CLEAR SPRING FIRE AND RESCUE

SIMPSONVILLE, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

CLEAR SPRING FIRE AND RESCUE

SIMPSONVILLE, SOUTH CAROLINA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Control
Clear Spring Fire and Rescue
Simpsonville, South Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Clear Spring Fire and Rescue (CSFAR) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise CSFAR'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, the business-type activities, and each major fund of CSFAR as of June 30, 2023, 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.

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 CSFAR, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CSFAR'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 CSFAR'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 CSFAR'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 and budgetary comparison information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CSFAR's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Bradshaw, Gordon & Clinkscales, LLC

Bradshaw, Gordon & Clinkscales, LLC

Greenville, SC
February 10, 2024

This management's discussion and analysis ("MD&A") of Clear Spring Fire and Rescue District's ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023 ("FY 2023" or "2023") compared to fiscal year ended June 30, 2022 ("FY 2022" or "2022"). The intent of this MD&A is to present the District's financial performance as a whole; readers should also review the financial statements, the notes to the financial statements, the required supplementary information, and the supplementary information to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2023 by approximately $4,345,000. Of this amount, approximately $2,622,000 is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by approximately $532,000 in 2023. The primary reason for the increase in total net position is due to revenues exceeding expenses of the District.
- The District had approximately $2,811,000 in expenses related to governmental activities. General revenues (primarily taxes) of approximately $3,343,000 provided funding for the District's programs.
- As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of approximately $4,285,000, an increase of approximately $688,000 from the prior year ending fund balances primarily due revenue exceeding expenditures as property taxes where higher than the prior year. Approximately $270 is nonspendable related to prepaids, while the remaining balance is unassigned.
- During 2023, the District's General Fund revenues increased approximately $358,000 to approximately $3,080,000. The increase was primarily due to an increase in property tax revenue of approximately $328,000. The District's General Fund expenditures were approximately $2,398,000 compared to approximately $2,341,000 in the prior year. The increase was primarily due to higher personnel costs of approximately $180,000 and lower capital outlay of approximately $119,000.
- The District's total net capital assets decreased by approximately $240,000 (5%) during the current fiscal year. The primary reasons for the decrease were the depreciation expense of approximately $316,000 and partially offset by the purchase of equipment for approximately $76,000.
- The District's total debt decreased by approximately $170,000 due to regularly scheduled payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements. The financial statements include two kinds of statements that present different views of the District. The first two statements are *government-wide financial statements* that provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements may distinguish functions of the District that are principally supported by taxes and other revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include fire safety and emergency response services. The District does not have any business-type activities.

The government-wide financial statements can be found as listed in the table of contents.

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, reporting operations in more detail than the government-wide financial statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. There are three categories of funds that are typically used by state and local governments: governmental funds, proprietary funds, and fiduciary funds. The District utilizes only governmental funds in reporting its operations.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund which are both considered major funds. The governmental fund financial statements can be found as listed in the table of contents.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other Information. In addition to the financial statements and accompanying notes, required supplementary information and supplementary information have been provided which enhance the financial statements. This other information can be found as listed in the table of contents of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-1

Major Features of the District's Government-Wide and Fund Financial Statements

	Government-Wide Financial Statements	Governmental Fund Financial Statements
Scope	Entire District	The activities of the District that are governmental in nature
Required financial statements	▪ Statement of Net Position ▪ Statement of Activities	▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of balance sheet information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources (if any) expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term obligations are included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

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 the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by approximately $4,345,000 and $3,814,000 at the close of the most recent two fiscal years, respectively. Table 1 provides a summary of the District's net position at June 30, 2023 and 2022:

Table 1 - Net Position

	Governmental Activities		
	2023	2022	Change
Assets:			
Current and other assets	$ 4,417,316	$ 3,707,847	$ 709,469
Capital assets, net	4,549,322	4,788,918	(239,596)
Total Assets	8,966,638	8,496,765	469,873
Deferred Outflows of Resources	597,172	671,957	(74,785)
Liabilities:			
Other liabilities	114,000	99,578	14,422
Net pension liability	1,952,644	1,496,448	456,196
Long term liabilities	2,946,584	3,106,953	(160,369)
Total Liabilities	5,013,228	4,702,979	310,249
Deferred Inflows of Resources	205,127	651,865	(446,738)
Net Position:			
Net investment in capital assets	1,650,420	1,719,166	(68,746)
Restricted	73,370	66,695	6,675
Unrestricted	2,621,665	2,028,017	593,648
Total Net Position	$ 4,345,455	$ 3,813,878	$ 531,577

The increase in total assets for 2023 compared to 2022 was primarily due to an increase in current and other assets, partially offset by a decrease in net capital assets. The decrease in capital assets was primarily due to depreciation expense, partially offset by the purchase of equipment. The increase in current and other assets was primarily due to an increase in cash related to the increase in fund balance.

