Landrum Area Fire and Rescue District

Financial Statements and Supplemental Information
Year Ended June 30, 2025

Landrum Area Fire and Rescue District

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Independent Auditor's Report

To the Board of Commissioners
Landrum Area Fire and Rescue District
Landrum, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities and the general fund of **Landrum Area Fire and Rescue District** as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Landrum Area Fire and Rescue District as of June 30, 2025 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Landrum Area Fire and Rescue 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Landrum Area Fire and Rescue 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 Landrum Area Fire and Rescue 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 Landrum Area Fire and Rescue 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 on pages 4 through 7 and the budgetary comparison schedule on page 23, respectively 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.

Elliott & Painter, LLP

Spartanburg, South Carolina
April 17, 2026

Landrum Area Fire and Rescue District

Management's Discussion and Analysis

Within this section of the Landrum Area Fire and Rescue District's 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, 2025. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

- The District's total net position exceeded its liabilities by $1,865,342 for the fiscal year reported. This compares to the previous year when total net position exceeded liabilities by $1,868,522.

- Total net position is comprised of the following:

    1. Net investment in capital assets of $926,005 includes property and equipment of $2,144,814, construction in progress of $10,000, net of accumulated depreciation, less notes payable of $1,228,809.
    2. Restricted net position includes $21,269 for prepaids and $106,943 for debt service.
    3. Unrestricted net position of $811,125 represents the portion available to maintain the District's continuing obligation to citizens and creditors.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $724,782 or 53% of total general fund expenditures and 51% of total general fund revenues and other sources.

- The District's total net position decreased by $3,180 due to an excess of expenses over revenue.

Using This Annual Report

This annual report consists of a series of financial statements. Under the governmental reporting model, GASB No. 34 requires both government-wide and fund financial statements. The fund financial statements are presented in the on pages 10 through 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The government-wide statements provide both short and long-term information about the District's financial status.

Reporting The District As A Whole

The Statement of Net Position and 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.

Landrum Area Fire and Rescue District

Management's Discussion and Analysis

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 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 begin on page 10 and 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. The 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. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in on pages 11 and 13.

Landrum Area Fire and Rescue District Net Position

	Governmental Activities	
	2025	2024
Current and other assets	$ 997,719	$ 922,847
Capital assets	2,154,814	2,329,276
Total assets	3,152,533	3,252,123
Long-term liabilities	1,228,809	1,328,924
Other liabilities	58,382	54,677
Total liabilities	1,287,191	1,383,601
Net position:		
Net investment in capital assets	926,005	1,000,352
Restricted	128,212	112,849
Unrestricted	811,125	755,321
Total net position	$ 1,865,342	$ 1,868,522

The assets of Landrum Area Fire and Rescue District exceeded liabilities by $1,865,342 as of June 30, 2025. The District's net position decreased by $3,180 during the year. A portion of the District's net position (50%) reflects the District's investment in capital assets (land, buildings, equipment, etc.) net of related debt. The District uses these capital assets to provide fire protection services to its citizens; consequently, these assets are not available for future spending.

Landrum Area Fire and Rescue District

Management's Discussion and Analysis

Landrum Area Fire and Rescue District Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Property Taxes	$ 1,368,452	$ 1,282,839
Interest Income	29,288	36,101
Other	46,812	156,094
Total Revenues	1,444,552	1,475,034
Expenses		
Fire Safety and Emergency Response	1,139,488	1,116,626
Depreciation	222,280	97,137
Interest on Long Term Debt	85,964	53,990
Total Expenses	1,447,732	1,267,753
Change in Net Position	(3,180)	207,281
Net position, beginning of year	1,868,522	1,661,241
Net position, end of year	$ 1,865,342	$ 1,868,522

General Fund Budgetary Highlights

The original and final budgets prepared by the District for the fiscal year ended June 30, 2025, is shown in the first column of page 23. The second column contains the actual amounts earned or spent for the entire year. The third and final column represents the variance between the final budget and the actual amounts.

