

# **LANDRUM AREA FIRE AND RESCUE DISTRICT**

## **Basic Financial Statements**

**Year Ended June 30, 2024**

# **Landrum Area Fire and Rescue District**

Landrum, South Carolina

A Special Purpose District

Created by the  
South Carolina Legislature

2015

## **Commissioners:**

Pam Hilsman, Chair  
Joe Brown, Vice Chair  
Tiffany Freel, Secretary  
Scott Owens  
Scott Humphries

**Landrum Area Fire and Rescue District  
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# Terry S Morris, CPA PA

CERTIFIED PUBLIC ACCOUNTANT

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## Independent Auditor's Report

To the Commissioners  
Landrum Area Fire and Rescue District

I have audited the accompanying basic financial statements and the related notes to the financial statements of Landrum Area Fire and Rescue District as of and for the year ended June 30, 2024, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these basic financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Landrum Area Fire and Rescue District as of June 30, 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.

# Terry S Morris, CPA PA

CERTIFIED PUBLIC ACCOUNTANT

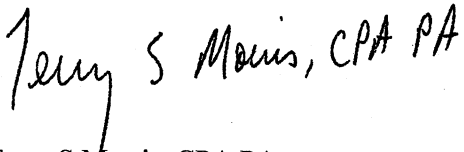
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## Other Matter

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Terry S Morris, CPA PA  
Spartanburg, South Carolina  
December 31, 2024

**Landrum Area Fire and Rescue District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

Within this section of the Landrum Area Fire and Rescue District's (the "District") annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

***FINANCIAL HIGHLIGHTS***

- The District's assets exceeded its liabilities by \$1,868,522 (net position) for the fiscal year reported. The District's total net position increased by \$207,281.
- Total net position is comprised of the following:
  - (1) Capital assets, net of related debt, of \$1,000,352 include property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net Position of \$112,849 is restricted for prepayments and debt service.
  - (3) Unrestricted Net Position of \$755,321 represents the portion available to maintain the District's continuing obligation to citizens and creditors.
- The District's General Fund has a balance of \$803,375 at the end of the fiscal year. This compares to the prior years ending fund balance of \$898,826 showing a decrease of \$95,451 during the current year. The unassigned fund balance for the General Fund was \$690,526, an increase of \$48,517 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.

***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.

These two statements report the District's Net Position and changes in them. 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 are one 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 governmental activities of the District consist of fire safety and emergency response services. The District does not report any business-type activities. The District's basic services are reported here and property taxes finance most of these activities.

**Landrum Area Fire and Rescue District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

***REPORTING THE DISTRICT'S MOST SIGNIFICANT FUND***

**Fund Financial Statements**

The fund financial statements on pages 10 and 11 provide detailed information about the General Fund – not the District as a whole. These fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. 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 District maintains only one governmental fund, its General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund. 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 IC.

***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 which is intended to enhance the financial statements. Required supplementary information follows the notes to the basic financial statements.

***GOVERNMENT-WIDE FINANCIAL ANALYSIS***

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of Landrum Area Fire and Rescue District, assets exceeded liabilities by \$1,868,522 at the close of the year.

The largest portion of the District's Net Position 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.

**Landrum Area Fire and Rescue District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued**

**Landrum Area Fire and Rescue District's Net Position**

|                                                 | <b>2024</b>                    | <b>2023</b>                    |
|-------------------------------------------------|--------------------------------|--------------------------------|
|                                                 | <b>Governmental Activities</b> | <b>Governmental Activities</b> |
| Current and Other assets                        | \$ 922,847                     | \$ 1,004,025                   |
| Capital assets                                  | 2,329,276                      | 1,699,129                      |
| Total Assets                                    | <u>3,252,123</u>               | <u>2,703,154</u>               |
| Other liabilities                               | 54,677                         | 56,868                         |
| Long-term liabilities outstanding               | 1,328,924                      | 985,065                        |
| Total Liabilities                               | <u>1,383,601</u>               | <u>1,041,933</u>               |
| <b>Net Position:</b>                            |                                |                                |
| Invested in capital assets, net of related debt | 1,000,352                      | 714,064                        |
| Restricted                                      | 112,849                        | 223,710                        |
| Unrestricted                                    | 755,321                        | 723,467                        |
| Total Net Position                              | <u><u>\$ 1,868,522</u></u>     | <u><u>\$ 1,661,241</u></u>     |

