Budget adoption.

**Universal Citation:** SC Code § 6-1-80 (2024)

(A) A county, municipality, special purpose or public service district, and a school district shall provide notice to the public by advertising the public hearing before the adoption of its budget for the next fiscal year in at least one South Carolina newspaper of general circulation in the area. This notice must be given not less than fifteen days in advance of the public hearing and must be a minimum of two columns wide with a bold headline.

(B) The notice must include the following:

- (1) the governing entity's name;
- (2) the time, date, and location of the public hearing on the budget;
- (3) the total revenues and expenditures from the current operating fiscal year's budget of the governing entity;
- (4) the proposed total projected revenue and operating expenditures for the next fiscal year as estimated in next year's budget for the governing entity;
- (5) the proposed or estimated percentage change in estimated operating budgets between the current fiscal year and the proposed budget;
- (6) the millage for the current fiscal year; and
- (7) the estimated millage in dollars as necessary for the next fiscal year's proposed budget.

(C) This notice is given in lieu of the requirements of Section 4-9-130.

HISTORY: 1995 Act No. 146, Section 9A.

In **South Carolina** for a **special purpose district**, the law does *not* specify a fixed number of days before the start of the fiscal year by which the **budget must be approved/adopted**. However, it *does* specify a minimum **notice period** for the **public hearing** on the budget prior to adoption:

### ✦ **Public Hearing Notice Requirement**

Under **SC Code § 6-1-80**, a special purpose district **must publish a public hearing notice at least 15 days before the hearing on its next fiscal year's budget**. This applies to counties, municipalities, special purpose or public service districts, and school districts.

#### **Key points:**

- The entity must hold a **public hearing** on the budget *before* adopting the budget.
- The hearing must be advertised in a newspaper of general circulation in the area.
- The notice must be published **not less than 15 days before the hearing**.

### ✦ **No “X Days Prior to Fiscal Year” Deadline in Code**

- The South Carolina Code **does not specify a statutory deadline such as “30 days before fiscal year begins”** by which the budget must be adopted for special purpose districts.
- Instead, as with most local governmental entities, the practical requirement is to adopt the budget **before the start of the fiscal year** and comply with the **public hearing notice** requirements.

### ✦ **Typical Practice (Not Codified)**

Many districts adopt the budget before the start of their fiscal year (often July 1 if following typical local government fiscal year), but **the statute itself only mandates the 15-day notice for the public hearing** — not a specific number of days before the fiscal year for final approval.

**BELMONT FIRE AND SANITATION DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

**BELMONT FIRE AND SANITATION DISTRICT**

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Belmont Fire and Sanitation District  
Greenville, South Carolina

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Belmont Fire and Sanitation District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District'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 and each major fund, and the aggregate remaining fund information of Belmont Fire and Sanitation District as of June 30, 2025, and the respective changes in financial position 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. 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 Belmont Fire and Sanitation District 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 Belmont Fire and Sanitation District'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.

To the Board of Commissioners  
Belmont Fire and Sanitation District  
January 26, 2026

### **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 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, 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 Belmont Fire and Sanitation District'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 Belmont Fire and Sanitation District'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**

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund on page 27, the Schedule of Pension Plan Contributions – South Carolina Retirement System and Police Officer Retirement System on page 28, and the Proportionate Share of the Net Pension Liability – South Carolina Retirement System and Police Officer Retirement System on page 29 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.

To the Board of Commissioners  
Belmont Fire and Sanitation District  
January 26, 2026

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.

*Phillips CPAs and Advisors*

Greenville, South Carolina  
January 26, 2026

## **BASIC FINANCIAL STATEMENTS**

**BELMONT FIRE AND SANITATION DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<b>Primary Government</b>	
	<b>Governmental</b>	
	<b>Activities</b>	
	<hr/>	
<b>ASSETS</b>		
Cash and cash equivalents	\$	214,666
Cash and investments held by county treasurer		126,746
Cash investments with S.C. Local Government Investment Pool		868,150
Prepaid expense		17,314
Taxes receivable, net		102,358
Other receivables		9,871
Capital assets		
Non-depreciable		115,605
Depreciable, net		1,630,347
<b>Total assets</b>		<hr/> <b>3,085,057</b> <hr/>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension charges		249,925
<b>Total deferred outflows of resources</b>		<hr/> <b>249,925</b> <hr/>
 <b>LIABILITIES</b>		
Accounts payable		2,203
Accrued salaries and benefits		22,221
Other accrued expenses		10,748
Interest payable		10,361
Long-term liabilities		
Due within one year		
Government obligation contract		82,000
Financed purchases		47,576
Due in more than one year		
Government obligation contract		775,000
Financed purchases		298,571
Net pension liability		933,162
<b>Total liabilities</b>		<hr/> <b>2,181,842</b> <hr/>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension credits		87,112
<b>Total deferred inflows of resources</b>		<hr/> <b>87,112</b> <hr/>
 <b>NET POSITION</b>		
Net investment in capital assets		888,952
Unrestricted		177,076
<b>Total net position</b>	\$	<hr/> <b>1,066,028</b> <hr/>