The increase in total liabilities for 2023 compared to 2022 was primarily due to an overall increase in the net pension liability and other liabilities and a decrease in the long-term liabilities. The increase in other liabilities is primarily due to an increase in accounts payable and accrued payroll. The decrease in long-term liabilities is primarily due to regularly scheduled payments. The changes in the net pension liability and deferred outflows and inflows of resources were primarily due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the District's share of the net pension liability in the State retirement plans.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental accounting principles require the District to classify its net position in up to three categories. The District uses the following categories to classify its net position:

- Net investment in capital assets – This represents amounts invested in capital assets (less accumulated depreciation and amortization on those assets) less any related outstanding debt used to acquire those assets. On June 30, 2023 and 2022, the net investment in capital assets was approximately $1,650,000 (38%) and $1,719,000 (45%), respectively.

- Restricted – This represents the portion of net position that is restricted by outside parties for a specific purpose. The balance of restricted net position as of June 30, 2023, and 2022 was approximately $73,000 (2%) and $67,000 (2%), respectively, and was restricted for debt service and the explorer program.

- Unrestricted – This represents the portion of net position that can be used to finance the daily operations of the District for which no restrictions are imposed. The balance of unrestricted net position as of June 30, 2023, and 2022 was approximately $2,622,000 (60%) and $2,028,000 (53%), respectively.

Table 2 shows the changes in net position for 2023 and 2022:

Table 2 - Changes in Net Position

	Governmental Activities		
General Revenue	2023	2022	Changes
Property taxes	$ 3,273,032	$ 2,913,088	$ 359,944
Gain (loss) on sale of assets	50,000	-	50,000
Miscellaneous revenue	16,443	81,772	(65,329)
Unrestricted investment earnings	3,036	1,146	1,890
Total Revenues	3,342,511	2,996,006	346,505
Program Expenses:			
Fire safety and emergency response	2,732,776	2,492,022	240,754
Interest and other charges	78,158	81,558	(3,400)
Total Program Expenses	2,810,934	2,573,580	237,354
Changes in Net Position	531,577	422,426	109,151
Net Position Beginning of Year	3,813,878	3,391,452	422,426
Net Position, End of Year	$ 4,345,455	$ 3,813,878	$ 531,577

The District's net position increased in 2023 by approximately $532,000 or 14%. Key elements of this increase are as follows:

- Total revenues increased approximately $347,000 from the prior year primarily due to greater property tax collections (approximately $360,000), minus a decrease in other revenues of approximately $13,000.

- Program expenses increased approximately $237,000 from the prior year primarily an increase in salaries and benefits of approximately $180,000.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The analysis of the governmental funds 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?

The District has only two governmental funds – the General Fund and the Debt Service Fund.

For the year ended June 30, 2023, the District's General Fund, a major fund, reported fund balance of approximately $4,214,000 compared to approximately $3,532,000 for the prior year. The increase in fund balance is primarily due to an increase in property taxes received along with higher personnel costs partially offset by lower capital outlay in the current year. Revenues were higher in 2023 by approximately $358,000 primarily due to higher property taxes of approximately $328,000. Expenditures were higher in 2023 by approximately $58,000, primarily due to an increase in personnel costs of approximately $180,000 and a decrease in capital outlay of approximately $119,000.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. On June 30, 2023, the District's unassigned fund balance for the General Fund was approximately $4,213,000. Nonspendable fund balance was approximately $270 and was related to prepaid expenses.

For the year ended June 30, 2023, the District's Debt Service Fund, a major fund, reported fund balance of approximately $71,000 compared to approximately $65,000 for the prior year. The increase is primarily attributable to property tax and interest revenues exceeding expenditures for regularly scheduled debt service and interest. Revenues were higher in 2023 primarily due to an increase in property tax collections.