**Landrum Area Fire and Rescue District's Changes in Net Position**

|                                | <b>2024</b>                    | <b>2023</b>                    |
|--------------------------------|--------------------------------|--------------------------------|
|                                | <b>Governmental Activities</b> | <b>Governmental Activities</b> |
| <b>Revenue:</b>                |                                |                                |
| General Revenue                |                                |                                |
| Property Taxes                 | \$ 1,282,839                   | \$ 1,152,119                   |
| Interest Income                | 36,101                         | 28,562                         |
| Other                          | 156,094                        | 17,788                         |
| Total Revenues                 | <u>1,475,034</u>               | <u>1,198,469</u>               |
| <b>Expenses:</b>               |                                |                                |
| Fire Safety/Emergency Response | 1,213,763                      | 1,023,081                      |
| Interest on Long-term Debt     | 53,990                         | 28,493                         |
| Total Expenses                 | <u>1,267,753</u>               | <u>1,051,574</u>               |
| Change in Net Position         | <u>207,281</u>                 | <u>146,895</u>                 |
| Net Position-Beginning of Year | <u>1,661,241</u>               | <u>1,514,346</u>               |
| Net Position-End of Year       | <u><u>\$ 1,868,522</u></u>     | <u><u>\$ 1,661,241</u></u>     |

**Landrum Area Fire and Rescue District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GENERAL FUND**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one governmental fund, its General Fund.

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

For the period ended June 30, 2024, the District's General Fund reported fund balance of \$803,375 as compared to the prior year amount of \$898,826, as explained previously. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending. At June 30, 2024, the District's unassigned fund balance was \$690,526 and is available for spending at the District's discretion. The District also reported restricted fund balance of \$89,564, which is restricted for debt service under the finance purchase agreements. The remaining fund balance of \$23,285 consists of non-spendable prepaid insurance, which was paid for in 2025 but will be recognized as expenditures during the next fiscal year.

The fund balance for the District's General Fund decreased by \$95,451 during the current fiscal year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

During the year, total expenditures were \$1,034,009 more than the amount budgeted. Also, resources available for appropriation were \$938,558 above the budgeted amount. Therefore, the overall effect was a negative \$95,451 in excess expenditures over revenues and sources.

The budgetary comparison schedule is presented as required supplemental information and is located on page 19 of this report.

**CAPITAL ASSETS**

As of June 30, 2024, the District's investment in capital assets amounted to \$2,329,276 net of accumulated depreciation. Capital assets consist of land, building and improvements, vehicles and equipment. In addition, depreciation expense of \$97,137 was recorded.

The following table summarizes the District's capital assets, net of accumulated depreciation, for the years ended June 30, 2024 and 2023.

|                            | <u>2024</u>         | <u>2023</u>         |
|----------------------------|---------------------|---------------------|
| Land                       | \$ 111,115          | \$ 111,115          |
| Buildings and Improvements | 54,200              | 60,975              |
| Vehicles and Equipment     | 2,163,961           | 1,527,039           |
| Net Capital Assets         | <u>\$ 2,329,276</u> | <u>\$ 1,699,129</u> |

**Landrum Area Fire and Rescue District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

***LONG-TERM DEBT***

At the end of the fiscal year, the District had a total of \$1,328,924 in leases outstanding versus \$985,065 last year. This is an increase of \$343,859.

|                                   | <u>2024</u>         | <u>2023</u>       |
|-----------------------------------|---------------------|-------------------|
| Truist Governmental Finance       | \$ -                | \$ 122,302        |
| Live Oak Bank                     | 548,055             | -                 |
| Truist Governmental Finance - New | <u>780,869</u>      | <u>862,763</u>    |
| Total                             | <u>\$ 1,328,924</u> | <u>\$ 985,065</u> |

State statutes limit the amount of general obligation debt that the District can issue to 8% of its total assessed valuation. The current debt limitation for the District is approximately \$2,005,000 which is significantly in excess of the District's current outstanding general obligation debt.

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

Greenville and Spartanburg County, South Carolina are strategically located approximately half the distance between Atlanta, Georgia and Charlotte, North Carolina along Interstate 85. Greenville and Spartanburg Counties are continuing to experience positive population growth.

The District has budgeted expenditures for 2024/2025 of approximately \$1,211,285.