*The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.*

BELMONT FIRE AND SANITATION DISTRICT

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government</b>				
Governmental activities				
General government	\$ 1,814,965	\$ -	\$ 226,307	\$ (1,588,658)
<b>Total primary government</b>	<u>\$ 1,814,965</u>	<u>\$ -</u>	<u>\$ 226,307</u>	<u>\$ (1,588,658)</u>
General revenues:				
Property tax revenue				1,852,447
Interest income				25,893
Gain on sale of equipment				25,000
Total general revenues				<u>1,903,340</u>
Change in net position				314,682
Net position, beginning of year				751,346
Net position, end of year				<u>\$ 1,066,028</u>

The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.

**BELMONT FIRE AND SANITATION DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 214,666	\$ -	\$ 214,666
Cash and investments held by county treasurer	92,921	33,825	126,746
Cash investments with S.C. Local Government Investment Pool	868,150	-	868,150
Prepaid expenses	17,314	-	17,314
Taxes receivable, net	96,927	5,431	102,358
Other receivables	9,871	-	9,871
<b>Total assets</b>	<u>\$ 1,299,849</u>	<u>\$ 39,256</u>	<u>\$ 1,339,105</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,203	\$ -	\$ 2,203
Accrued salaries and benefits	22,221	-	22,221
Other accrued expenses	10,748	-	10,748
<b>Total liabilities</b>	<u>35,172</u>	<u>-</u>	<u>35,172</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	<u>34,998</u>	<u>1,675</u>	<u>36,673</u>
<b>FUND BALANCES</b>			
Nonspendable			
Assigned for prepaid expenses	17,314	-	17,314
Unassigned	<u>1,212,365</u>	<u>37,581</u>	<u>1,249,946</u>
<b>Total fund balances</b>	<u>1,229,679</u>	<u>37,581</u>	<u>1,267,260</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,299,849</u>	<u>\$ 39,256</u>	<u>\$ 1,339,105</u>

*The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.*

BELMONT FIRE AND SANITATION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

<b>Fund Balance - Governmental Funds</b>	\$ 1,267,260
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,745,952
Accrued interest in governmental accounting is not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(10,361)
Long-term liabilities, including bonds and financed purchases, are not due and payable in the current period and therefore, are not reported in the funds.	(1,203,147)
The District's proportionate share of the net pension liability related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(933,162)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds. Property taxes in the general fund that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are not considered to be available for financial resources, and are therefore deferred in the funds.	<u>199,486</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 1,066,028</u></u>

BELMONT FIRE AND SANIATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2025

	General Fund	Debt Service Fund	Total Governmental
<b>REVENUES</b>			
Tax revenue	\$ 1,737,294	\$ 112,185	\$ 1,849,479
Interest earned	24,167	1,726	25,893
Grants	226,307	-	226,307
Sale of equipment	25,000	-	25,000
Total revenues	<u>2,012,768</u>	<u>113,911</u>	<u>2,126,679</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Personnel	1,110,553	-	1,110,553
Administrative	54,321	-	54,321
Building and equipment repairs and maintenance	43,641	-	43,641
Fire fighting	50,736	-	50,736
FEMA grant expense	71,917	-	71,917
Office and household supplies	74,523	-	74,523
Professional services	23,165	-	23,165
Telephone and communications	14,906	-	14,906
Travel, conferences, and events	79,809	-	79,809
Utilities	27,322	-	27,322
Vehicles maintenance and fuel	41,978	-	41,978
Capital outlay	426,033	-	426,033
Debt service	72,970	114,194	187,164
Total expenditures	<u>2,091,874</u>	<u>114,194</u>	<u>2,206,068</u>
Excess (deficiency) of revenues over (under) expenditures	(79,106)	(283)	(79,389)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of financed purchases	391,129	-	391,129
Total other financing sources (uses)	<u>391,129</u>	<u>-</u>	<u>391,129</u>
<b>CHANGE IN FUND BALANCE</b>	312,023	(283)	311,740
<b>FUND BALANCE, beginning of year</b>	917,656	37,864	955,520
<b>FUND BALANCE, end of year</b>	<u>\$ 1,229,679</u>	<u>\$ 37,581</u>	<u>\$ 1,267,260</u>

