

PELHAM-BATESVILLE FIRE DISTRICT

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

WITH

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Pelham-Batesville Fire District
3050 S. Highway 14
Greer, South Carolina 29650

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pelham-Batesville Fire District (the "District"), as of and for the year ended December 31, 2024, 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, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2024, 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 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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.

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 the 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 the 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the South Carolina Retirement Systems Net Pension Liabilities, Schedule of South Carolina Retirement Systems Contributions, and the Budgetary Comparison Schedule – General Fund 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.



West Columbia, South Carolina
January 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Pelham-Batesville Fire District's annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the year ended December 31, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

The following commissioners were recommended by the District and appointed by the Governor to serve during 2024:

Frank Cox, Chairman
Keith Poole
Gregory Jackman
John Parkins
Louis Voorhees

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities by \$16,243,741 (net position) for the year reported. This compares to the previous year when assets exceeded liabilities by \$14,242,153.

Total net position is comprised of the following:

1. Capital assets, net of related debt, of \$3,342,995 includes property and equipment, net of accumulated depreciation and outstanding notes payable.
2. Restricted net position includes \$165,915 for debt service.
3. Unrestricted net position of \$12,711,110 represents the portion available to maintain the District's continuing obligation to citizens and creditors.

The District's General Fund has a balance of \$16,893,351 at the end of the fiscal year. This compares to the prior year's ending fund balance of \$14,172,064 showing an increase of \$2,721,287 during the current year. Unassigned fund balance of \$9,136,654 for 2024 shows a \$1,577,996 increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The District also includes in the report additional information to supplement the basic financial statements.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

REPORTING THE DISTRICT AS A WHOLE, continued

The Statement of Net Position and the Statement of Activities, continued

These two statements report the District's net position and the changes in net position. You can think of the District's net position - the difference between assets and liabilities - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position may serve as a useful indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, the only activity of the District, governmental activities, is presented. The District's basic services are reported here and property taxes finance most of these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUND

Fund Financial Statements

The fund financial statements on pages 13 and 15 provide detailed information about the General Fund - not the District as a whole. This fund is a governmental fund, which focuses on how money flows into and out of the fund and the balances left at year end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in an explanation in *Note 1*.

NOTES

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes can be found immediately following the basic financial statements.

SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information following the notes concerning the District's pension liability related to its participation in the South Carolina Police Officers Retirement System and a budgetary comparison schedule comparing the budgeted and actual expenditures for the General Fund. Required supplementary information follows the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Pelham-Batesville Fire District, assets exceeded liabilities by \$16,243,742 at the close of the year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

A large portion of net position of the District (20.58 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following tables present a summary of the District's net position as of December 31, 2024 and 2023:

Pelham-Batesville Fire District Condensed Statement of Net Position

	2024	2023
	Governmental Activities	Governmental Activities
Current and other assets	\$ 17,061,255	\$ 14,358,381
Capital assets	9,873,528	10,148,553
Deferred outflows of resources	1,714,124	1,401,780
Total assets and deferred outflows of resources	<u>28,648,907</u>	<u>25,908,714</u>
Long-term liabilities outstanding	11,315,274	10,754,185
Other liabilities	424,779	186,317
Deferred inflows of resources	665,112	754,045
Total liabilities and deferred inflows of resources	<u>12,405,165</u>	<u>11,694,547</u>
Net position:		
Net investment in capital assets	3,342,995	4,662,440
Restricted	189,637	206,643
Unrestricted	12,711,110	9,345,084
Total net position	<u><u>\$ 16,243,742</u></u>	<u><u>\$ 14,214,167</u></u>

The balance of unrestricted net position (\$12,711,110) may be used to meet the District's ongoing obligations to citizens and creditors. At the end of the current year, the District is able to report positive balances in all three categories of net position. The District's net position increased by \$2,001,589 during the current year. This increase reflects the degree to which ongoing revenues exceeded ongoing expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

The following tables are statements of revenues and expenses for fiscal years 2024 and 2023:

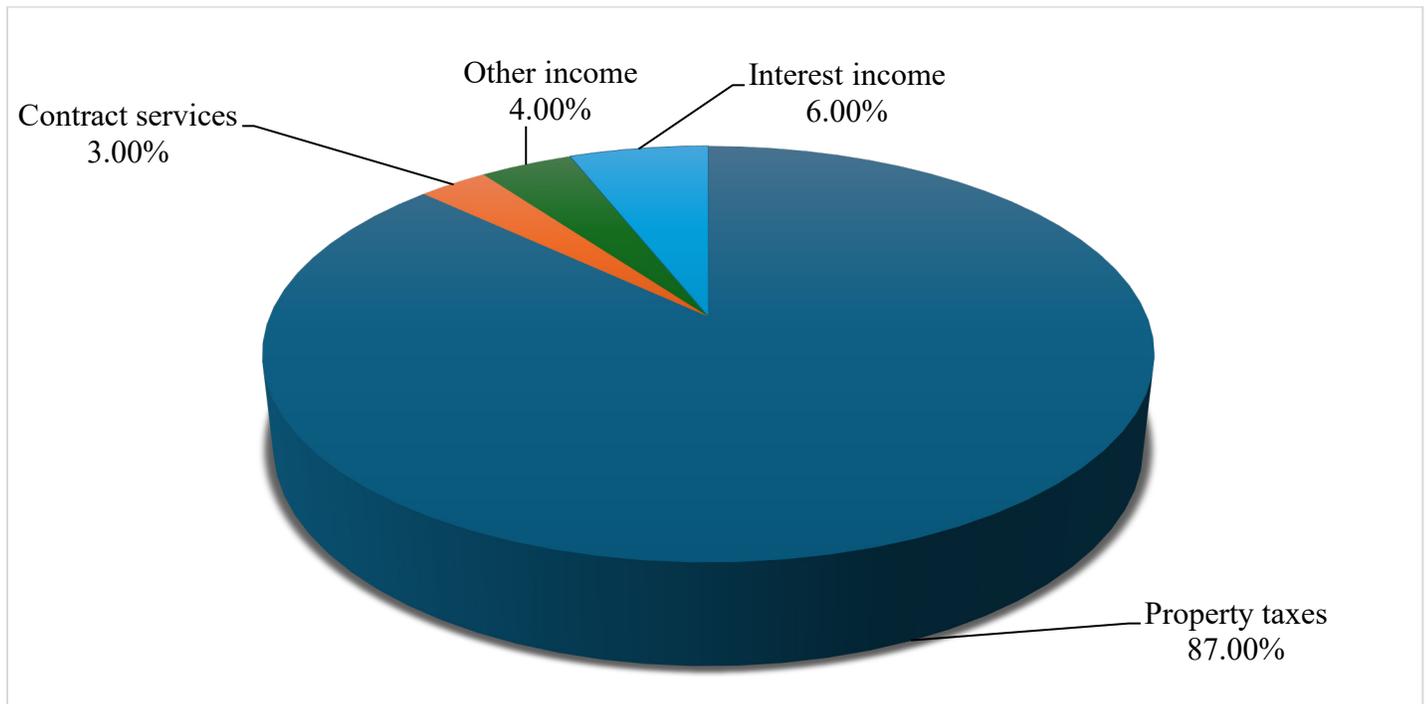
**Pelham-Batesville Fire District
Statement of Activities**

