

South Greenville Fire District

Ken Taylor
Chief



Chad Campbell
Assist. Chief

March 16, 2015

Greenville County Council
Chairman Bob Taylor
301 University Ridge, Ste. 2400
Greenville, SC 29601

Dear Chairperson Taylor;

South Greenville Fire District Board of Commission strives to ensure that the people in our Fire District have the best possible service provided to them at the lowest cost to them from our organization. Due to the increase growth in our area from both residential and industry, we feel the need to request an increase of the current CPI percentage allowed. This increase will allow us to continue to offer our current level of services to everyone in our Fire District.

We have enclosed in this packet our 2013 audit, our five year plan, and a signed resolution from our Board. Please feel free to contact us if you need any further information.

Sincerely,

A handwritten signature in black ink that reads 'William M. Campbell'.

William M. Campbell
Chairman of Commission



Fire District Millage Request Application

Contact Information

District Name: South Greenville Fire District State FDID Number 23324
Fire Chief's Name Ken Taylor Email: ktaylor@sgfdfire.com
Mailing Address 8305 Augusta Rd. City, State, Zip Pelzer, SC 29669
Contact Person's Name: Chief Taylor Email: ktaylor@sgfdfire.com
Address: 8305 Augusta Rd. City, State, Zip Pelzer, SC 29669
Phone 864-243-5650 Fax: 864-243-5656

Financial Operations

Please Check One of the Following Options:

- Our district is seeking to maintain our current millage rate
[X] Our district is seeking a millage rate increase
Our district is seeking bond approval

FD Annual Budget \$3,418,397.11 Value of One Mill 79,628.00
FD Current Millage Rate 36.2pp / 1.7 bond Value of Total Millage 2,882,533.60
Taxes collected last fiscal year (July 1-June 30) 13/14 year 3,431,595.02
Supplemental non-tax income last fiscal year (grants, fundraisers, etc.) na
Number of Paid Firefighters 68 Number of Volunteer Fire Fighters 0

For the following financial measurements, please provide a dollar amount.
(Any additional pertinent information can be detailed in an attached sheet.)

Debt Service separate millage bond - \$719,000 / \$139,000 Gear - \$104,661.55 / \$35,938.99
truck - \$635,450.24 / \$78,784.3

Operating Expenses \$3,822,759.26
(include all normal operating expenses, including operational overhead and salary expenses)

Reserve/Savings \$100,000.00
(include any/all reserve and/or savings currently on hand for breakdowns, purchases or replacements)

When did your district last request a millage increase? 2001
Was your request granted? yes

If so, please detail your accomplishments with the additional revenue? (You may attach a separate sheet if necessary.)

Performance Data

ISO Rating 3 / 9

Year Rating Received 2012

Population Served (daytime) 70,000

Population Served (nighttime) 45,000

Number of Households 11,250

Number of Businesses 358

Total Number of Calls Last Year (fiscal year?) 2014

Number of Structure Fires 57

Number of MVA's 99

Number of Medical Calls 1567

Number of Brush Fires 1 76

Number of Vehicle Fires 41

Number of Mutual Aid Calls 32

*For the following questions, please circle or highlight "Y" for Yes or "N" for No.
(Any additional pertinent information may be provided in a separate sheet.)*

- Is your district registered with the State Firefighter Mobilization? (Y) / N
- Does your district participate in the South Carolina Fire Incident Reporting System? (Y) / N
- Is your district in compliance with the SC Firefighter Registration Act? (Y) / N
- Does your district meet requirements of OSHA Standard 1910.30 for Infectious Disease Control? (Y) / N
- Does your district perform annual SCBA fit testing on all active personnel? (Y) / N
- Do your district's firefighters meet minimum OSHA training requirements? (Y) / N
- Does your district perform annual testing on all ground and aerial ladders to meet NFPA standard? (Y) / N
- Does your district meet all NIMS requirements? (Y) / N
- Does your district have a fire prevention program? (Y) / N
- Does your district have a Fire Safety inspection program? (Y) / N
- Does your district have a pre-fire plan program? (Y) / N
- Does your district meet minimum hose testing requirements? (Y) / N
- Does your district meet minimum pump testing requirements? (Y) / N
- Does your department meet minimum apparatus requirements? (Y) / N
- Does your district meet minimum equipment on apparatus requirements? (Y) / N
- Does your district have a preventive maintenance program for your apparatus? (Y) / N
- Does your district provide physicals to all members? (Y) / N
- Do all of your members meet the minimum training requirements for their specific job titles? (Y) / N
- Does your district meet minimum communication requirements? (Y) / N
- Does your district meet Narrow Band Requirements? (Y) / N
- Does your district house an EMS vehicle? (Y) / N

For the following questions, please provide the more detailed information necessary to understand the complexities for your district. You may attach separate sheets as necessary to fully answer the questions.