The accompanying notes are an integral part of this financial statement.  
 See Independent Auditor's Report.

**BELMONT FIRE AND SANIATION DISTRICT**

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

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	311,740
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay additions exceeded depreciation expense in the current period.		292,308
The net effect of capital asset disposals is to decrease net position.		(30,912)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. This amount represents the change in deferred revenues for the year.		2,968
Interest on long-term debt in the Statement of Activities differs from the amount reported in governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of Activities, however, the interest expense is recognized as the interest accrues, regardless of when its due.		(10,361)
Long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of principal of long-term debt	79,000	
Issuance of financed purchases debt	(391,129)	
Repayment of principal on financed purchases debt	<u>44,982</u>	(267,147)
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 for its participation in the State retirement plans are not reported in the governmental funds but are reported in the Statement of Activities.		<u>16,086</u>
<b>Change in Net Position of Governmental Activities</b>	\$	<u><u>314,682</u></u>

*The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.*

## BELMONT FIRE AND SANITATION DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Reporting Entity**

Belmont Fire and Sanitation District (the "District") is a special purpose district created in 1968 by the South Carolina legislature to provide fire services to residents of a specific geographical district within the boundaries of Greenville County in South Carolina. Per the terms of its enabling legislation, the District was created to provide both fire protection and sanitation services to its residents. Subsequently, the District's commissioners transferred the responsibility for the sanitation services to the Greater Greenville Sanitation District. The District operates under a commission form of government.

For purposes of applying accounting principles generally accepted in the United States of America to its activities, the District's management has determined that it is a 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 a governmental entity that is to be used when determining whether governmental accounting principles are applicable. Since (a) the District is a public benefit entity, (b) the members of the District's governing body are selected by the District's residents through popular election, and (c) upon dissolution of the District, its net position would revert to another governmental entity as pursuant to state law, the District meets the criteria set forth in the definition of a governmental entity. Accordingly, the accompanying financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units.

The accounting and reporting policies of the District related to the fund included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governmental entities. Generally accepted accounting principles for local governments include those principles prescribed by the GASB, and the American Institute of Certified Public Accountants in the audit and accounting guide entitled *State and Local Governments* by the FASB when applicable. The District is a governmental entity committed to providing excellence in the delivery of emergent and non-emergent assistance to the citizens residing in the District's district. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Other items not properly included among program revenues are reported instead as *general revenues*.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The government reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Use of Estimates**

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

### **Assets, Liabilities, and Net Position**

#### *Cash and Cash Equivalents*

The District's cash and cash equivalents consist of cash in demand deposits. The District maintains its cash balances in a national bank and with the Greenville County Treasurer.

#### *Taxes Receivables*

In the government-wide financial statements, receivables consist of real and personal property taxes that are to be collected by Greenville County, South Carolina (the "County") and remitted to the District. Management has recorded taxes receivable, net of an allowance for doubtful accounts.

#### *Prepaid Items*

Prepaid items are recorded to reflect payment of certain costs applicable to future accounting periods and are amortized using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure /expense is reported in the year in which services are consumed.

#### *Investments*

The District'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 loan association deposits to the extent insured by the Federal Deposit Insurance Corporation ("FDIC").

The District's cash investment objectives are preservation of capital, liquidity and yield. The District reports its cash and investments at fair value which is normally determined by quoted market prices. The District 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 the District's fiscal agent that have not yet been remitted to the District. The County Treasurer invests these funds in investments authorized by 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.

South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments or observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, South Carolina 29211-1960.