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. The only budgeted fund of the District is the General Fund. During the course of 2023, no amendments were made to the District's revenue and expenditure budgets. Actual revenues were higher than budgeted revenues by approximately $480,000 primarily due to an increase in property tax collections and higher than expected miscellaneous income. Actual expenditures were less than budgeted expenditures by approximately $150,000, primarily due to salaries and employee benefits coming in under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District had approximately $4,549,000 and $4,789,000 in capital assets at the close of 2023 and 2022, respectively. Table 3 shows capital asset balances by category on June 30, 2023 and 2022:

Table 3 - Capital Assets

	June 30, 2023	June 30, 2022
Land	$ 210,635	$ 210,635
Buildings	4,422,648	4,422,648
Emergency vehicles	2,287,564	2,462,564
Support vehicles	194,308	132,738
Equipment	362,615	354,092
Land improvements	25,880	25,880
Leasehold improvements	76,902	71,071
Less: Accumulated depreciation	(3,031,230)	(2,890,710)
Total Capital Assets, Net of Depreciation	$ 4,549,322	$ 4,788,918

The total decrease in the District's capital assets for 2023 was approximately $240,000 and consisted of the following:

- Purchased equipment of approximately $76,000.
- Depreciation expense of approximately $316,000

More detailed information about the District's capital assets is included in the notes to the financial statements.

Debt Administration

At June 30, 2023 and 2022, the District had outstanding debt of approximately $2,880,000 and $3,050,000, respectively. Table 4 shows long-term debt at June 30, 2023 and 2022:

Table 4 - Long-Term Debt

	Governmental Activities	
	June 30, 2023	June 30, 2022
Due to Greenville County for general obligation bond issuance	$ 2,880,000	$ 3,050,000
Total	$ 2,880,000	$ 3,050,000

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The net decrease in the District's long-term debt was approximately $170,000 (6%). Major long-term debt events during the current year included:

- Regularly scheduled principal payments of approximately $170,000.

The District has other long-term liabilities outstanding at year end which consisted of the compensated absences liability and the net pension liability. More detailed information about the District's long-term liabilities is included in the notes to the financial statements.

ECONOMIC FACTORS

The District is a fire protection area created by an ordinance of Greenville, South Carolina County Council in 1981. Prior to its legal name change on July 1, 2004, the District was known as East Simpsonville Fire District. The District provides fire protection and emergency response services within its boundaries. The District is continuing to experience positive population growth.

FISCAL YEAR 2024 BUDGET

Many factors were considered by the District's administration during the process of developing the year ended June 30, 2024 ("2024") budget. The District's 2024 budget was prepared to continue the vision and mission of the District. The District has budgeted expenditures for 2024 of approximately $2,811,000.

CONTACTING DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Deputy Chief Kardos at 3008 Woodruff Road, Simpsonville, SC 29681, by telephone at 864- 288-1173.

CLEAR SPRING FIRE AND RESCUE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government Governmental Activities
ASSETS:	
Cash and cash equivalents – unrestricted	$ 4,290,890
Cash and investments held by county treasurer – restricted for debt service	67,861
Property taxes receivable, net – unrestricted	52,786
Property taxes receivable, net – restricted for debt service	5,509
Prepaid expense	270
Capital assets, net of accumulated depreciation	4,338,687
Capital assets not being depreciated	210,635
Total Assets	8,966,638
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred pension charges	597,172
Total Deferred Outflows of Resources	597,172
LIABILITIES:	
Accounts payable and accrued expenses	61,496
Accrued payroll and payroll taxes	52,504
Long-term liabilities:	
Due within one year:	
Compensated absences	47,682
Due to Greenville County	175,000
Interest	18,902
Due after one year	
Due to Greenville County	2,705,000
Net pension liabilities	1,952,644
Total Liabilities	5,013,228
DEFERRED INFLOWS OF RESOURCES:	
Deferred pension credits	205,127
Total Deferred Pension Credits	205,127
NET POSITION:	
Net investment in capital assets	1,650,420
Restricted for debt service	73,370
Unrestricted	2,621,665
TOTAL NET POSITION	$ 4,345,455