1. Please describe any businesses or structures which require special equipment or represent potentially dangerous calls.
We cover Michelin Tire Corporation, Southeastern Paper Board, Drive Automotive, PCC Chemx, GE Aviation, Karmra, Gordon Food and seven (7) schools in our area.
2. Please list any mutual aid agreements or operational or resource sharing agreements your district participates in with other fire districts. We are part of Statewide Mutual Aid Agreement Greenville County Mutual Aid Agreement, Anderson County Mutual Aid Agreement for fire and EMS. We have a dispatching agreement with Piedmont Fire Department. We also encourage our employees and house equipment with Greenville County ERT Teams.
3. Please describe how, if at all, the requested millage increase will impact your district's ISO ratings.
This money will be used to purchase additional firefighting equipment to hopefully lower the rate to a 2. It will also be used to maintain our current equipment we have.
4. Please describe the tax-exempt properties in your district and the services you provide to these entities.
We have 7 schools we respond to and provide Fire Prevention Material and Programs to. We have multiple churches that we cover and provide Fire Prevention Material and CPR to.

Please assign a priority rating to your millage increase request from the following options: Priority 3

Priority 1: Without the increase, we cannot continue to provide the level of service that we are giving currently. Our ISO ratings could be affected negatively. The need is dire.

Priority 2: Without the increase, we cannot purchase needed equipment to improve the level of service we are currently giving. ISO ratings may or may not be improved. This priority level also allows for needed specialty equipment to be acquired.

Priority 3: Without the increase, we can continue to provide excellent service to our district, but the increase will allow us to improve our operation in an exemplary way. ISO ratings may potentially be improved.

Opportunity for Council person(s) statement:

I, _____, County Council representative to this fire district, **Support / Do Not Support** this request.

I, _____, County Council representative to this fire district, **Support / Do Not Support** this request.

I, _____, County Council representative to this fire district, **Support / Do Not Support** this request.

Please include with your application the following documents:

- ✓ A formal letter from the Commission stating the intentions to either maintain or increase millage;
- ✓ Last year's financial audit;
- ✓ A five-year plan (spreadsheet) showing projected revenues as well as operating and capital expenditures;
- ✓ Any background information necessary to justify the need of a millage increase; and
- ✓ A signed resolution from the governing body approving the operating/capital plan and millage increase.

All applications should be mailed or emailed to:
Greenville County Finance Committee
Attn: John Hansley, Deputy County Administrator
301 University Ridge, Suite 2400
Greenville, SC 29601

or

jhansley@greenvillecounty.org

RESOLUTION

A RESOLUTION FOR PURPOSES OF APPROVING AN INCREASE TO THE MILLAGE LIMITATIONS ESTABLISHED FOR THE SOUTH GREENVILLE FIRE DISTRICT AND TO REQUEST GREENVILLE COUNTY COUNCIL'S APPROVAL OF THE INCREASE TO THE MILLAGE LIMITATION.

WHEREAS, the South Greenville Fire District is a special purpose district, located wholly within the county of Greenville; and

WHEREAS, the South Greenville Fire District was created by Act No. 67 of 1965 of the South Carolina General Assembly, which established the South Greenville Board of Fire Control as the governing body for the South Greenville Fire District; and

WHEREAS, the South Greenville Board of Fire Control is an elected body authorized pursuant to Act NO. 67 of 1965 to annually levy, for operations and maintenance, ad valorem property tax millage not exceeding sixteen (16) mills; and

WHEREAS, according to the provisions contained in S.C. Code Ann. 6-11-271 and 6-11-275, as amended, special purpose districts totally located within a county, which were in existence prior to March 7, 1973, and which have the statutory authority to annually levy taxes for operations and maintenance are authorized to modify their respective millage limitations provided the increase is first approved by the governing body of the district and by the governing body of the county in which the district by resolutions duly adopted.