#### *Fair Value of Financial Investment*

Provisions of various sections within GASB Statement No. 72 (GASB #72), *Fair Value Measurements and Application*, define fair value, establish a framework for measuring fair value in accounting principles generally accepted in the United States of America, and require certain disclosures about fair value measurements. Those provisions address acceptable valuation techniques and establish a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- *Level 1 inputs* are unadjusted quoted prices for identical assets and liabilities in active markets to which the reporting entity has access.
- *Level 2 inputs* are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. They include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable (for example, interest rates); and inputs that are derived from or corroborated by observable market data.
- *Level 3 inputs* are unobservable and are significant to the fair value measurement.

Provisions of GASB #72 require disclosures about fair value measurements for certain financial assets and liabilities.

#### *Capital Assets*

Capital assets, which include buildings, building improvements, vehicles, and equipment, are reported in the applicable governmental columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The District maintains a capitalization policy of \$5,000 for its capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	7 - 40
Equipment	5 - 25
Vehicles	5 - 25

*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 judgments, 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 6 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. The District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Plan's fiscal year-end. 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 changes in actuarial assumptions or other inputs and differences between expected or actual 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 in 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 difference 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 of resources represent 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 – Governmental Funds 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).

The District currently has one type of deferred outflows of resources: (1) The District reports deferred pension charges 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 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 future periods in accordance with GAAP. In addition to liabilities, the Statement of Net Position and the Balance Sheet – Governmental Funds 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). The District currently has two types of deferred inflows of resources: (1) The District reports deferred property taxes only in the Balance Sheet – Governmental Funds; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The District 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.

### *Government-wide Statements*

Equity is classified as net position and displayed in three components:

*Invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* – consists of net position balances with constraints placed on the use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.

*Unrestricted net position* – All other net position balances that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are classified as unrestricted.

### *Fund Balances*

The District classifies fund balance of its governmental funds in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB 54”). GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The District classifies governmental fund balances as follows:

*Nonspendable* – includes amounts that inherently cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes amounts that are constrained by specific purposes, which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

*Committed* – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the District, which is the highest level of decision-making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed; in addition, such assignments are made by the District.

*Unassigned* – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Unless specifically designated otherwise, fund expenditures and encumbrances are from restricted fund balance to the extent of restricted fund balance revenue, followed by committed fund balance, assigned fund balance, and unassigned fund balance, respectively.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

*Custodial Credit Risk Related to Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned. South Carolina state law requires banks to collateralize deposits for governmental entities that exceed the amount of insurance coverage provided by the FDIC. Accounts held at each institution are insured by the FDIC up to \$250,000. The District has no additional deposit policy for custodial credit risk. As of June 30, 2025, none of the District’s cash balances were exposed to custodial credit risk.

*Interest Rate Risk* - The District does not have a formal policy limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk for Investments* - Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

*Concentration of Credit Risk* - Concentration of credit risk occurs when investments in any one issuer represent five percent or more of total investments.

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Weighted Average Maturity (Years)</u>
Cash and investments held by County Treasurer	Unrated	\$ 126,746	12.74%	0.563
Investments with S.C. Local Government Investment Pool	Unrated	868,150	87.26%	N/A
		<u>\$ 994,896</u>		

The District 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. All County and State deposits are either insured by the FDIC or collateralized with securities held by the County or State.

The following table sets forth by level, within the fair value hierarchy, the District’s investments at fair value as of June 30, 2025:

Description	Fair Value	Assets	
		Quoted Prices in Active Markets for identical	Significant Other Observable Inputs (Level 2)
Cash and investments held by County Treasurer	\$ 126,746	\$ -	\$ 126,746
Investment with S.C. Local Government Investment Pool	868,150	-	868,150
	<u>\$ 994,896</u>	<u>\$ -</u>	<u>\$ 994,896</u>

### **NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 67,625	\$ -	\$ -	\$ 67,625
Construction in process	47,980	-	-	47,980
Total capital assets not being depreciated	<u>115,605</u>	<u>-</u>	<u>-</u>	<u>115,605</u>
Capital assets, being depreciated				
Buildings and improvements	1,146,401	-	-	1,146,401
Equipment	495,122	426,033	-	921,155
Vehicles	1,209,379	-	(103,039)	1,106,340
Total capital assets being depreciated	<u>2,850,902</u>	<u>426,033</u>	<u>(103,039)</u>	<u>3,173,896</u>
Less accumulated depreciation for				
Buildings and improvements	(502,119)	(37,571)	-	(539,690)
Equipment	(404,320)	(22,572)	-	(426,892)
Vehicles	(575,512)	(73,582)	72,127	(576,967)
Total accumulated depreciation	<u>(1,481,951)</u>	<u>(133,725)</u>	<u>72,127</u>	<u>(1,543,549)</u>
Total capital assets being depreciated, net	<u>1,368,951</u>	<u>292,308</u>	<u>(30,912)</u>	<u>1,630,347</u>
Governmental activities capital assets, net	<u>\$ 1,484,556</u>	<u>\$ 292,308</u>	<u>\$ (30,912)</u>	<u>\$ 1,745,952</u>