	2024	2023
	Governmental	Governmental
	Activities	Activities
Revenue:		
Property taxes	\$ 7,370,496	\$ 6,619,174
Services revenue	294,525	250,000
Other	808,183	1,423,049
Total revenue	<u>8,473,204</u>	<u>8,292,223</u>
Expenses:		
General government/public safety	6,269,451	5,699,088
Interest on long-term debt and fiscal charge	202,164	191,196
Total expenses	<u>6,471,615</u>	<u>5,890,284</u>
Increase in net position	<u>2,001,589</u>	<u>2,401,939</u>
Net position-beginning of year, as restated*	<u>14,242,153</u>	<u>11,812,228</u>
Net position-end of year	<u><u>\$ 16,243,742</u></u>	<u><u>\$ 14,214,167</u></u>

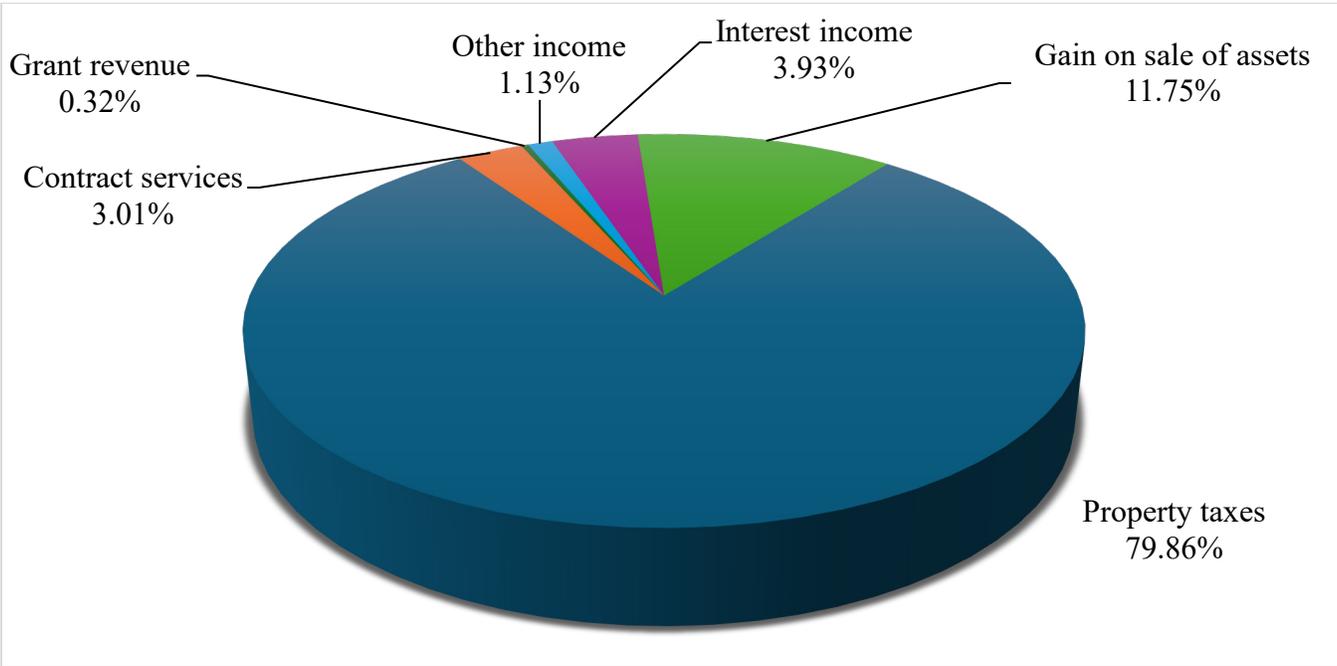
* See Note 8 for details on restatement.

The following analysis reveals a more detailed review of the revenues and expenditures for the current and prior years.