Total general fund expenditures were $164,082 more than the amount budgeted, primarily due to salaries and benefits. Resources available for appropriation were $51,764 less than the budgeted amount, primarily due to lower than anticipated property tax revenues. The overall effect was $215,846 unfavorable budget variance.

Capital Assets

As of June 30, 2025, the District's investment in capital assets amounted to $2,154,814 net of accumulated depreciation. Capital assets consist of land, buildings and improvements, vehicles, equipment and construction in progress. Net capital assets decreased by 7% during the year. This decrease consisted of $37,818 in capital asset acquisitions, $10,000 payment related to a future capital project, and depreciation expense of $222,280. Capital asset acquisitions and improvements during the fiscal year included fire equipment of $37,818.

Landrum Area Fire and Rescue District

Management's Discussion and Analysis

The following table summarizes the District's capital assets, net of accumulated depreciation and amortization, for the years ended June 30, 2025 and 2024.

	2025	2024
Land	$ 111,115	$ 111,115
Buildings and improvements	54,200	60,975
Vehicles and equipment	1,979,499	2,157,186
Construction in Progress	10,000	-
Net capital assets	$ 2,154,814	$ 2,329,276

Long-term Debt

During the year ended June 30, 2025 the District paid principal of $100,115 on long-term notes payable. The amount of long-term debt outstanding at June 30, 2025 was $1,228,809, of which $1,121,866 is due in more than one year and represents long-term debt.

Economic Factors and Next Year's Budgets and Rates

The District's major source of revenue is tax revenue, which is collected by the Spartanburg County and Greenville County Treasurers and remitted to the District.

Total budgeted expenses for 2025-2026 are $1,439,492 compared to $1,211,285 in 2024-2025.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and 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 at Landrum Area Fire and Rescue District, 200 N. Trade Avenue, Landrum, SC 29356.

Landrum Area Fire and Rescue District

Statement of Net Position
June 30, 2025

ASSETS

Cash and investments	$	861,510
Taxes receivable, net of allowance		114,940
Prepaid expenses		21,269
Capital assets, net		2,154,814
Total assets	$	3,152,533

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	$	13,747
Accrued payroll		33,503
Accrued interest		11,132
Notes payable - current		106,943
Notes payable - due in more than one year		1,121,866
Total liabilities		1,287,191
Net Position		
Net investment in capital assets		926,005
Restricted for prepaid		21,269
Restricted for debt service		106,943
Unrestricted		811,125
Total net position	$	1,865,342

The accompanying notes are an integral part of this financial statement.

Landrum Area Fire and Rescue District

Statement of Activities
June 30, 2025

Expenditures	
Fire safety and emergency response	$ 1,139,488
Depreciation	222,280
Interest on long term debt	85,964
Total expenditures	1,447,732
Revenues	
Property taxes, levied for general purposes	1,368,452
Interest Income	29,288
Other income	46,812
Total revenues	1,444,552
Change in Net Position	(3,180)
Net Position, Beginning of Year	1,868,522
Net Position, End of Year	$ 1,865,342

The accompanying notes are an integral part of this financial statement.

Landrum Area Fire and Rescue District

Governmental Fund Balance Sheet
June 30, 2025

ASSETS

Cash and investments	$	861,510
Accounts receivable - tax levy		17,465
Accounts receivable - delinquent tax		97,475
Prepaid insurance		21,269
Total assets	$	997,719

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts payable	$	13,747
Accrued payroll		33,503
Total liabilities		47,250
Deferred Revenue		97,475
Fund Balances		
Nonspendable		21,269
Restricted for debt service		106,943
Unassigned		724,782
Total fund balances		852,994
Total liabilities and fund balances	$	997,719

The accompanying notes are an integral part of this financial statement.

Landrum Area Fire and Rescue District

Reconciliation of the Govermental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total Governmental Fund Balances	$	852,994
Amounts reported in the governmental activities in the statement of net position are different because		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds		2,154,814
Uncollected delinquent tax revenue is not available in the current period and, therefore, is not reported in the funds		97,475
Long-term liabilities and accrued interest are not due and payable in the current period and therefore are not reported in the funds		(1,239,941)
Net Position of Governmental Activities	$	1,865,342

The accompanying notes are an integral part of this financial statement.