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

Governmental activities	
General government	<u>\$ 133,725</u>

**NOTE 4 – PROPERTY TAXES**

The Commission levies and the County collects sufficient property taxes to meet its funding obligation for the District. 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 the District as of the preceding December 31. For the year ended June 30, 2025, the assessed value was approximately \$19 million at rates of 77 mills for the General Fund, and 4.50 mills 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 tax
After March 16	15% of tax plus \$15 execution cost

Current year real and business personal 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 motor vehicles is 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.

The District has recorded uncollected, delinquent property taxes at June 30, 2025 of \$102,358. Delinquent property taxes of \$65,685 have been recognized as revenue at June 30, 2025 because they were collected and had been received by the District within 60 days of year-end. The remaining delinquent property tax receivable of \$36,673 has been recorded by the District as deferred inflows of resources at June 30, 2025 on the governmental fund basic financial statements because they were not collected within 60 days after year-end and are thus not considered available for accrual.

**NOTE 5 – LONG-TERM DEBT**

**General Obligation Bonds**

In December 2018, the District issued \$1,182,000 in a general obligation refunding and improvement bond. The bond is used to finance the cost of building upgrades, equipment, vehicle upgrades and refunding of capital lease debt issued in March 2006. The bond principal is payable annually on March 1 in incrementally increasing installments starting September 2019 through March 2034. Interest is payable semi-annually on September 1 and March 1 at an interest rate of 3.76%.

Annual debt service requirements to maturity are as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 82,000	\$ 32,223	\$ 114,223
2027	85,000	29,140	114,140
2028	88,000	25,944	113,944
2029	91,000	22,635	113,635
2030	95,000	19,214	114,214
2031-2034	416,000	39,855	455,855
Total	<u>\$ 857,000</u>	<u>\$ 169,011</u>	<u>\$ 1,026,011</u>

**Financed Purchases**

The District entered into a 7-year financed purchase agreement beginning February 2025 for a 2000 Sutphen fire apparatus and new vehicle. Annual principal and interest payments of \$72,970 are due on February 15 with the first payment beginning February 15, 2025 through February 15, 2031. Interest is payable at a rate of 7.15%.

Future maturities on the financed purchase at June 30, 2025 are as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 47,576	\$ 25,394	\$ 72,970
2027	51,091	21,879	72,970
2028	54,866	18,104	72,970
2029	58,920	14,050	72,970
2030	63,274	9,696	72,970
2031	70,420	2,550	72,970
Total	\$ 346,147	\$ 91,673	\$ 437,820
Current portion	(47,576)		
	\$ 298,571		

**Changes in Long-term Liabilities**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligation refunding & improvement bond, Series 2018	\$ 936,000	\$ -	\$ (79,000)	\$ 857,000	\$ 82,000
Financed purchases	-	391,129	(44,982)	346,147	47,576
Governmental activity					
Long-term liabilities	\$ 936,000	\$ 391,129	\$ (123,982)	\$ 1,203,147	\$ 129,576

**NOTE 6 – EMPLOYEE RETIREMENT SYSTEMS – PENSION PLAN**

The District participates in the State of South Carolina’s retirement plans (“Systems”), which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”).

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](http://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 first-term individuals elected to the South Carolina General Assembly.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- 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 first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member’s account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- 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. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

## Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without 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.

- 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.

**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. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS 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 to meet the funding periods set for the applicable year.

Pension reform legislation modified the 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<sup>1</sup> are as follows:

	Fiscal Year 2025 <sup>1</sup>	Fiscal Year 2024 <sup>1</sup>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates<sup>1</sup> are as follows:

	Fiscal Year 2025 <sup>1</sup>	Fiscal Year 2024 <sup>1</sup>
<b>SCRS</b>		
Employer Class Two	18.41%	18.41%
Employer Class Three	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution <sup>2</sup>	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%

**PORS**

Employer Class Two	20.84%	20.84%
Employer Class Three	20.84%	20.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

<sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup> 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 SCRS.