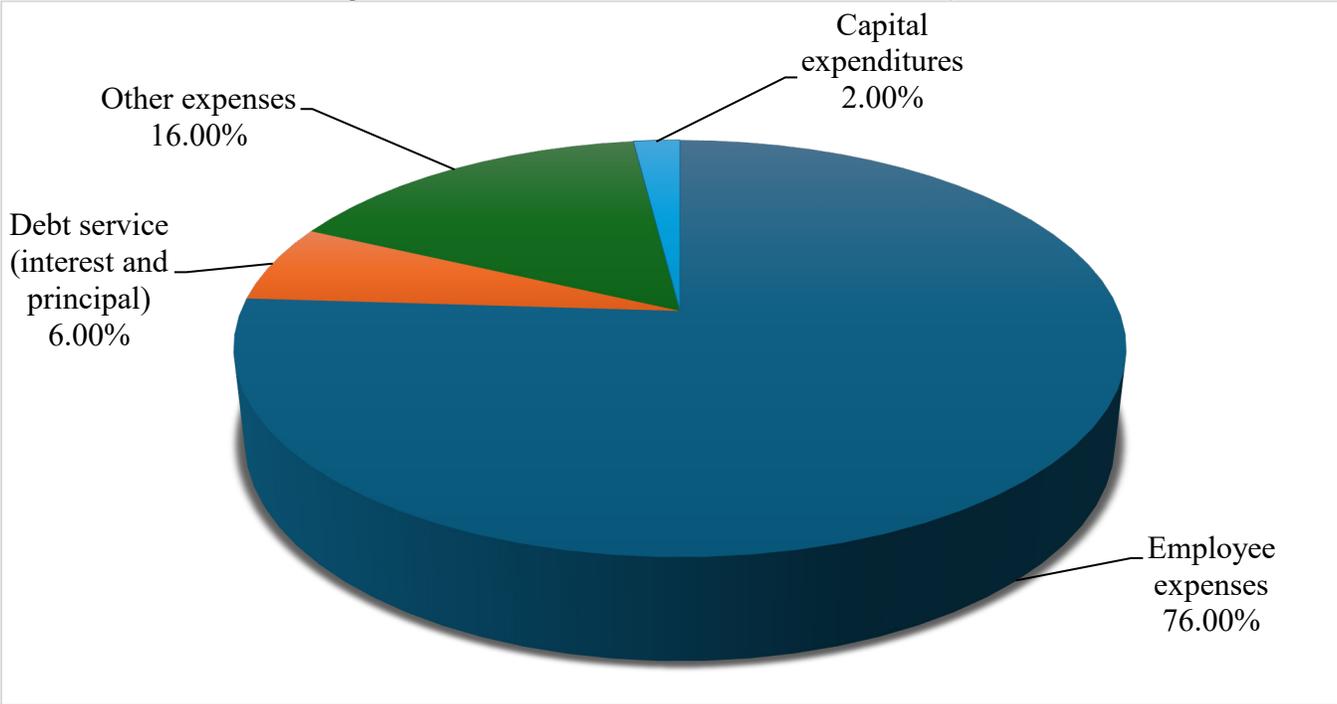
Revenues for the Year Ended December 31, 2024



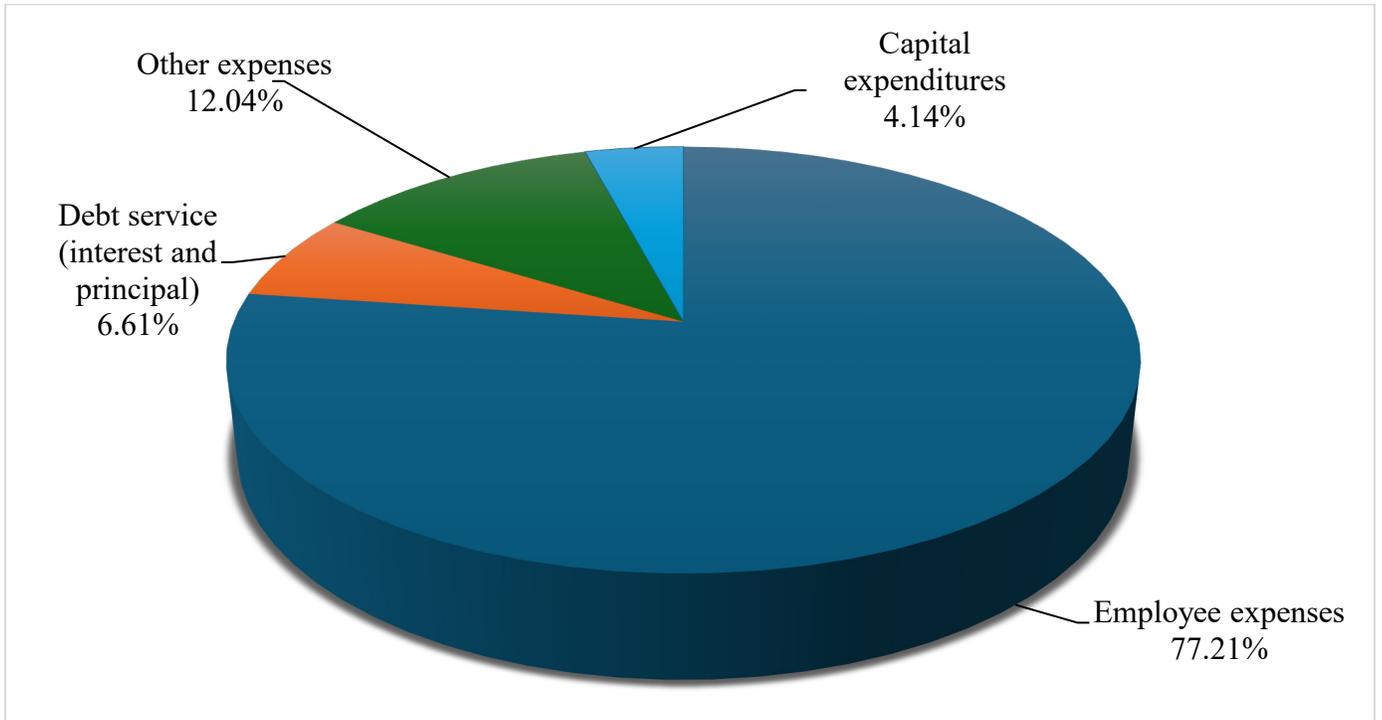
Revenues for the Year Ended December 31, 2023



Expenditures for the Year Ended December 31, 2024



Expenditures for the Year Ended December 31, 2023



GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, total actual expenditures for the budget were \$36,317 more than the amount budgeted. Resources available for appropriation were \$2,757,604 more than the budgeted amount. Therefore, the overall effect was a \$2,721,287 positive variance. The budgetary comparison schedule is presented as required supplemental information and is located on page 33 of this report.

CAPITAL ASSETS

As of December 31, 2024, the District had \$15,674,140 invested in capital assets. With accumulated depreciation, this figure is reduced to \$9,873,528.