***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 Chief Warren Ashmore at 200 N. Trade Avenue, by telephone at 864-457-3101, or visit the District's website at [www.landrumfire.com](http://www.landrumfire.com).

**Landrum Area Fire and Rescue District**  
**Statement of Net Position**  
**June 30, 2024**

|                                                 | <b>2024</b>         |
|-------------------------------------------------|---------------------|
|                                                 | <b>Governmental</b> |
|                                                 | <b>Activities</b>   |
| <b>Assets</b>                                   |                     |
| Cash                                            | \$ 648,232          |
| Accounts Receivable - Tax Levy                  | 20,477              |
| Accounts Receivable - Other                     | 152,944             |
| Accounts Receivable - Delinquent Tax            | 77,909              |
| Prepaid Insurance                               | 23,285              |
| Land                                            | 111,115             |
| Capital Assets, Net of Depreciation             | 2,218,161           |
| <b>Total Assets</b>                             | <b>3,252,123</b>    |
| <b>Liabilities</b>                              |                     |
| Accounts Payable                                | 11,057              |
| Accrued Expenses                                | 4,500               |
| Accrued Payroll Expense                         | 26,006              |
| Accrued Interest Payable                        | 13,114              |
| Noncurrent Liabilities                          |                     |
| Lease Payable Due Within One Year               | 89,564              |
| Lease Payable Due in More Than One Year         | 1,239,360           |
| <b>Total Liabilities</b>                        | <b>1,383,601</b>    |
| <b>Net Position</b>                             |                     |
| Invested in Capital Assets, net of related debt | 1,000,352           |
| Restricted for Prepaid Insurance                | 23,285              |
| Restricted for Debt Service                     | 89,564              |
| Unrestricted                                    | 755,321             |
| <b>Total Net Position</b>                       | <b>\$ 1,868,522</b> |

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

**Landrum Area Fire and Rescue District**  
**Statement of Activities**  
**June 30, 2024**

|                                            | <b>2024</b>         |
|--------------------------------------------|---------------------|
|                                            | <b>Governmental</b> |
|                                            | <b>Activities</b>   |
| <b>Expenditures</b>                        |                     |
| Fire Safety and Emergency Response         | \$ 1,116,626        |
| Depreciation                               | 97,137              |
| Interest on Long Term Debt                 | 53,990              |
| <b>Total Expenditures</b>                  | <b>1,267,753</b>    |
| <b>Revenues</b>                            |                     |
| Property Taxes, Levied for General Purpose | 1,282,839           |
| FEMA Grant                                 | 152,944             |
| Interest Income                            | 36,101              |
| Other Income                               | 3,150               |
| <b>Total Revenues</b>                      | <b>1,475,034</b>    |
| <b>Change in Net Position</b>              | <b>207,281</b>      |
| <b>Net Position, Beginning of the Year</b> | <b>1,661,241</b>    |
| <b>Net Position, End of the Year</b>       | <b>\$ 1,868,522</b> |

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

**Landrum Area Fire and Rescue District**  
**Governmental Fund Balance Sheet**  
**June 30, 2024**

|                                                                           | <u>General Fund</u>      |
|---------------------------------------------------------------------------|--------------------------|
| <b>Assets</b>                                                             |                          |
| Cash                                                                      | \$ 648,232               |
| Accounts Receivable -Tax Levy                                             | 20,477                   |
| Accounts Receivable - Other                                               | 152,944                  |
| Accounts Receivable - Delinquent Tax                                      | 77,909                   |
| Prepaid Insurance                                                         | 23,285                   |
| <b>Total Assets</b>                                                       | <u><u>922,847</u></u>    |
| <b>Liabilities</b>                                                        |                          |
| Accounts Payable                                                          | 11,057                   |
| Accrued Expenses                                                          | 4,500                    |
| Accrued Payroll Expense                                                   | 26,006                   |
| <b>Total Liabilities</b>                                                  | <u><u>41,563</u></u>     |
| <b>Deferred Inflows of Resources</b>                                      |                          |
| Unavailable Revenue - Delinquent Taxes                                    | 77,909                   |
| <b>Total Deferred Inflows of Resources</b>                                | <u><u>77,909</u></u>     |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                | <u><u>119,472</u></u>    |
| <b>Fund Balances</b>                                                      |                          |
| Nonspendable                                                              | 23,285                   |
| Restricted for Debt Service                                               | 89,564                   |
| Unassigned                                                                | 690,526                  |
| <b>Total Fund Balances</b>                                                | <u><u>\$ 803,375</u></u> |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <u><u>\$ 922,847</u></u> |