**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 <sup>1</sup>	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<sup>1</sup> Includes inflation at 2.25%		

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

Assumptions used in the determination of the June 30, 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	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%

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.

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity <sup>1</sup>	9.0%	9.60%	0.86%
Private Debt <sup>1</sup>	7.0%	6.90%	0.48%
Real Assets	12.0%		
Real Estate <sup>1</sup>	9.0%	4.30%	0.39%
Infrastructure <sup>1</sup>	3.0%	7.30%	0.22%
Total Expected Real Return <sup>2</sup>	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
			<u>7.74%</u>

<sup>1</sup> RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Estate exceeds 30 percent of total plan assets.

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

### Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all 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.

### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2025, the District reported a liability of \$933,162 for its proportionate share of the net SCRS and PORS pension liability. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2025, the District recognized pension expense totaling \$125,065 which consisted of SCRS and PORS contributions to the Systems of \$141,151 and a decrease in expense of \$16,086 as a result of the decrease in the net pension liability related to GASB 68 requirements. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences between expected and actual experience	\$ 1,799	\$ 68
Assumption changes	965	2,110
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	1,374	4,663
District contributions subsequent to the measurement date	5,989	-
Total SCRS	10,127	6,841
<b>PORS</b>		
Differences between expected and actual experience	82,494	5,036
Assumption changes	19,125	49,247
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	3,017	25,988
District contributions subsequent to the measurement date	135,162	-
Total PORS	239,798	80,271
Total SCRS and PORS	\$ 249,925	\$ 87,112

\$5,989 and \$135,162 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as an increase of the net pension liabilities in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2026	\$ (1,790)	\$ (14,238)	\$ (16,028)
2027	111	50,057	50,168
2028	(469)	1,567	1,098
2029	(555)	(13,021)	(13,576)
Total	\$ (2,703)	\$ 24,365	\$ 21,662

### 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) and 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in Discount Rate			
System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 70,948	\$ 54,749	\$ 39,830
PORS	\$ 1,272,652	\$ 878,413	\$ 555,510

**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 7 – WELFARE BENEFIT PLAN**

The District provides health insurance coverage to its employees through the state health insurance benefit plan. The coverage includes medical and vision insurance at no cost to the employee. The District also provides life insurance of \$50,000 per employee through the state at no cost to the employee.

**NOTE 8 – RISK MANAGMENT**

The District is exposed to various types of risks 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, the District has purchased insurance contracts from commercial insurance companies to manage such risks. 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 9 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A single annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal yearend. The budget was not amended during the year.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued. Events after the date of the auditor’s report have not been evaluated to determine whether a change in the financial statements would be required.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BELMONT FIRE AND SANITATION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Tax revenue	\$ 1,585,000	\$ 1,585,000	\$ 1,737,294	\$ 152,294
Interest earned	20,000	20,000	24,167	4,167
Grants	13,000	13,000	226,307	213,307
Sale of equipment	-	-	25,000	25,000
<b>Total revenues</b>	<b>1,618,000</b>	<b>1,618,000</b>	<b>2,012,768</b>	<b>394,768</b>
<b>EXPENDITURES</b>				
Current				
Personnel	1,057,000	1,057,000	1,110,553	(53,553)
Administrative	43,000	43,000	54,321	(11,321)
Building and equipment repairs and maintenance	49,000	49,000	43,641	5,359
Fire fighting	42,700	42,700	50,736	(8,036)
FEMA grant expense	-	-	71,917	(71,917)
Office and household supplies	42,000	42,000	74,523	(32,523)
Professional services	25,000	25,000	23,165	1,835
Telephone and communications	13,000	13,000	14,906	(1,906)
Travel, conferences, and events	60,000	60,000	79,809	(19,809)
Utilities	21,000	21,000	27,322	(6,322)
Vehicles maintenance and fuel	44,000	44,000	41,978	2,022
Capital outlay	107,300	107,300	426,033	(318,733)
Debt service	114,000	114,000	72,970	41,030
<b>Total expenditures</b>	<b>1,618,000</b>	<b>1,618,000</b>	<b>2,091,874</b>	<b>(473,874)</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	(79,106)	(79,106)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of leases	-	-	391,129	391,129
Total other financing sources (uses)	-	-	391,129	391,129
<b>CHANGE IN FUND BALANCE</b>	-	-	312,023	312,023
<b>FUND BALANCE</b> , beginning of year	917,565	917,656	917,656	-
<b>FUND BALANCE</b> , end of year	\$ 917,565	\$ 917,656	\$ 1,229,679	\$ 312,023