Landrum Area Fire and Rescue District

Governmental Statement of Revenues, Expenses and Changes in Fund Balance
Year Ended June 30, 2025

Revenues	
Property taxes, levied for general purposes	$ 1,348,886
Interest income	29,288
Other income	46,812
Total revenues	1,424,986
Expenditures	
Fire safety and emergency response	1,139,488
Debt service	188,061
Capital outlay	47,818
Total expenditures	1,375,367
Excess of revenues over expenditures	49,619
Fund Balance, Beginning of Year	803,375
Fund Balance, End of Year	$ 852,994

The accompanying notes are an integral part of this financial statement.

Landrum Area Fire and Rescue District

Reconciliation of the Statement of Revenues, Expednitures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Governmental Fund Balances	$	49,619
Amounts reported in the governmental activities in the statement of net position are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of $222,280 exceeded capital outlays of $47,818		(174,462)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Change in deferred outflows of resources for tax revenues of $19,566		19,566
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. Principal repayments totaled $100,115 during the year		100,115
Accrued interest on long-term debt is not recorded in the funds. The annual change in liablility is recorded as a current period expense in the statement of activities		1,982
Change in Net Position of Governmental Activities	$	(3,180)

The accompanying notes are an integral part of this financial statement.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 1- Summary of Significant Accounting Policies

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

a. Reporting Entity

The Landrum Area Fire and Rescue District (the District) was created by the South Carolina Legislature on June 3, 2015 to provide fire safety and emergency response services to residents of a specified geographical area within the boundaries of Spartanburg and Greenville counties of 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.

b. Basis of Presentation

Government-wide Statements - The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall governmental entity which consist only of governmental activities. No eliminations have been required to minimize the double counting of internal activities. Governmental activities generally are financed through property tax revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and total revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid for the benefit of the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are considered as general revenues, and consist of property taxes and interest revenue. The District's sole function is the provision of fire safety and emergency response services.

Fund Financial Statements - The fund financial statements provide information about the District's general fund.

The District reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the District. The General Fund accounts for all financial resources of the District. The major revenue source for the District is real and personal property taxes.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 1 - (continued)

c. Measurement Focus and Basis of Accounting

The general fund is maintained during the year using the modified accrual basis of accounting.

Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenue from property taxes, grants, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are measurable and available) to pay the liabilities of the current period. The District considers property taxes as available if they can be received within sixty (60) days after year end. Revenues susceptible to accrual are property taxes only. Expenditures are recorded when the related liability has been incurred.

Under the terms of grant agreements, the District funds its program by a combination of specific cost - reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost - reimbursement grant resources to such programs and then general revenues.

d. Budgeting

The Board of Commissioners annually adopts a budget which may be modified by a majority vote of the Board. Variances between line items do not require formal approval of the Board. The budget is prepared using the modified accrual basis of accounting.

e. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied around October 1 and are due and payable on or before January 15 of the following year. All unpaid taxes become delinquent March 1 of the following year. The District's taxes are billed and collected by Spartanburg and Greenville Counties.

Assessed values 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's area for the 2025 tax levy was assessed at $27,716,814 with a current operations millage of 45.9 mills for Spartanburg County and approximately $1,100,000 with a current millage of 45.9 mills for Greenville County.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 1 - (continued)

f. Capital Assets

The District's capital assets are recorded at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

It is the policy of the District to capitalize all capital assets costing more than $5,000 with an estimated useful life of two or more years.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. The District does not possess any infrastructure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

	Years
Buildings and improvements	40
Vehicles	5-15
Equipment	5-15

g. Deferred Inflows of Resources/Unearned Revenues

The District reports deferred inflows of resources in the governmental fund balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period in the governmental fund financial statements. Unearned revenues (a liability) may arise in both the governmental funds balance sheet and the statement of net position when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

h. Deferred Outflows of Resources

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

i. Net Position/Fund Balances

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Net position is reported as restricted when there are legal limitations imposed on their use by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Net position of $106,943 is restricted for debt service and $21,269 is restricted for prepaids at June 30, 2025.