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

CLEAR SPRING FIRE AND RESCUE DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities
Governmental Activities:					
Fire safety and emergency response	$ 2,732,776	$ -	$ -	$ -	$ (2,732,776)
Interest and other charges	78,158	-	-	-	(78,158)
Total Governmental Activities	$ 2,810,934	$ -	$ -	$ -	(2,810,934)
General Revenues:					
Property taxes					3,273,032
Interest					3,036
Gain on sale of assets					50,000
Miscellaneous revenue					16,443
Total General Revenues					3,342,511
CHANGE IN NET POSITION					531,577
NET POSITION, Beginning of year					3,813,878
NET POSITION, End of Year					$ 4,345,455

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

CLEAR SPRING FIRE AND RESCUE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	$ 4,290,890	$ -	$ 4,290,890
Cash and investments held by county treasurer	-	67,861	67,861
Property taxes receivable, net	52,786	5,509	58,295
Prepaid expense	270	-	270
TOTAL ASSETS	$ 4,343,946	$ 73,370	$ 4,417,316

LIABILITIES AND FUND BALANCES

	General Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES:			
Accounts payable and accrued expenses	$ 61,496	$ -	$ 61,496
Accrued payroll and payroll taxes	52,504	-	52,504
Total Liabilities	114,000	-	114,000
DEFERRED INFLOWS OF RESOURCES:			
Deferred property taxes	16,363	2,117	18,480
FUND BALANCES:			
Nonspendable:			
Reserved for prepaid expense	270	-	270
Unassigned	4,213,313	71,253	4,284,566
Total Fund Balances	4,213,583	71,253	4,284,836
TOTAL LIABILITIES AND FUND BALANCES	$ 4,343,946	$ 73,370	

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

BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Net Position (page 3) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land, buildings, vehicles, fire trucks, equipment, land improvements and leasehold improvements, net of accumulated depreciation of $3,031,231.	4,549,322
CSFAR's proportionate share of the net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not reported in the governmental funds but are recorded in the Statement of Net Position.	(1,560,599)
Outstanding property taxes which will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are deferred in the governmental funds.	18,480
Long-term liabilities applicable to CSFAR's governmental activities are not due and payable in the current period and, accordingly, are not reported as	
Accrued compensated absences	(47,682)
Due to Greenville County	(2,880,000)
Interest	(18,902)
Total Net Position of Governmental Activities	$ 4,345,455

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

CLEAR SPRING FIRE AND RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES:			
Property taxes	$ 3,013,441	$ 252,171	$ 3,265,612
Interest income	-	3,036	3,036
Miscellaneous	66,442	-	66,442
Total Revenues	3,079,883	255,207	3,335,090
EXPENDITURES:			
Current:			
Personnel	1,841,371	-	1,841,371
General	481,161	-	481,161
Capital outlay	75,925	-	75,925
Debt Service:			
Principal paid	-	170,000	170,000
Interest paid	-	79,008	79,008
Total Expenditures	2,398,457	249,008	2,647,465
EXCESS OF REVENUES OVER EXPENDITURES / NET CHANGES IN FUND BALANCES	681,426	6,199	687,625
FUND BALANCES, Beginning of year	3,532,157	65,054	3,597,211
FUND BALANCES, End of year	$ 4,213,583	$ 71,253	$ 4,284,836

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

CLEAR SPRING FIRE AND RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
FOR YEAR ENDED JUNE 30, 2023

	Total Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (page 4) for the year ended June 30, 2023:	
Net changes in fund balances – total governmental funds	$ 687,625
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in deferred revenues for the year.	7,421
The following expenses are reported on the Statement of Activities but do not require the use of current financial resources. Therefore, they are not reported as expenditures in the governmental funds:	
Compensated absences	(10,481)
Governmental funds report capital outlays as expenditures. However, in the government-wide 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 depreciation ($315,521) exceeded capital outlays ($75,925) in the current year.	(239,596)
Long-term debts provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debts are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the Statement of Net Position. This is the amount by which the repayments exceeded the proceeds.	170,000
Some interest expense reported on the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	850
Changes in CSFAR's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are recorded in the Statement of Net Position.	(84,242)
Change in Net Position of Governmental Activities	$ 531,577

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: Clear Spring Fire and Rescue (CSFAR) is a fire protection area created by an ordinance of Greenville, South Carolina County Council ("Council") in 1981. Prior to its legal name change on July 1, 2004, CSFAR was known as East Simpsonville Fire District. CSFAR provides fire protection within its boundaries. The governing body is the Board of Fire Control Board ("Board") which consists of seven members who are appointed by Council who establish policy for CSFAR. The District is a component unit of Greenville County ("County") as it is fiscally dependent on the County.