This year's additions included the purchase of firefighting equipment in the amount of \$27,061 and architectural costs for renovations in the amount of \$81,051. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

CAPITAL ASSETS, continued

The following table summarizes the District's capital assets, net of accumulated depreciation, for the years ended December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Land	\$ 1,762,978	\$ 1,762,978
Construction in progress	113,901	32,850
Buildings and improvements	6,964,962	7,196,689
Fire equipment	1,001,334	1,124,086
Loan costs	30,353	31,950
	<u>\$ 9,873,528</u>	<u>\$ 10,148,553</u>

LONG-TERM DEBT

State statutes limit the amount of general obligation debt a government entity may issue to 8% of its total assessed valuation. The current debt limitation for the District is significantly in excess of the District's current outstanding general obligation debt.

At year end, the District had a total of \$6,898,660 in loans outstanding and accrued compensations.

	<u>2024</u>	<u>2023</u>
Long-term debt:		
Bank of Travelers Rest Loan	\$ 5,470,000	\$ 5,675,000
MapleMark Bank USDA Loan	1,030,000	-
Total long-term debt	<u>\$ 6,500,000</u>	<u>\$ 5,675,000</u>

The long-term portion of accrued compensated absences is \$378,727.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's major source of revenue is tax revenue, which is collected by the Greenville and Spartanburg County Treasurers and remitted to the District. The District covers an area of approximately 25 square miles which includes suburban, rural areas, commercial and public facilities continuing to grow at a rapid rate. The Fire District must broaden and expand its services in conjunction with the growth being experienced. To date, this has been done without having to drastically increase taxes. As this District has grown, so has the revenue.

There has been no change to the coverage of the District. Therefore, the budget for 2024 has increased mainly due to increased employee costs with no known substantial increases or decreases in tax revenue.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Fire Chief, Charles P. Jolley, at Pelham-Batesville Fire District, 3050 South Highway 14, Greer, SC 29650.

PELHAM-BATESVILLE FIRE DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents - unrestricted	\$ 13,207,169
Cash and cash equivalent - restricted	189,637
Receivables:	
Property taxes	3,600,560
Accounts	17,641
Other assets	46,248
Total current assets	<u>17,061,255</u>
Noncurrent assets	
Non-depreciable capital assets	1,876,879
Depreciable capital assets, net	7,996,649
Total noncurrent assets	<u>9,873,528</u>
Total assets	<u>26,934,783</u>
Deferred outflows of resources	
Related to pension	1,714,124
Total deferred outflows of resources	<u>1,714,124</u>
Total assets and deferred outflows of resources	<u>28,648,907</u>
Liabilities	
Current liabilities	
Accounts payable	76,855
Accrued liabilities	44,463
Accrued interest payable	30,533
Compensated absences, current portion	19,933
Notes payable, current portion	252,995
Total current liabilities	<u>424,779</u>
Noncurrent liabilities	
Compensated absences, noncurrent portion	378,727
Notes payable, noncurrent	6,247,005
Net pension liability	4,689,542
Total noncurrent liabilities	<u>11,315,274</u>
Total liabilities	<u>11,740,053</u>
Deferred inflows of resources	
Related to pension	665,112
Total deferred outflows of resources	<u>665,112</u>
Total liabilities and deferred inflows of resources	<u>12,405,165</u>
Net position	
Net investment in capital assets	3,342,995
Restricted for:	
Debt service	165,915
Firemen's Fund	23,722
Unrestricted - unfunded pension obligation	(3,640,530)
Unrestricted - other	16,351,640
Total net position	<u>\$ 16,243,742</u>

See accompanying notes.

PELHAM-BATESVILLE FIRE DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

Functions / Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
Public safety	\$ 6,269,451	\$ 294,525	\$ -	\$ (5,974,926)
Interest on long-term debt	202,164	-	-	(202,164)
Total governmental activities	<u>\$ 6,471,615</u>	<u>\$ 294,525</u>	<u>\$ -</u>	<u>(6,177,090)</u>
General revenues and transfers				
General revenues:				
Tax and assessments				7,370,496
Rent income				68,915
Miscellaneous income				227,443
Interest income				511,825
Total general revenues				<u>8,178,679</u>
Change in net position				2,001,589
Net position, beginning of year				14,214,167
Error Corrections				27,986
Net position, beginning of year, as restated				<u>14,242,153</u>
Net position, end of year				<u>\$ 16,243,742</u>

See accompanying notes.

PELHAM-BATESVILLE FIRE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	General Fund	1% Firemen's Fund	Auxiliary Fund	Total Governmental Funds
Assets				
Cash and cash equivalents - unrestricted	\$ 13,204,239	\$ -	\$ 2,930	\$ 13,207,169
Cash and cash equivalents - restricted	165,914	23,723	-	189,637
Receivables:				
Property taxes	3,600,560	-	-	3,600,560
Accounts	17,641	-	-	17,641
Other assets	46,248	-	-	46,248
Total assets	<u>17,034,602</u>	<u>23,723</u>	<u>2,930</u>	<u>17,061,255</u>
Liabilities				
Accounts payable	76,855	-	-	76,855
Accrued liabilities	44,463	-	-	44,463
Accrued compensated absences (current)	19,933	-	-	19,933
Total liabilities	<u>141,251</u>	<u>-</u>	<u>-</u>	<u>141,251</u>
Fund balances				
Restricted	165,914	-	-	165,914
Assigned	7,590,783	23,723	-	7,614,506
Unassigned	9,136,654	-	2,930	9,139,584
Total fund balances	<u>16,893,351</u>	<u>23,723</u>	<u>2,930</u>	<u>16,920,004</u>
Total liabilities and fund balances	<u>\$ 17,034,602</u>	<u>\$ 23,723</u>	<u>\$ 2,930</u>	<u>\$ 17,061,255</u>

See accompanying notes.