Total Fund Balance – Governmental Fund \$ 803,375

Amounts reported for governmental activities in the Statement of Net Position were different because:

|                                                                                                                                                                      |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.                               | 2,329,276       |
| Property Taxes receivable will be collected this year, but are not available soon enough to pay current period expenditures, and therefore are deferred in the funds | 77,909          |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.                                      | (1,328,924)     |
| Accrued Interest is not due and payable in the current period and therefore is not reported as a liability in the funds.                                             | <u>(13,114)</u> |

Total Net Position \$ 1,868,522

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

**Landrum Area Fire and Rescue District**  
**Governmental Fund Statement of Revenues, Expenditures, and Change in Fund Balance**  
**June 30, 2024**

|                                            | <u>General Fund</u>      |
|--------------------------------------------|--------------------------|
| <b>Revenues</b>                            |                          |
| Property Taxes, Levied for General Purpose | \$ 1,263,011             |
| Interest Income                            | 36,101                   |
| Other Income                               | 156,094                  |
| <b>Total Revenues</b>                      | <u><b>1,455,206</b></u>  |
| <b>Expenditures</b>                        |                          |
| Fire Safety and Emergency Response         | 1,116,625                |
| Principal on Long Term Debt                | 206,140                  |
| Interest on Long Term Debt                 | 50,606                   |
| Capital Outlay                             | 727,286                  |
| <b>Total Expenditures</b>                  | <u><b>2,100,657</b></u>  |
| <b>Excess (Deficiency) of Revenues</b>     |                          |
| <b>Over (Under) Expenditures</b>           | <b>(645,451)</b>         |
| <b>Other Financing Sources:</b>            |                          |
| Proceeds from Live Oak Bank Loan           | 550,000                  |
|                                            | <u>-</u>                 |
| <b>Change in Fund Balance</b>              | <b>(95,451)</b>          |
| <b>Fund Balance, Beginning of the Year</b> | <b>898,826</b>           |
| <b>Fund Balance, End of the Year</b>       | <u><b>\$ 803,375</b></u> |

Change in Fund Balance – Governmental Fund \$ (95,451)

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

|                                                                                                                                                                                                                                                                                                    |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | 630,148                  |
| Repayment of debt is reported as an expenditure in the governmental funds but not in the statement of activities.                                                                                                                                                                                  | 206,140                  |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets                                                                                                                                           | (550,000)                |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund.                                                                                                                                                     | 19,828                   |
| Interest on long-term debt is reported as an expenditure in the governmental funds but in the statement of activities, interest is accrued.                                                                                                                                                        | <u>(3,384)</u>           |
| Change in Net Position                                                                                                                                                                                                                                                                             | <u><b>\$ 207,281</b></u> |

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

**Landrum Area Fire and Rescue District**  
**Notes to Financial Statements**  
**June 30, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. INTRODUCTION**

The basic financial statements of Landrum Area Fire and Rescue District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**B. THE REPORTING ENTITY**

Landrum Area Fire and Rescue District (the District) is a special purpose district created on June 3, 2015 by the South Carolina legislature to provide fire safety and emergency response services to residents of a specified geographical area within the boundaries of Spartanburg and Greenville Counties in South Carolina. The District operates under a commission form of government. The Commissioners are appointed by the Governor of South Carolina. The District is not a component unit of any other government.

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

*Government-wide Financial Statements*

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the District as a whole. The statements represent the governmental activities that are generally supported by tax levy.

The Statement of Activities reports the expenses of a given function offset by revenues directly connected with the function. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and revenues associated with a distinct functional activity. Taxes and other revenue sources are reported as general revenues.

*Fund Financial Statements*

The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. These statements focus on information about the District's single governmental fund.

**D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements are prepared 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 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.

**Landrum Area Fire and Rescue District**  
**Notes to Financial Statements**  
**June 30, 2024**

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes and investment income. In general, other revenues are recognized when cash is received. See Note IIA2 for related information.