NOW, THEREFORE, BE IT RESOLVED, that the South Greenville Board of Fire Control approves the increase of twenty and two tenths mills (20.3) mills to twenty-one and five tenths (21.5) mills in addition to the sixteen (16) mills millage limitation authorized by Act No. 67 of 1965, for a total millage of thirty-six and three tenths (37.5) mills, which represents a millage increase from last year's ad valorem property tax millage levy.

BE IT FURTHER RESOLVED, that the South Greenville Board of Fire Control requests that Greenville County Council approve, by resolution, the modification to the millage limitation authorized by law.

BE IT FURTHER RESOLVED, that the millage rate authorized by this Resolution and effectuated pursuant to the provisions of S. C. Code Ann. 6-11-275, as amended, is effective only for the tax year 2015 – 2016.

DONE IN MEETING THIS 4 DAY OF May, 2015.


Vice-Chairman, South Greenville Board of Fire Control

APPENDIX A
 SOUTH GREENVILLE FIRE DISTRICT
 CAPITAL AND MANPOWER ADDITIONS
 YEARS 2015 – 2019

Year	Description	Real Estate	Equipment	Personnel	Debt Issued
2015	Chief Vehicle	\$50,000			
	Training Officer			\$50,000	
	Trench Trailer	\$15,000	\$45,000		
	EMT Certification			\$9,600	
	Total	\$65,000	\$45,000	\$59,600	
2016	Replace SCBA		\$500,000		\$500,000
	Total		\$500,000		\$500,000
2017	Station 4 Replaced	\$1,000,000			\$1,000,000
	Fire Marshall		\$50,000		
	EMT Certification		\$9,600		
	Total	\$1,000,000	\$59,600		\$1,000,000
2018	Replace Engine	\$400,000			
	Total	\$400,000			
2019	Replace Engine	\$400,000			
	Total	\$400,000			

SOUTH GREENVILLE FIRE DISTRICT

**Financial Statements
and
Independent Auditors' Report**

December 31, 2013

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McDONALD, HUDSON AND STALVEY

CERTIFIED PUBLIC ACCOUNTANTS

AN ASSOCIATION OF PAs

RIVERSIDE OFFICE PARK

880 SOUTH PLEASANTBURG DRIVE, SUITE 2A

GREENVILLE, SOUTH CAROLINA 29607

OFFICE (864) 235-8133

FAX (864) 271-6420

STEVE McDONALD, CPA, PA
DONNA K. HUDSON, CPA, PA
LEE M. STALVEY, CPA, PA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOUTH CAROLINA ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Commissioners
South Greenville Fire District

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of South Greenville Fire District ("the District"), as of and for the year then ended December 31, 2013, the related notes to the financial statements, which collectively comprise South Greenville Fire District's basic financial statements 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 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with accounting principles generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 of the effectiveness of the entity's internal control. Accordingly, we 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of South Greenville Fire District, as of

December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As described in Note 1, the policy of the District is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the accompanying basic financial statements are not intended to present financial position and changes in financial position in accordance with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures to the required supplementary information 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.

Respectfully submitted,

McDonald, Hudson and Stalvey, CPAs

McDonald, Hudson and Stalvey
Certified Public Accountants
Greenville, South Carolina

June 26, 2014

SOUTH GREENVILLE FIRE DISTRICT
Statement of Net Assets – Modified Cash Basis
December 31, 2013

	<u>Governmental Activities</u>
Current Assets	
Cash	\$ <u>379,899</u>
Total Current Assets	379,899
Capital Assets	
Capital assets not being depreciated	96,187
Capital assets (net of accumulated depreciation)	<u>5,054,949</u>
Total Capital Assets	<u>5,151,136</u>
TOTAL ASSETS	<u>\$ 5,531,035</u>
Liabilities	
Due in more than one year	\$ <u>850,000</u>
Total Liabilities	850,000
Net Assets	
Invested in capital assets	5,151,136
Restricted for specific purposes	0
Unrestricted	<u>(470,101)</u>
Total Net Assets	<u>4,681,035</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,531,035</u>

This financial statement should be read only in connection with the accompanying
Independent auditors' report and notes to financial statements.