PELHAM-BATESVILLE FIRE DISTRICT

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2024

Fund balances - total governmental funds		\$ 16,920,004
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 governmental funds.		
Capital assets, cost	15,674,140	
Accumulated depreciation	<u>(5,800,612)</u>	9,873,528
Long-term liabilities (including the current portion) are not due and payable in the current period, and are not reported in the funds:		
Accrued interest payable	(30,533)	
Compensated absences	(378,727)	
Notes payable	(6,500,000)	
Net pension liability	<u>(4,689,542)</u>	(11,598,802)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	1,714,124	
Deferred inflows of resources related to pensions	<u>(665,112)</u>	<u>1,049,012</u>
Net position		<u><u>\$ 16,243,742</u></u>

PELHAM-BATESVILLE FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2024

	General Fund	1% Firemen's Fund	Auxiliary Fund	Total Governmental Funds
Revenues				
Property taxes	\$ 7,370,496	\$ -	\$ -	\$ 7,370,496
Contract services	274,025	-	-	274,025
Training classes	20,500	-	-	20,500
Rent income	68,915	-	-	68,915
Other income	325	224,713	1,131	226,169
Interest income	511,437	388	-	511,825
Total revenues	<u>8,245,698</u>	<u>225,101</u>	<u>1,131</u>	<u>8,471,930</u>
Expenditures				
Fire and Emergency Services	5,947,025	227,565	-	6,174,590
Non-Capitalized Equipment Purchases	46,946	-	-	46,946
Debt service		-	-	
Principal	205,000	-	-	205,000
Interest and fiscal charges	248,603	-	-	248,603
Capital outlay	108,112	-	-	108,112
Total expenditures	<u>6,555,686</u>	<u>227,565</u>	<u>-</u>	<u>6,783,251</u>
Excess (deficit) of revenues over (under) expenditures	<u>1,690,012</u>	<u>(2,464)</u>	<u>1,131</u>	<u>1,688,679</u>
Other Financing Sources				
Proceeds from sale of capital assets	1,275	-	-	1,275
Proceeds from debt service	1,030,000	-	-	1,030,000
Total other Financing Sources	<u>1,031,275</u>	<u>-</u>	<u>-</u>	<u>1,031,275</u>
Net change in fund balance	2,721,287	(2,464)	1,131	2,719,954
Fund balance, beginning of year, as restated	14,172,064	-	-	14,172,064
Error Corrections	-	26,187	1,799	27,986
Fund balance, beginning of year, as restated	<u>14,172,064</u>	<u>26,187</u>	<u>1,799</u>	<u>14,200,050</u>
Fund balance, end of year	<u>\$ 16,893,351</u>	<u>\$ 23,723</u>	<u>\$ 2,930</u>	<u>\$ 16,920,004</u>

See accompanying notes.

PELHAM-BATESVILLE FIRE DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

Net change in fund balance - total governmental funds		\$ 2,719,954
Governmental funds report capital outlay expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases	\$ 108,112	
Depreciation expenses	<u>(383,137)</u>	(275,025)
Governmental funds report the acquisition of debt as other financing sources while governmental activities report debt as a liability to reflect what is owed.		
		(1,030,000)
Repayment of debt principal is an expenditure in the governmental funds while the repayment reduces long-term liabilities in the statement of net assets.		
Notes payable		205,000
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 governmental funds:		
Compensated absences		51,536
Accrued interest on long-term debt		16,203
Changes in the proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State Retirement Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities:		
		<u>313,921</u>
Change in net position of governmental activities		<u><u>\$ 2,001,589</u></u>

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies

Pelham Batesville Fire District (the “District”) is special purpose district created in 1971 by the South Carolina legislature to provide fire services to residents of a specified geographical district within the boundaries of Greenville and Spartanburg Counties in South Carolina. The District operates under a commission form of government.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant principles used in the preparation of the District’s financial statements.

Reporting Entity

The District is controlled by a Board of Commissioners (the “Board”), which has oversight responsibility over the officers of the District. The Board is not included in any other governmental “reporting entity” as defined in the Governmental Accounting Standards Board (GASB) Sec. 2100.108. The commissioners are appointed by the Governor. However, they have decision making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. For these reasons, the District is recognized as a primary government in accordance with GAAP.

All activities, including component units, for which the Board exercises oversight responsibility, have been incorporated into the basic financial statements to form the reporting entity. The District's basic financial statements include the accounts of all District operations.

The primary criterion for determining inclusion or exclusion of a legally separate entity is financial accountability, which is presumed to exist if the District both appoints a voting majority of the entity's governing body, and either 1) the District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the District. In order to be considered fiscally independent, an entity must have the authority to do all three of the following:

1. Determine its budget without the District having the authority to approve or modify that budget;
2. Levy taxes or set rates or charges without approval by the District; and
3. Issue bonded debt without approval by the District.

Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the District's financial statements to be misleading or incomplete. There were no component units required to be included in the District's financial statements.

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

The accounting and reporting framework and the more significant accounting principles and practices of Pelham-Batesville Fire District are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended December 31, 2024.

Measurement Focus and Financial Statement Presentation

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to apply liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end. Generally, a 60-day availability period is used for revenue recognition for other governmental funds revenues. Expenditures are recorded when the related fund liability is incurred. Generally, the District uses a 90-day period for recognition of expenditures as current liabilities.

Fund Accounting

The District reports the following major governmental funds:

General Fund – reports as the primary fund of the District. This fund is used to account for all financial resources not reported in other funds.

1% Firemen's Fund – reports the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures outlined by state law.

Auxiliary Fund – reports the proceeds from donations, fundraising activities, and auxiliary sponsored events that are used to support non-operational activities.

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PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an initial maturity of three months or less. State statutes authorize the District to invest in:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and Loan Associations to the extent that the same are insured by an agency of the government;
4. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above by a third party as escrow or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest. However, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
5. Repurchase agreements when collateralized by securities as set forth in this section. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution.
6. When acting as trustee or agent for a bond or other debt issue of the District, if the particular portfolio of the investment company or investment trust in which the investment is made (1) is limited to obligations described in items a, b and e of this subsection, and (2) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The District's cash investment objectives are preservation of capital, liquidity and yield.

Capital Assets

The District's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The District generally capitalizes assets with costs of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

	<u>Years</u>
Buildings & Grounds	40 to 50
Improvements	10 to 40
Fire Equipment	5 to 20
Furniture & Fixtures	7

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position and Fund Balance

In the government-wide financial statements, the difference between the District's total assets and total liabilities represents net position. Net Position is reported as three separate components: invested in capital assets, net of related debt; restricted; and unrestricted. Unrestricted net position represents the amount available for future use.

In governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes due to constraints on resources that are either externally imposed by creditors, grantors, contributors, or federal or state law.

Assigned - Amounts that are intended for a specific purpose by the Board of Commissioners. This fund balance classification reflects funds assigned for capital projects.

Unassigned - All amounts not included in other spendable classifications.

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

Estimates

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

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Summary of Significant Accounting Policies (continued)

Property Taxes

Greenville and Spartanburg Counties bill and collect the District's property taxes. The District's property tax revenues are recognized when they become revenues in the hands of the Greenville and Spartanburg Counties Treasurers' Office.

Compensated Absences

District employees accrue and usually receive full compensation for general leave either as paid time off or as compensation at termination. At December 31, 2024, the District accrued \$370,329 as compensation for future absences of which \$18,516 is current and \$351,813 is long-term. For governmental funds, when a liability is accrued, the current portion representing the amount that would normally be paid with expendable available resources is recorded as a current liability.

Tax Abatements

Property tax revenues were reduced by \$2,819,306 under agreements entered into by Spartanburg County during the prior fiscal year. The District only received \$2,146,089 as a result of these agreements.

Property tax revenues were also reduced by approximately \$167,950 under agreements entered into by Greenville County for the year ended June 30, 2024, the most recent available report for District's fiscal year ended December 31, 2024. The District only received approximately \$102,255 as a result of these agreements.

2. Cash and Cash Equivalents

The investment policies of the District are governed by State statute, and an adopted District investment policy as outlined in Note 1. Major provisions of the District's investment policy include: depositories must be FDIC insured South Carolina banking institutions; depositories must fully insure or collateralize all demand and time deposits. Securities collateralizing time deposits are held by independent third-party trustees.

The District had on deposit with the Greenville County Treasurer, at December 31, 2024, a \$718,231 balance which is not restricted.

The carrying amount of all other District deposits with financial institutions was \$12,651,923 and the bank balance was \$13,511,057. The bank balances are categorized as follows:

Amount insured by the FDIC	\$ 3,182,376
Amount collateralized with securities held by bank	11,021,690
Total insured and collateralized	<u>\$ 14,204,066</u>

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

2. Cash and Cash Equivalents (continued)

Cash and cash equivalents of \$8,602,842 were on deposit in accounts at Bank of Travelers Rest. Also, on deposit at Bank of Travelers Rest is the New HQ building project funds in the amount of \$165,917. Other deposits include \$841,692 in accounts at HomeTrust Bank, \$1,045,266 in accounts at United Bank, \$1,137,110 in accounts at Pinnacle Bank and \$1,000,000 in account at MapleMark Bank.

3. Receivables, Uncollectible Accounts, and Deferred Revenue

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

Property taxes are levied and billed by the Counties on real and personal properties on October 1, based on an assessed value of approximately \$126 million for Greenville County and approximately \$20 million for Spartanburg County (figures include vehicle assessments) at a rate of 27 mills for each county. 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 15	10% of tax
After March 15	15% of tax

Current year real and personal taxes become delinquent on March 16. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Taxes receivable are \$3,600,560 in the General Fund, which have been recognized as revenue at December 31, 2024, because they were collected within sixty days after year end and are considered measurable and available. Uncollected property taxes, net of the allowance for the estimated uncollectible portion, were immaterial. Therefore, no amounts have been recorded.

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

4. Capital Assets

Capital asset activity for the year ended December 31, 2024 is as follows:

Governmental Activities	Beginning Balance December 31, 2023	Increases	Decreases	Ending Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 1,762,978	\$ -	\$ -	\$ 1,762,978
Construction in progress	32,850	81,051	-	113,901
Total capital assets not being depreciated	1,795,828	81,051	-	1,876,879
Depreciable capital assets:				
Buildings and improvements	8,882,975	-	-	8,882,975
Fire equipment	4,847,285	27,061	-	4,874,346
Total depreciable capital assets	13,730,260	27,061	-	13,757,321
Total capital assets	15,526,088	108,112	-	15,634,200
Less, accumulated depreciation for:				
Buildings and improvements	(1,686,286)	(231,727)	-	(1,918,013)
Fire equipment	(3,723,199)	(149,813)	-	(3,873,012)
Total accumulated depreciation	(5,409,485)	(381,540)	-	(5,791,025)
Total depreciable capital assets, net	8,320,775	(354,479)	-	7,966,296
Loan costs, net of amortization	31,950	(1,597)	-	30,353
Governmental activities, capital assets, net	<u>\$ 10,148,553</u>	<u>\$ (275,025)</u>	<u>\$ -</u>	<u>\$ 9,873,528</u>
Depreciation and amortization expense:				
Public safety	\$ 383,137			
	<u>\$ 383,137</u>			

5. Long Term Obligations

A summary of long-term obligations activity for the year ended December 31, 2024, is as follows:

	Beginning Balances December 31, 2023	Increases	Decreases	Ending Balances December 31, 2024	Due within One Year
Notes Payable	\$ 5,675,000	\$ 1,030,000	\$ (205,000)	\$ 6,500,000	\$ 252,995
Compensated Absences	430,262	-	(31,602)	398,660	19,933
Total	<u>\$ 6,105,262</u>	<u>\$ 1,030,000</u>	<u>\$ (236,602)</u>	<u>\$ 6,898,660</u>	<u>\$ 272,928</u>

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

5. Long Term Obligations (continued)

Bank of Traverlars Rest; 25 annual payments beginning in 2023 with final payment in 2043; interest rate of 3.34%	5,470,000
MapleMark - USDA Loan; 41 annual payments beginning in 2025 with final payment in 2045; interest rate of 7.60%	1,030,000
	<u>6,500,000</u>

The debt service requirements to maturity for the notes payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 252,995	\$ 186,220	\$ 439,215
2026	236,141	250,999	487,140
2027	247,874	241,919	489,793
2028	254,543	232,651	487,194
2029	266,760	222,585	489,345
2030-2034	1,500,315	948,322	2,448,637
2035-2039	1,822,560	624,427	2,446,987
2040-2044	1,824,502	1,575,734	3,400,236
2045	94,310	5,737	100,047
	<u>\$ 6,500,000</u>	<u>\$ 4,288,594</u>	<u>\$ 10,788,594</u>

6. Risk Management

The District pays all insurance claims after co-pay until any single claim exceeds \$35,000. The aggregate premiums purchase excess loss insurance to pay expenses over \$35,000 per claim. The maximum aggregate reimbursement per policy period is \$2,000,000. Premiums and administrative fees totaled \$345,232. Claims paid through December totaled \$332,725. Claims incurred but not paid by December 31, 2024 totaled \$46,516.