Note 1 - (continued)

In the governmental fund financial statements, nonspendable fund balance represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance represents amounts that cannot be appropriated or are legally segregated for a specific purpose. Assigned fund balance represents tentative management plans that are subject to change.

The District has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Fire Chief will use resources in the following hierarchy: federal funds, state funds, county funds, and local funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Board of Commissioners has the authority to deviate from this policy if it is in the best interest of the District.

j. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

k. Compensated Absences

Vacation and sick leave do not vest with employees. Therefore, no accrual has been recorded in the financial statements.

l. New Pronouncements

The GASB has issued the following statements:

Statement No. 103, "Financial Reporting Model Improvements" – The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, "Disclosure of Certain Capital Assets" – The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, "Implementation Guidance Update – 2025" – The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

m. Date Through Which Subsequent Events Have Been Evaluated

Management has evaluated subsequent events through April 17, 2026: the date the financial statements were available to be issued.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 2 - Cash and Investments

The District uses regular business checking and savings at one bank for maintenance of cash funds. At times, these deposits exceed federally insured limits. The District has not experienced any losses in these bank accounts and believes that they are not exposed to any significant risk on cash and temporary investments. At June 30, 2025, the carrying amount of the District's deposits was $66,643 and the total of bank balances was $68,539.

The District currently participates in the State of South Carolina Local Government Investment Pool.

Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include markets that are not considered to be active.

Level 3 – Investments reflect prices based on unobservable sources. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

South Carolina Local Government Investment Pool investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any local governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted markets for identical or similar investments. The total fair value of the pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours notice. Financial statements for the pool may be obtained by writing the office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950, or at www.treasurer.sc.gov.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of financial institution failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2025, the District had no exposed custodial credit risk on its investments.

Concentration Credit Risk – This is the risk attributable to the magnitude of a government's investment in a single issuer. There is no formal limit on the amount that the District may invest in any one issuer. However, all of the District's investments at June 30, 2025 were held in the State Local Government Investment Pool, which allocates pooled investments over a broad range of securities, thus limiting this risk.

Interest Rate Risk – This is the risk that the fair value of securities in a portfolio will fall due to changes in market interest rates. The District is not aware of any material interest rate risk at June 30, 2025.

At June 30, 2025 the District held $794,867 investment in the South Carolina Local Government Investment Pool.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 3 - Taxes Receivable

As of June 30, 2025, the District had a total of $120,159 in delinquent property taxes receivable. On the governmental funds balance sheet and government-wide statement of net position $22,684 is estimated as uncollectible. The taxes receivable include amounts due from Spartanburg County of $17,465 which represents property taxes received by the County prior to June 30, 2025 and remitted after year-end. In the governmental fund financial statements taxes receivable are accrued as revenue when they are considered to be both "measurable and available." If not considered available within 60 days of year end, they are recorded as deferred inflows of resources. In the government-wide financial statements, property taxes receivable, net of an allowance, is shown in revenue of the current period regardless of when cash is received.

Note 4 - Risk Management

The Fire District is covered by commercial insurance for all major risks except workers' compensation, for which the District participates in the State Accident Fund. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior three years.