SOUTH GREENVILLE FIRE DISTRICT
Statement of Activities – Modified Cash Basis
For the Year Ended December 31, 2013

Governmental
Activities

Expenses	
Public Safety – Fire Protection	
Personnel	\$ 2,439,096
Administration	8,046
Depreciation	267,272
Equipment	82,629
Grant Expenses	9,868
Insurance	503,611
Maintenance	72,798
Professional Fees	18,635
Supplies	38,847
Training	13,183
Utilities	<u>104,496</u>
Total Expenses	3,558,481
General Revenues	
Property Tax	3,394,765
Grant Revenue	8,827
Interest	3,311
Miscellaneous	<u>11,655</u>
Total General Revenues	<u>3,418,558</u>
Decrease in Net Assets	(139,923)
Net Assets, Beginning of year	4,695,958
Proceeds from Bond	<u>125,000</u>
Net Assets, End of year	<u><u>\$ 4,681,035</u></u>

This financial statement should be read only in connection with the accompanying
independent auditors' report and notes to financial statements.

SOUTH GREENVILLE FIRE DISTRICT
Balance Sheet – Governmental Funds – Modified Cash Basis
For the Year Ended December 31, 2013

	General Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS				
Current Assets				
Cash	\$ 379,899	\$ 0	\$ 0	\$ 379,899
Total Current Assets	379,899	0	0	379,899
TOTAL ASSETS	\$ 379,899	\$ 0	\$ 0	\$ 379,899
LIABILITIES AND FUND BALANCES				
Fund Balances				
Unrestricted	\$ 379,899	\$ 0	\$ 0	\$ 379,899
Total Fund Balances	379,899	0	0	379,899
TOTAL LIABILITIES AND FUND BALANCES	\$ 379,899	\$ 0	\$ 0	\$ 379,899

This financial statement should be read only in connection with the accompanying
Independent auditors' report and notes to financial statements.

SOUTH GREENVILLE FIRE DISTRICT
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance –
Governmental Funds – Modified Cash Basis
December 31, 2013

	General Fund	Debt Service Fund	Total
Revenues Collected			
Property Tax	\$ 3,394,765	\$ 163,143	\$ 3,557,908
Grant Revenue	8,827	0	8,827
Interest	3,311	0	3,311
Miscellaneous	<u>11,655</u>	<u>0</u>	<u>11,655</u>
Total Revenues Collected	3,418,558	163,143	3,581,701
Expenditures Paid			
Personnel	2,439,096	0	2,439,096
Administration	8,046	0	8,046
Capital Outlay	474,560	0	474,560
Equipment	92,497	0	92,497
Insurance	503,611	0	503,611
Maintenance	72,798	0	72,798
Professional fees	18,935	0	18,935
Supplies	38,547	0	38,547
Training	13,183	0	13,183
Utilities	104,496	0	104,496
Principal	0	125,000	125,000
Interest	<u>0</u>	<u>38,143</u>	<u>38,143</u>
Total Expenditures	<u>3,765,769</u>	<u>163,143</u>	<u>3,928,912</u>
Net Change in Fund Balances	(347,211)	0	(347,211)
Fund Balances, Beginning of year	<u>3,828,144</u>	<u>0</u>	<u>3,828,144</u>
Fund Balances, End of year	<u>\$ 3,480,933</u>	<u>\$ 0</u>	<u>\$ 3,480,933</u>

This financial statement should be read only in connection with the accompanying
Independent auditors' report and notes to financial statements.

SOUTH GREENVILLE FIRE DISTRICT
Reconciliation of the Net Change in Fund Balance of the Statement of Revenues Collected,
Expenditures Paid, and Changes in Fund Balances – Governmental Fund – Modified Cash Basis
to the Decrease in Net Assets of the Governmental Activities of the
Statement of Activities – Modified Cash Basis
December 31, 2013

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS:	\$ (347,211)
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:	
Capital outlay is reported as an expenditure in governmental funds but is Capitalized and the cost of the asset is spread over the useful life on the Statement of Activities – Modified Cash Basis	474,560
Some expenses in the Statement of Activities – Modified Cash Basis do Not require the use of current financial resources, and therefore are not Reported as expenditures in governmental funds Depreciation expense	<u>(267,272)</u>
TOTAL DECREASE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (139,923)</u>

This financial statement should be read only in connection with the accompanying
Independent auditors' report and notes to financial statements.

SOUTH GREENVILLE FIRE DISTRICT
Notes to Financial Statements
December 31, 2013

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF ACCOUNTING

Description of Business

The South Greenville Fire District (“the District”) was established in 1965 as a Special Purpose District within Greenville County, South Carolina, and is a component unit of Greenville County today. The District receives its support from tax money collected by the county and provided on a monthly basis to the District. This money accounts for approximately 98% on the District’s total revenue. The services offered by the District include fire prevention, fire suppression, and hazmat. The District strives to provide protection to all residents within its public service district. At the present time, the District operates out of seven stations which cover 143 square miles.