The District reports the following major governmental fund:

**General Fund** – reports as the primary fund of the District. This fund is used to account for all financial resources of the District. This is a budgeted fund, and any fund balance that does not have constraints is considered a resource available for use.

**E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

**1. CASH**

The District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Those instruments purchased with an original maturity of more than three months are classified as investments. Cash deposits are reported at carrying amount which reasonably estimates fair value.

**2. PREPAIDS**

Prepays record payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Prepays are similarly reported in government-wide and fund financial statements.

**3. CAPITAL ASSETS AND DEPRECIATION**

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:

|                            |        |
|----------------------------|--------|
| Buildings and Improvements | 40     |
| Vehicles                   | 5 - 15 |
| Equipment                  | 5 - 15 |

**4. 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.

**Landrum Area Fire and Rescue District**  
**Notes to Financial Statements**  
**June 30, 2024**

**5. 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 Net Position 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.

**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.

**6. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**F. REVENUES, EXPENDITURES, AND EXPENSES**

**1. AD-VALOREM TAXES**

Spartanburg and Greenville County bills and collects the District's property taxes. The District's property tax revenues are recognized when they become revenues in the hands of the respective County Treasurer's Office.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the District for the 2023/2024 tax levy was assessed at \$25,050,405 for Spartanburg County and approximately \$1,100,000 for Greenville County.

The District's operating tax rate is currently 45.9 mills for both Counties.

**2. COMPENSATED ABSENCES**

The District's policy is that neither vacation nor sick leave vests with the employee; therefore, no accrual has been made.

**Landrum Area Fire and Rescue District**  
**Notes to Financial Statements**  
**June 30, 2024**

**II. DETAILED NOTES ON FUNDS**

**A. ASSETS**

**1. CASH AND CASH EQUIVALENTS**

Statutes authorize the District to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, Savings and Loan Associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations and the state treasurer's investment pool.

The carrying amount of all District deposits with financial institutions was \$64,019 and the bank balance was \$62,817.

Cash and cash equivalents of \$52,799 were on deposit in daily deposit accounts at First Citizens Bank and \$10,318 held at Live Oak Bank which were insured by the FDIC up to \$250,000 each. The District also has \$585,115 on deposit with the state treasurer's local government investment pool.

**2. RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND UNAVAILABLE REVENUE**

*Property Taxes Receivable*

Spartanburg and Greenville County, South Carolina are responsible for levying and collecting sufficient property taxes to meet its funding obligations 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 respective counties at the time they are collected by the counties.

Property taxes are levied by both Spartanburg and Greenville County on real and personal properties based on the assessed valuation of the property located in the District as of the preceding January 1. The tax books are open for collection on September 1, with the first penalty of 3% applied to payments made after January 15, the due date. A penalty of 10% is charged for payments made after January 31. Uncollected property taxes attach as an enforceable lien on January 1. Uncollected property taxes as of March 15 are transferred to the Spartanburg and Greenville County Delinquent Tax Collector at which time the penalty increases to 15%.

At June 30, 2024, the District has recorded uncollected delinquent property taxes of approximately \$77,900 (net of an allowance for uncollectible portion of approximately \$41,000). This delinquent property tax receivable has been recorded by the District as unavailable revenue (deferred inflow of resources) at June 30, 2024 on the governmental fund financial statements because they were not collected within 30 days after year end and are thus not considered available.

**Landrum Area Fire and Rescue District**  
**Notes to Financial Statements**  
**June 30, 2024**

**3. CAPITAL ASSETS**

*Changes in Capital Assets*

The following table provides a summary of changes in capital assets:

|                                              | Balance<br>June 30, 2023 | Additions         | Deletions   | Balance<br>June 30, 2024 |
|----------------------------------------------|--------------------------|-------------------|-------------|--------------------------|
| Capital Assets, not being depreciated:       |                          |                   |             |                          |
| Land                                         | \$ 111,115               | \$ -              | \$ -        | \$ 111,115               |
| Total Capital Assets, not being depreciated  | <u>111,115</u>           | <u>-</u>          | <u>-</u>    | <u>111,115</u>           |
| Capital Assets, being depreciated:           |                          |                   |             |                          |
| Buildings and Improvements                   | 271,000                  | -                 | -           | 271,000                  |
| Vehicles                                     | 2,486,106                | 494,082           | -           | 2,980,188                |
| Equipment                                    | 46,837                   | 233,204           | -           | 280,041                  |
| Total Capital Assets, being depreciated      | <u>2,803,943</u>         | <u>727,286</u>    | <u>-</u>    | <u>3,531,229</u>         |
| Less Accumulated Depreciation for:           |                          |                   |             |                          |
| Buildings and Improvements                   | (210,025)                | (6,775)           | -           | (216,800)                |
| Vehicles                                     | (966,587)                | (69,547)          | -           | (1,036,134)              |
| Equipment                                    | (39,319)                 | (20,815)          | -           | (60,134)                 |
| Total Accumulated Depreciation               | <u>(1,215,931)</u>       | <u>(97,137)</u>   | <u>-</u>    | <u>(1,313,068)</u>       |
| Total Capital Assets, being depreciated, net | <u>1,588,012</u>         | <u>630,149</u>    | <u>-</u>    | <u>2,218,161</u>         |
| Capital Assets, net                          | <u>\$ 1,699,127</u>      | <u>\$ 630,149</u> | <u>\$ -</u> | <u>\$ 2,329,276</u>      |

Depreciation expense of \$97,137 was charged to the General Fund.

**B. LIABILITIES**

**1. GENERAL**

The District's miscellaneous outstanding bills of \$11,057 are accounted for in accounts payable, unless separately identified as with accrued audit fees of \$4,500. The accrued salaries and payroll taxes of \$26,006 constitutes the wages earned from the last pay period until the end of the fiscal year.

**2. RISK MANAGEMENT – CLAIMS AND JUDGEMENTS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Commercial insurance is also carried for health and worker's compensation.

**Landrum Area Fire and Rescue District**  
**Notes to Financial Statements**  
**June 30, 2024**

**3. LONG -TERM LIABILITIES**

|                                               | <i>Balance<br/>July 1, 2023</i> | <i>New<br/>Proceeds</i> | <i>Principal<br/>Payments</i> | <i>Balance<br/>June 30, 2024</i> |
|-----------------------------------------------|---------------------------------|-------------------------|-------------------------------|----------------------------------|
| <b>Governmental Activities Long-Term Debt</b> |                                 |                         |                               |                                  |
| Truist Finance Purchase Agreement - New       | \$ 862,763                      | \$ -                    | \$ 81,894                     | \$ 780,869                       |
| Live Oak Bank Loan                            | -                               | 550,000.00              | 1,945.00                      | 548,055.00                       |
| Truist Finance Purchase Agreement             | 122,302                         | -                       | 122,302                       | -                                |
| <b>Total Long-Term Debt</b>                   | <u>\$ 985,065</u>               | <u>\$ -</u>             | <u>\$ 122,302</u>             | <u>\$ 1,328,924</u>              |

Debt service requirements to maturity on the above bonds and leases payable are as follows:

| Year      | Principal           | Interest          | Total               |
|-----------|---------------------|-------------------|---------------------|
| 2025      | \$ 89,564           | \$ 44,113         | \$ 133,677          |
| 2026      | 107,943             | 80,400            | 188,343             |
| 2027      | 113,415             | 74,928            | 188,343             |
| 2028      | 119,096             | 69,247            | 188,343             |
| 2029      | 125,408             | 62,935            | 188,343             |
| 2030-2034 | 499,618             | 211,188           | 710,806             |
| 2035-2039 | 273,880             | 71,678            | 345,558             |
|           | <u>\$ 1,328,924</u> | <u>\$ 614,489</u> | <u>\$ 1,943,413</u> |

**III. OTHER INFORMATION**

**Deferred Compensation Plan**

The District offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their salary until future years. The District will make a matching contribution up to 5% of each participant's compensation. The deferred compensation assets are not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB Statement 32, the plan's assets and related liability are not included in the District's financial statements.

**Defined Contribution Plan**

The District contributes to an Internal Revenue Code 401(k) plan for all employees after 60 days employment. Benefit terms, including contribution requirements, are established and may be amended by the Board of Commissioners. The District has elected to contribute 5% of each participant's compensation to the plan.