The State Accident Fund (SAF) is a self-insurer and purchases reinsurance to limit losses from workers' compensation claims. The District pays premiums to the SAF which issues policies, accumulates assets to cover risks of loss and pays claims for covered losses.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 5 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Not being depreciated				
Land	$ 111,115	$	$	$ 111,115
Construction in progress		10,000		10,000
Total capital assets not being depreciated	111,115	10,000		121,115
Being depreciated				
Buildings and improvements	271,000			271,000
Vehicles	3,002,188		200,000	2,802,188
Equipment	258,040	37,818		295,858
Total capital assets being depreciated	3,531,228	37,818	200,000	3,369,046
Less accumulated depreciation for				
Buildings and improvements	210,025	6,775		216,800
Vehicles	1,064,908	160,080	200,000	1,024,988
Equipment	38,134	55,426		93,559
Total accumulated Depreciation	1,313,067	222,281	200,000	1,335,347
Total capital assets being depreciated - net	2,218,161	(184,463)		2,033,699
Governmental activities capital assets, net	$ 2,329,276	$ (184,463)		$ 2,154,814

Depreciation expense of $222,281 was charged to the general fund.

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 6 – Notes Payable

The following details the changes in notes payable for the year:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Note payable of $962,103 payable in annual installments of $115,455 through June 2032, including interest at 3.89%, collateralized by a 2022 KME Pumper (Current principal of $88,388)	$ 780,869	$	$ 85,079	$ 695,790
Note payable of $550,000 payable in monthly installments of $5,843 through July 2039, including interest at 9.8%, collateralized by a fire turck and related equipment (Current principal of $18,555)	548,055		15,036	533,019
Total governmental activities	$ 1,328,924	$	$ 100,115	$ 1,228,809

The following is a summary of the District's future annual debt service requirements:

Year Ended June 30,	Principal	Interest	Total
2026	$ 106,943	$ 78,630	$ 185,573
2027	112,284	73,289	185,573
2028	117,954	67,619	185,573
2029	123,977	61,596	185,573
2030	130,382	55,191	185,573
2031-2035	403,576	177,926	581,502
2036-2039	233,693	51,134	284,827
Total	$ 1,228,809	$ 565,385	$ 1,794,194

Landrum Area Fire and Rescue District

Notes to Financial Statements

Note 7 - Stewardship and Accountability

Actual general fund expenditures for the current year were more than budgeted expenditures by $164,082 for the fiscal year ended June 30, 2025. Expenditures exceeded budgeted levels largely due to salaries and benefits. Revenues were under budget by $51,764, primarily due to lower tax proceeds than originally budgeted.

Note 8 - Deferred Compensation and Defined Contribution Plans

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 to future years. The District makes a matching contribution up to 5% of each participant's compensation. The deferred compensation is 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 by and may be amended by the Board of Commissioners. The District has elected to contribute 5% of each participant's compensation to the plan.

During the year ended June 30, 2025, the District contributed $54,515 to these plans.

Note 9 - Tax Abatements

Spartanburg County utilizes an economic development program to attract businesses and industry to the County for purposes of expanding and diversifying the local economy and creating jobs. The two mechanisms that the County employs are Fee in Lieu of Tax and Special Source Revenue Credits. For the 2025 tax assessment, abatements from Fee in Lieu of Tax agreements totaled $0 for the District.

Landrum Area Fire and Rescue District

General Fund Schedule of Governmental Revenues and Expenditures - Budget and Actual
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,446,750	$ 1,348,886	$ (97,864)
Interest income	30,000	29,288	(712)
Other revenues		46,812	46,812
Total revenues	1,476,750	1,424,986	(51,764)
Expenditures			
Current operations			
Utilities, supplies and grounds	31,160	36,421	(5,261)
Operational expenditures	72,600	57,194	15,406
Training	14,000	7,500	6,500
Vehicle operation and maintenance	49,690	49,367	323
Equipment operation and maintenance	20,500	29,377	(8,877)
Communication	2,750	1,779	971
Medical supplies and testing	7,800	4,980	2,820
Salaries and benefits	813,234	924,540	(111,306)
Building and equipment insurance	25,000	28,330	(3,330)
Debt service			
Interest on long term debt	74,436	87,946	(13,510)
Principal on long term debt	100,115	100,115	
Capital outlay		47,818	(47,818)
Total expenditures	1,211,285	1,375,367	(164,082)
Excess (deficiency) of revenues over expenditures	265,465	49,619	(215,846)
Net change in fund balances	$ 265,465	$ 49,619	$ (215,846)