Basis of Accounting

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described in Note 2.

As described in Note 2, the District presents two separate forms of financial statements. The government-wide basic financial statements are reported using the economic resources measurement focus and accounting principles generally accepted in the United States of America which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the District and expenditures are recorded when the funds are disbursed. Property taxes are recognized as revenue in the year in which they are levied. Depreciation of capital assets is shown on the government-wide basic financial statements. Accordingly, the government-wide financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

The governmental fund basis financial statements are reported using the current financial resources measurement focus and accounting principles generally accepted in the United States of America which is a comprehensive basis accounting other than GAAP. Revenues are recorded at the time of receipt by the District and expenditures are recorded when the funds are disbursed. Property taxes are recognized as revenue in the year in which they are levied. Accordingly, the governmental fund basis financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

All funds are classified in the category governmental funds. Governmental funds are used to account for the District’s general activities, including the collection and disbursement of restricted monies (special revenue fund), monies committed, restricted or assigned for the acquisition or construction of capital assets (capital projects fund), and monies committed, restricted, or assigned for the servicing of long-term debt (debt service fund). The general fund is used to account for all activities in the District not accounted for in some other fund.

SOUTH GREENVILLE FIRE DISTRICT
Notes to Financial Statements
December 31, 2013

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Governmental Fund Basic Financial Statements

The government-wide basic financial statements (i.e. Statement of Net Asset – Modified Cash Basis and Statement of Activities – Modified Cash Basis) report information on all of the non-fiduciary activities of the District. The effect of material inter-fund activity has been eliminated by these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely heavily on fees and charges for support.

The Statement of Activities – Modified Cash Basis demonstrates the degree to which the direct expenses of a given function, segment of program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and standard revenues are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The governmental fund basic financial statements (i.e. Balance Sheet – Governmental Fund – Modified Cash Basis; Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances – Governmental Fund – Modified Cash Basis; and accompanying reconciliations) are provided for all governmental funds. Major individual governmental funds are reported as separate columns in the governmental fund basic financial statements.

The District reports the following major governmental funds;

The General Fund is the general operating fund of the District. All financial resources, except those accounted for in another fund, are accounted for in the General Fund.

The Debt Service Fund is used to account for accumulated resources for, and the payment of, general long-term debt, principal, interest and related costs.

The Capital Projects Fund is used to account for the resources restricted for the acquisition or construction of capital facilities.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

Capital Assets

Capital assets are recorded as expenditures in the General Fund at the time of purchase. Capital assets, which include lands, building, and vehicles, are reported in the applicable governmental columns in the government-wide basis financial statements. Capital assets are defined by the District as any purchase or construction of lands, buildings, and vehicles with an estimated useful life in excess of one year. All other equipment and furniture purchases are shown as expenditures in the General Fund in the year of purchase.

The cost of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

SOUTH GREENVILLE FIRE DISTRICT
Notes to Financial Statements
December 31, 2013

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	30
Vehicles	8-20
Equipment	5-20

Long-Term Liabilities

In the government-wide basic financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the governmental activities. Principal payments on long-term debt are recorded as expenditures in the governmental fund basic financial statements but as a reduction of liability on the government-wide statements. The District's long-term obligations consist only of general obligation bonds issued June 14, 2006.

Net Assets/Fund Balances

In the governmental fund basic financial statements, governmental funds report nonspendable fund balances for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balances are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance results from enabling legislation adopted by the District. Committed fund balances are constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign funds balances has been delegated to the District's Fire Chief by the Board of Commissioners. Any residual fund balance of the General Fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the District considers committed funds to be expended first, followed by assigned, and then unassigned funds.

In the government-wide basic financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the District's investments in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. None of the District's net assets are restricted as a result of enabling legislation adopted by the District.

Estimates

The preparation of basic financial statements requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from these estimates.

Date of Management's Review

Management has evaluated subsequent events through June 26, 2014, the date on which the financial statements were available to be issued.

SOUTH GREENVILLE FIRE DISTRICT
Notes to Financial Statements
December 31, 2013

NOTE 3 – PROPERTY TAX CALCULATION

The following information gives significant dates on the property tax calendar for the District:

The annual tax levy ordinance for 2013 was passed on June 15, 2012. Taxes attach as a lien as of January 1, 2013.