**IV. 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.

## **Required Supplementary Information**

**Landrum Area Fire and Rescue District**  
**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended June 30, 2024**

|                                             | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Revenue/<br/>Expenditures</u> | <u>Variance</u>    |
|---------------------------------------------|------------------------|---------------------|-----------------------------------------|--------------------|
| <b>Revenues:</b>                            |                        |                     |                                         |                    |
| Property Taxes                              | \$ -                   | \$ -                | \$ 1,263,011                            | \$ 1,263,011       |
| Interest Income                             | -                      | -                   | 36,101                                  | 36,101             |
| Other Revenues                              | -                      | -                   | 156,094                                 | 156,094            |
| <b>Total Revenues</b>                       | <u>1,066,648</u>       | <u>1,066,648</u>    | <u>1,455,206</u>                        | <u>388,558</u>     |
| <b>Expenditures:</b>                        |                        |                     |                                         |                    |
| Current:                                    |                        |                     |                                         |                    |
| Utilities, Supplies and Grounds             | 25,400                 | 25,400              | 30,061                                  | (4,661)            |
| Operational Expenditures                    | 58,300                 | 58,300              | 121,482                                 | (63,182)           |
| Training                                    | 10,000                 | 10,000              | 9,423                                   | 577                |
| Vehicle Operation and Maintenance           | 35,690                 | 35,690              | 61,847                                  | (26,157)           |
| Equipment Operation and Maintenance         | 12,900                 | 12,900              | 8,563                                   | 4,337              |
| Communication                               | 2,750                  | 2,750               | 2,487                                   | 263                |
| Medical Supplies and Testing                | 7,800                  | 7,800               | 6,812                                   | 988                |
| Salaries and Benefits                       | 718,808                | 718,808             | 809,174                                 | (90,366)           |
| Building and Equipment Insurance            | 25,000                 | 25,000              | 23,814                                  | 1,186              |
| Auxillary Expense                           | -                      | -                   | 4,300                                   | (4,300)            |
| Non-capitalized Expenditures                | -                      | -                   | 38,662                                  | (38,662)           |
| Debt Payments:                              | 170,000                | 170,000             | -                                       | 170,000            |
| Interest on Long-Term Debt                  | -                      | -                   | 50,606                                  | (50,606)           |
| Principal Reduction                         | -                      | -                   | 206,140                                 | (206,140)          |
| Capital Expenditures                        | -                      | -                   | 727,286                                 | (727,286)          |
| <b>Total Expenditures</b>                   | <u>1,066,648</u>       | <u>1,066,648</u>    | <u>2,100,657</u>                        | <u>(1,034,009)</u> |
| <b>Excess (Deficiency) of Revenues</b>      |                        |                     |                                         |                    |
| <b>Over/(Under) Expenditures</b>            | <u>-</u>               | <u>-</u>            | <u>(645,451)</u>                        | <u>(645,451)</u>   |
| <b>Other Financing Sources(Uses):</b>       |                        |                     |                                         |                    |
| Proceeds from Live Oak Bank Loan            | -                      | -                   | 550,000                                 | 550,000            |
| <b>Total Other Financing Sources/(Uses)</b> | <u>-</u>               | <u>-</u>            | <u>550,000</u>                          | <u>550,000</u>     |
| <b>Change in Fund Balance</b>               | -                      | -                   | (95,451)                                | (95,451)           |
| <b>Fund Balance Beginning of Year</b>       | <u>898,826</u>         | <u>898,826</u>      | <u>898,826</u>                          | <u>-</u>           |
| <b>Fund Balance End of Year</b>             | <u>\$ 898,826</u>      | <u>\$ 898,826</u>   | <u>\$ 803,375</u>                       | <u>\$ (95,451)</u> |

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

**Landrum Area Fire and Rescue District**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2024**

**Budgetary Data**

**1. Budget Policy and Practice**

The Department Commissioners adopt an annual operating budget at the beginning of the fiscal year. Public hearings are held to address priorities and the allocation of resources. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues.

**2. Budgetary Control**

Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: utilities and supplies, operating expenses, training, fire prevention, fire fighting equipment, vehicle maintenance, communications, medical supplies, employee expense, insurance, auxiliary supplies, capital expenditures and capital reserve. Budget revisions are subject to approval by the Department Commissioners. No revisions were made to the budget this year.

**3. Budget Basis of Accounting**

The budget for the operating fund is prepared on the modified accrual basis of accounting. Revenues are budgeted in the year receipt is susceptible to accrual. Expenditures are budgeted in the year that the fund liability is incurred. The budget and actual financial statements are reported on this basis.