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established 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.

The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 of the state and its political subdivisions. The SCRS and PORS plans are administered by the South Carolina Public Employee Benefit Authority (PEBA).

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 and PORS- Generally, all employees of covered employers are required to participate in either the SCRS or PORS and contribute to the system as a condition of employment.
- State ORP - As an alternative to membership in SCRS, eligible employees have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statements purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS.

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

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. A brief summary of benefit terms for each system is presented below:

- SCRS -Retired members are eligible for a monthly pension benefit. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.
- PORS - Retired members are eligible for a monthly pension benefit. 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.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates within certain parameters on the basis of the actuarial valuations.

Effective July 1, 2017, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 18.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 18.41% and 0.15% contribution rate for the incidental death program. The District’s contributions for the years ended December 31, 2024, 2023 and 2022 are as follows:

Year Ended December 31,	Employer Contribution Rate			Employer Contributions		
	Base	Incidental Death	Total	Base	Incidental Death	Total
2024	18.41%	0.15%	18.56%	\$ 11,131	\$ 91	\$ 11,221
2023	18.41%	0.15%	18.56%	\$ 10,585	\$ 89	\$ 10,674
2022	17.41%	0.15%	17.56%	\$ 8,616	\$ 76	\$ 8,692

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Contributions (continued)

Effective July 1, 2017, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 21.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 20.84% and .20% for the incidental death program and .20% for the accidental death program. The District's contributions for the years ended December 31, 2024, 2023 and 2022 are as follows:

Year Ended December 31,	Employer Contribution Rate			Employer Contributions		
	Base	Incidental Death	Total	Base	Incidental Death	Total
2024	20.84%	0.40%	21.24%	\$ 659,758	\$ 12,663	\$ 672,421
2023	20.84%	0.40%	21.24%	\$ 605,209	\$ 10,112	\$ 615,321
2022	19.84%	0.40%	20.24%	\$ 488,920	\$ 11,881	\$ 500,801

Net Pension Liability

At December 31, 2024, the District reported a liability of \$4,689,542 for its proportionate share of the net 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 plan relative to the projected contributions of all participating members, actuarially determined.

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2023. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2023 actuarial valuations, using membership data as of July 1, 2023, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2024, using generally accepted actuarial procedures.

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. As of June 30, 2024, NPL amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 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%

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Deferred Outflow of Resources/Deferred Inflow of Resources

For the year ended December 31, 2024, the District recognized pension expense of \$356,968. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	<u>PORS</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 3,264	\$ 431,081
Assumption Changes	1,751	99,937
Net difference between projected and actual investment earnings	5,356	356,746
Differences between employer contributions and proportionate share	2,842	142,258
Contributions made subsequent to the measurement date	11,131	659,758
Total deferred outflows of resources	<u>24,344</u>	<u>1,689,780</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	123	26,316
Net difference between projected and actual investment earnings	9,183	614,091
Differences between employer contributions and proportionate share	10,323	5,076
Total deferred inflows of resources	<u>19,629</u>	<u>645,483</u>
Net deferred outflows/(inflows)	<u>\$ 4,715</u>	<u>\$ 1,044,297</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended December,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Net</u>
2025	\$ (10,054)	\$ 48,340	\$ 38,286
2026	4,694	338,791	343,485
2027	(51)	65,448	65,397
2028	(1,005)	(68,040)	(69,045)
	<u>\$ (6,416)</u>	<u>\$ 384,539</u>	<u>\$ 378,123</u>

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Actuarial Assumptions and Methods

The total pension liabilities in the June 30, 2024 actuarial valuation were determined using the following actuarial assumptions applied to all periods included in the measurement:

	<u>SCRS</u>	<u>PORS</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate or Return ¹	7%	7%
Projected Salary Increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹Includes 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. Assumption used in the determination of the June 30, 2024, SCRS and PORS valuations are as follows:

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

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20-year capital market assumptions. The long-term expected rate of returns represented 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.

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Actuarial Assumptions and Methods (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<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	9.0%	9.60%	0.86%
Private Debt	7.0%	6.90%	0.48%
Real Estate	12.0%		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30 %	0.22%
Total Expected Return	100%		5.49%
Inflation for Actuarial Purposes			2.25%
			<u>7.74%</u>

Discount Rate

The discount rate used to measure the total pension liability (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 Systems' 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.

Sensitivity Analysis

The following table represents the District's proportionate share of the net SCRS and PORS pension liabilities calculated using the discount rate of 7 percent, as well as what the City's respective net pension liabilities would be if it were calculated using a discount rate of 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate.

<u>Plan</u>	<u>1% Decrease 6%</u>	<u>Current Rate 7%</u>	<u>1% Increase 8%</u>
SCRS	128,717	99,327	72,262
PORS	6,650,343	4,590,215	2,902,864

PELHAM-BATESVILLE FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2024 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2024.

8. Restatement

During the current year, management identified that certain funds were not included in the prior-year financial statements. These omitted funds relate to the 1% Firemen’s Fund and the Auxiliary Fund. The financial statements have been restated retroactively as specified on Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to include the activity in these funds.