Property taxes are due to the County Collector in one installment on January 15.

Property tax remittances are normally received periodically beginning in July in the year after the levy is passed and generally ending by June of the following year.

NOTE 4 – CONCENTRATION OF CREDIT RISK

The District maintains cash balances at several financial institutions located in South Carolina. Accounts at each institution are insured up to \$250,000. Southern First has pledged securities to the District with a face value of \$2,415,000 to cover any unsecured amounts in excess of \$250,000.

NOTE 5 – CAPITAL ASSETS

Capital asset activity, resulting from modified cash transactions, for the year ended December 31, 2013 was as follows:

	<u>Balances, January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances, December 31</u>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated – Land	\$ 96,187	\$ 0	\$ 0	\$ 96,187
Total capital assets not being depreciated	96,187	0	0	96,187
Capital assets being depreciated				
Buildings	3,994,744	421,963	0	4,416,707
Vehicles	<u>3,329,346</u>	<u>52,597</u>	<u>20,673</u>	<u>3,361,270</u>
Total capital assets being depreciated	7,324,090	474,560	20,673	7,777,977
Less accumulated depreciation for				
Buildings	825,215	133,158	0	958,373
Vehicles	<u>1,651,214</u>	<u>134,114</u>	<u>20,673</u>	<u>1,764,655</u>
Total accumulated depreciation	<u>2,476,429</u>	<u>267,272</u>	<u>20,673</u>	<u>2,723,028</u>
Total capital assets being depreciated, net	<u>4,847,661</u>	<u>207,288</u>	<u>0</u>	<u>5,054,949</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSET, NET	<u>\$ 4,943,848</u>	<u>\$ 207,288</u>	<u>\$ 0</u>	<u>\$ 5,151,136</u>

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

GOVERNMENTAL ACTIVITIES	
Public safety	\$ 267,272

SOUTH GREENVILLE FIRE DISTRICT
Notes to Financial Statements
December 31, 2013

NOTE 6 – GENERAL LONG-TERM DEBT

On June 14, 2006, the District issued \$1,600,000 in General Obligation Bonds, Series 2006. The proceeds from this issue are to be used to construct a new Station 3, remodel Headquarters, purchase a new Heavy Rescue Truck, purchase a new pumper, and purchase new breathing apparatus.

For the payment of principal and interest on the bonds as they mature, there shall be levied by the Auditor of Greenville County, and collected by the Treasurer of Greenville County, a tax without limit as to rate or amount on all taxable property in the District sufficient to pay the principal and interest on the Bond at maturity date thereof and to create such sinking fund as may be necessary.

The bonds will mature on March 1 in each of the following years and interest will be paid semi-annually on March 1 and September 1 of each year commencing March 1, 2007:

<u>Year</u>	<u>Principal Amount</u>
2014	\$131,000
2015	137,000
2016	144,000
2017	151,000
2018	158,000
2019	<u>129,000</u>
Total	<u>\$850,000</u>

The interest rate will be a fixed rate of 4.18% for the term of the bond.

The total amount paid by the Greenville County Treasurer's Office on behalf of South Greenville Fire District was \$125,000 in principal and \$38,143 in interest for the year ending December 31, 2013.

Changes in general long-term debt of the District for the year ended December 31, 2013 is as follows:

	<u>Balances, January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances, December 31</u>
General obligation bond	<u>\$ 975,000</u>	<u>0</u>	<u>\$ 125,000</u>	<u>\$850,000</u>

NOTE 7 – RETIREMENT PLAN

In July of 1992 the District began participating in the State Retirement System (SCRS). All permanent full-time or part-time employees (except for those grandfathered out) are required to contribute 7.0% of their annual salary for the period January through June and 7.5% for the period July through December, 2013, unless specifically exempt. The District is required to contribute 10.45% of each participant's salary in the period January through December, 2013. Employees may contribute to the retirement plan additional money to cover their salaries earned prior to July 1, 1992 and the District will be required to match those contributions.

On July 1, 2007 the District changed to the Police Officers Retirement System (PORS) for all eligible employees. To be eligible for PORS membership, an employee of the District must be required by the terms of his or her employment, to prevent and control property destruction by fire. PORS members must earn at least \$2,000 per year and devote at least 1,600 hours per fiscal year to this work, unless exempted by statute. All eligible employees are required to contribute 7% of earnable compensation for the period January through June and 7.5% for the period July through December, 2013. The District is required to contribute 11.9% of each participant's earnable compensation in the period January through June and 12.44% for the period July through December, 2013.