**BELMONT FIRE AND SANITATION DISTRICT**

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>SCRS</u>										
Contractually required contribution	\$ 5,989	\$ 7,721	\$ 5,409	\$ 5,348	\$ 4,259	\$ 2,987	\$ 4,163	\$ 5,081	\$ 4,078	\$ 2,790
Contributions in relation to the contractually required contribution	<u>(5,989)</u>	<u>(7,721)</u>	<u>(5,409)</u>	<u>(5,348)</u>	<u>(4,259)</u>	<u>(2,987)</u>	<u>(4,163)</u>	<u>(5,081)</u>	<u>(4,078)</u>	<u>(2,790)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 32,532	\$ 41,937	\$ 31,067	\$ 32,587	\$ 27,641	\$ 19,386	\$ 28,892	\$ 37,892	\$ 35,739	\$ 25,572
Contributions as a percentage of covered-employee payroll	18.41%	18.41%	17.41%	16.41%	15.41%	15.41%	14.41%	13.40%	11.40%	10.90%
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>PORS</u>										
Contractually required contribution	\$ 135,162	\$ 118,353	104,925	\$ 90,335	\$ 85,319	\$ 76,520	\$ 79,909	\$ 66,243	\$ 58,958	\$ 53,869
Contributions in relation to the contractually required contribution	<u>(135,162)</u>	<u>(118,353)</u>	<u>(104,925)</u>	<u>(90,335)</u>	<u>(85,319)</u>	<u>(76,520)</u>	<u>(79,909)</u>	<u>(66,243)</u>	<u>(58,958)</u>	<u>(53,869)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$648,570	\$567,912	\$528,855	\$479,484	\$467,754	\$419,518	\$463,510	\$407,901	\$414,033	\$392,085
Contributions as a percentage of covered-employee payroll	20.84%	20.84%	19.84%	18.84%	18.24%	18.24%	17.24%	16.20%	14.20%	13.70%

See accompanying notes.

**BELMONT FIRE AND SANITATION DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>SCRS</u>										
District's proportion of the net pension liability	0.00023%	0.00024%	0.00027%	0.00024%	0.00017%	0.00024%	0.00036%	0.0035%	0.0018%	0.0018%
District's proportionate share of the net pension liability	\$ 54,749	\$ 58,901	\$ 65,741	\$ 52,407	\$ 43,972	\$ 54,684	\$ 81,025	\$ 78,791	\$ 55,536	\$ 33,948
District's covered-employee payroll	\$ 41,937	\$ 31,067	\$ 32,587	\$ 27,641	\$ 19,386	\$ 28,892	\$ 37,892	\$ 35,739	\$ 25,572	\$ 16,978
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	130.55%	189.59%	201.74%	189.60%	226.82%	189.27%	213.83%	220.46%	217.18%	199.95%
Plan fiduciary net position as a percentage of the total pension liability	61.80%	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.3%	52.9%	57.00%
<u>PORS</u>										
District's proportion of the net pension liability	0.02928%	0.03018%	0.03030%	0.03111%	0.02777%	0.02918%	0.02950%	0.0307%	0.0322%	0.0322%
District's proportionate share of the net pension liability	\$ 878,413	\$ 918,835	\$ 908,610	\$ 800,358	\$ 920,936	\$ 836,270	\$ 835,028	\$ 872,278	\$ 780,042	\$ 700,599
District's covered-employee payroll	\$ 567,912	\$ 528,855	\$ 479,484	\$ 467,754	\$ 419,518	\$ 463,510	\$ 407,901	\$ 414,033	\$ 392,058	\$ 398,364
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	154.67%	173.74%	189.50%	171.11%	219.52%	180.42%	204.71%	203.43%	198.96%	175.87%
Plan fiduciary net position as a percentage of the total pension liability	70.50%	67.80%	66.40%	70.40%	58.80%	62.69%	61.70%	60.9%	60.4%	64.60%

See accompanying notes.

**BELMONT FIRE AND SANITATION DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2025**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions:** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2024, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2025 reported in that schedule can be found in Note 6 of the basic financial statements.