	12/31/2023		
	As Previously		12/31/2023
	Reported	Error Correction	As Restated
Government-Wide			
Governmental Activities	\$ 14,214,167	\$ 27,986	\$ 14,242,153
Total Primary Government	<u>\$ 14,214,167</u>	<u>\$ 27,986</u>	<u>\$ 14,242,153</u>
Governmental Funds			
General Fund	\$ 14,172,064	\$ -	\$ 14,172,064
1% Firemen's Fund	-	26,187	26,187
Auxiliary Fund	-	1,799	1,799
Total Governmental Funds	<u>\$ 14,172,064</u>	<u>\$ 27,986</u>	<u>\$ 14,200,050</u>

9. Subsequent Events

Subsequent events were evaluated through January 12, 2026, which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

REQUIRED SUPPLEMENTARY INFORMATION

PELHAM-BATESVILLE FIRE DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE SOUTH CAROLINA RETIREMENT SYSTEMS NET PENSION LIABILITIES

LAST TEN FISCAL YEARS*

	<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>2015</u>
South Carolina Retirement System										
Town's proportion of the net pension liability	0.0004%	0.0004%	0.0004%	0.0006%	0.0006%	0.0004%	0.0004%	0.0004%	0.0004%	0.0004%
Town's proportionate share of the net pension liability	\$ 99,327	\$ 102,023	\$ 96,417	\$ 133,239	\$ 168,172	\$ 98,647	\$ 96,653	\$ 97,700	\$ 94,624	\$ 84,965
Town's covered payroll	\$ 60,460	\$ 59,026	\$ 50,941	\$ 54,056	\$ 83,739	\$ 52,167	\$ 45,644	\$ 44,758	\$ 43,891	\$ 43,040
Town's proportionate share of the net pension liability as a percentage of its covered payroll	164.29%	172.84%	189.27%	246.48%	200.83%	189.10%	211.75%	218.28%	215.59%	197.41%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	57.00%	57.00%
South Carolina Police Officers Retirement System										
Town's proportion of the net pension liability	0.1530%	0.1480%	0.1480%	0.1430%	0.1390%	0.1430%	0.1430%	0.1380%	0.1350%	0.1350%
Town's proportionate share of the net pension liability	\$4,590,215	\$4,500,163	\$4,444,260	\$3,687,243	\$4,640,528	\$4,082,121	\$4,038,600	\$3,802,730	\$3,434,640	\$2,941,318
Town's covered payroll	\$3,165,824	\$2,970,233	\$2,528,048	\$2,248,114	\$2,169,514	\$2,141,160	\$2,083,221	\$1,955,541	\$1,860,576	\$1,741,757
Town's proportionate share of the net pension liability as a percentage of its covered payroll	144.99%	151.51%	175.80%	164.01%	213.90%	190.65%	193.86%	194.46%	184.60%	168.87%
Plan fiduciary net position as a percentage of the total pension liability	70.53%	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%

* - The amounts presented for each fiscal year were determined as of July 1 of ten years prior, using membership data as of the day, projected forward to June 30 of the previous year.

PELHAM-BATESVILLE FIRE DISTRICT

SCHEDULE OF SOUTH CAROLINA RETIREMENT SYSTEMS CONTRIBUTIONS

LAST TEN FISCAL YEARS *

	<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>2015</u>
South Carolina Retirement System										
Contractually required contributions	\$ 11,131	\$ 10,585	\$ 8,616	\$ 8,555	\$ 12,904	\$ 7,809	\$ 6,362	\$ 5,560	\$ 4,899	\$ 4,662
Contributions in relation to the contractually required contribution	(11,131)	(10,585)	(8,616)	(8,555)	(12,904)	(7,809)	(6,362)	(5,560)	(4,899)	(4,662)
Contribution deficiency/(excess)	<u>\$ -</u>									
Town covered payroll	\$ 60,460	\$ 59,026	\$ 50,941	\$ 54,056	\$ 83,739	\$ 52,167	\$ 45,644	\$ 44,758	\$ 43,891	\$ 43,040
Contributions as a percentage of covered payroll	18.41%	17.93%	16.91%	15.83%	15.41%	14.97%	13.94%	12.42%	11.16%	10.83%
South Carolina Police Officers Retirement System										
Contractually required contributions	\$ 659,758	\$ 605,209	\$ 488,920	\$ 412,370	\$ 387,041	\$ 371,347	\$ 340,497	\$ 290,464	\$ 252,994	\$ 229,494
Contributions in relation to the contractually required contribution	(659,758)	(605,209)	(488,920)	(412,370)	(387,041)	(371,347)	(340,497)	(290,464)	(252,994)	(229,494)
Contribution deficiency/(excess)	<u>\$ -</u>									
Town covered payroll	\$ 3,165,824	\$ 2,970,233	\$ 2,528,048	\$ 2,248,114	\$ 2,169,514	\$ 2,141,160	\$ 2,083,221	\$ 1,955,541	\$ 1,860,576	\$ 1,741,757
Contributions as a percentage of covered payroll	20.84%	20.38%	19.34%	18.34%	17.84%	17.34%	16.34%	14.85%	13.60%	13.18%

* - The amounts presented for each fiscal year were determined as of July 1 of ten years prior, using membership data as of the day, projected forward to June 30 of the previous year.

PELHAM-BATESVILLE FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ 7,370,496	\$ -
Contract services	-	-	274,025	-
Training classes	-	-	20,500	-
Rent income	-	-	68,915	-
Other income	-	-	325	-
Interest income	-	-	511,437	-
Total revenues	<u>6,519,369</u>	<u>6,519,369</u>	<u>8,245,698</u>	<u>1,726,329</u>
Expenditures				
Fire and emergency services	5,727,553	5,727,553	5,947,025	(219,472)
Non-capitalized equipment purchases	67,546	67,546	46,946	20,600
Debt service				
Principal	205,000	205,000	205,000	-
Interest and fiscal charge	186,122	186,122	248,603	(62,481)
Capital outlay	333,148	333,148	108,112	225,036
Total expenditures	<u>6,519,369</u>	<u>6,519,369</u>	<u>6,555,686</u>	<u>(36,317)</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,690,012</u>	<u>1,690,012</u>
Other Financing Sources				
Proceeds from sale of capital assets	-	-	1,275	1,275
Proceeds from debt service	-	-	1,030,000	1,030,000
Total other Financing Sources	<u>-</u>	<u>-</u>	<u>1,031,275</u>	<u>1,031,275</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,721,287</u>	<u>\$ 2,721,287</u>
Fund balance, beginning of year			<u>14,172,064</u>	
Fund balance, end of year			<u>\$ 16,893,351</u>	