SOUTH GREENVILLE FIRE DISTRICT
Notes to Financial Statements
December 31, 2013

NOTE 7 – RETIREMENT PLAN (continued)

Employees may also participate in a State sponsored deferred compensation plan.

All contributions withheld and matched by the District for the retirement plan are sent to the State Treasurer on a monthly basis. Contributions by the employees to the deferred compensation plan are sent semi-monthly.

Effective September 1, 2008, the District adopted a plan known as the South Greenville Area Fire District Flexible Benefit Plan (the plan). The plan is available to all employees who work a minimum of 33 hours, and takes effect on the first day of the month following a mandatory 30-day waiting period.

The plan allows all medical, dental, accident, and cancer policy premiums to be deducted from gross wages as pre-tax items.

NOTE 8 – FEMA GRANT

In February 2013, the District was awarded a grant under FEMA and DHS FY 2012 Assistance to Firefighters. The District received a total of \$8,827 that was used to purchase equipment. The remaining balance of \$1,041 was paid by the Fire District. The grant money was received and expended in 2013 and is reflected in these financial statements.

NOTE 9 – CONTINGENCIES

In November 2011, a claim was brought against the District and three employees of the district contesting the transfer of real property to the District for the purpose of building a fire station. The Plaintiff is seeking an undetermined amount of damages. Because discovery has not advanced sufficiently, the District is unable to make an estimate as to the amount of exposure, if any. The District has denied all allegations and tendered the defense of this case to its insurance company.

The District's insurance company, in a separate lawsuit, has filed a declaratory judgment action seeking to have a court declare that it owes the District and the individual Defendants neither a defense nor a duty to indemnify for any claims made by the Plaintiff. The District's attorney has filed an answer on their behalf and a counterclaim against the insurance company seeking, among other things, declaratory relief from the Court that the insurance company must provide a defense and indemnification for any claims that may be made in this lawsuit. This answer and counterclaim were filed by the District's attorney on June 21, 2012.

In January 2013, the three parties conducted mediation. At that time, the insurance company agreed to pay the plaintiff an agreed upon sum to cover damages and released the District from any liability. The District has not incurred nor will have any financial obligation, except to bear its own attorneys' fees.

These notes to financial statements should be read only in connection with the accompanying
Independent auditors' report and financial statements.

**REQUIRED SUPPLEMENTAL
INFORMATION**

SOUTH GREENVILLE FIRE DISTRICT
Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance –
Modified Cash Basis - Budget and Actual - General Fund
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
Revenues Collected			
Property Tax	\$ 3,262,299	\$ 3,394,765	\$ 132,466
Grant Revenue	0	8,827	8,827
Interest Income	10,000	3,311	(6,689)
Miscellaneous	<u>7,300</u>	<u>11,655</u>	<u>4,355</u>
Total Revenues Collected	3,279,599	3,418,558	138,959
Expenditures Paid			
Personnel	2,408,307	2,439,096	30,789
Administration	6,750	8,046	1,296
Capital Outlay	75,000	474,560	399,560
Equipment	80,262	92,497	12,235
Grant	980	0	(980)
Insurance	475,000	503,611	28,611
Maintenance	47,500	72,798	25,298
Professional fees	25,000	18,635	(6,365)
Supplies	32,600	38,847	6,247
Training	10,000	13,183	3,183
Utilities	<u>118,200</u>	<u>104,496</u>	<u>(13,704)</u>
Total Expenditures Paid	<u>3,279,599</u>	<u>3,765,769</u>	<u>486,170</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ (347,211)</u>	<u>\$ (347,211)</u>

See independent auditors' report.

SOUTH GREENVILLE FIRE DISTRICT
Notes to Required Supplemental Information
December 31, 2013

NOTE 1 – BUDGETS

Budgets are adopted for the general fund. Budgeted amounts used for comparison in this report are obtained from the Annual Budget for the District. The budget amounts included in the basic financial statements are the final adopted budgets, including all amendments. There were several amendments to the budget during the fiscal year. The budget is prepared on the cash basis of accounting and is controlled at the function level. All budgets lapse at year end.

See independent auditors' report.