For the purpose of applying accounting principles generally accepted in the United States of America (GAAP) to its activities, CSFAR's management has determined that it is a governmental entity. The Governmental Accounting Standards Board (GASB), which has jurisdiction over accounting and financial reporting standards applicable to governmental entities, and the Financial Accounting Standards Board (FASB), which has jurisdiction over such standards applicable to nongovernmental entities, have agreed on a definition of a governmental entity that is to be used when determining whether governmental accounting principles are applicable. Since (a) CSFAR is a public benefit entity, (b) the members of CSFAR's governing commission are appointed by Council and (c) upon dissolution of CSFAR, all of the net assets would revert to another governmental entity as pursuant to state law, CSFAR meets the criteria set forth in the definition of a governmental entity. Accordingly, the accompanying financial statements of CSFAR have been prepared in accordance with GAAP applicable to governmental units.

The accounting and reporting policies of CSFAR related to funds included in the accompanying basic financial statements conform to accounting principles GAAP applicable to state and local governmental entities. GAAP for local governments include those principles prescribed by the GASB, the American Institute of Certified Public Accountants in the audit and accounting guide entitled *State and Local Governments* and by the FASB when applicable.

Reporting Entity: Pursuant to governmental accounting principles generally accepted in the United States of America, in evaluating CSFAR as a reporting entity, management must consider all potential component units. The decision to include any potential component units in CSFAR's reporting entity was based on the following criteria:

- CSFAR's financial accountability for the potential component unit was considered. CSFAR is financially accountable if it appoints a voting majority of the governing board of the potential component unit and (1) it is able to impose its will on the potential component unit or (2) a financial benefit/burden relationship exists between CSFAR and the potential component unit.
- The potential component unit's fiscal dependence on CSFAR was considered.
- The nature and significance of the relationship between CSFAR and the potential component unit was considered to determine whether exclusion of the potential component unit from the reporting entity would render CSFAR's financial statements misleading or incomplete.

Based on the above criteria, management has determined that there are no potential component units eligible for inclusion in CSFAR's financial statements.

Basis of Presentation: The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of CSFAR (the "Primary Government"). Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Presently, CSFAR has no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues consist of operating grants and contributions and capital grants and contributions restricted for use in a specific program. Property taxes from Greenville County, unrestricted grants and contributions and other items not classified as program revenues are reported as general revenues.

The fund financial statements report transactions related to certain functions or activities in separate funds in order to aid financial management and to comply with certain restrictions of the funds. CSFAR has presented the following major governmental funds:

- General Fund: This fund is used as an operating fund for all financial resources not required to be accounted for in another fund and is funded primarily by property taxes from Greenville County. This is a budgeted fund, and any fund balance is considered a resource available for use.

- Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and payments of, general obligation bond principal, interest and related costs to Greenville County. The Greenville County Treasurer calculates and collects property taxes levied for the purpose of retiring general obligation bonds and remits them directly to the bond paying agent.

Measurement Focus/Basis of Accounting: Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position and the operating statement presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred, regardless of the timing of related cash flows.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, or when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. CSFAR considers revenues as available if they are collected within 60 days of year-end. The revenues susceptible to accrual include funds received from property taxes. All other fund revenues are recognized when received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, any claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, notes payable and acquisitions under capital leases are reported as other financing sources.

Cash: CSFAR maintains its cash balances in local and national banks.

Investments: CSFAR's investment policy is designed to operate within existing state statutes. State laws authorize investments by political subdivisions in instruments including but not limited to (a) obligations of the United States of America or its related agencies, (b) obligations of the state of South Carolina, or (c) savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation (FDIC).

CSFAR's cash investment objectives are preservation of capital, liquidity and yield. CSFAR reports its cash and investments at fair value which is normally determined by quoted market prices. CSFAR currently or in the past year has used the following investment:

- Cash and investments held by the County Treasurer which are property taxes collected by CSFAR's fiscal agent that have not yet been remitted to CSFAR. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.

Property Taxes Receivable: Property taxes receivable consists of real and personal property taxes that are to be collected by Greenville County and remitted to CSFAR. All property taxes receivable are shown net of an allowance for uncollectible taxes.

Capital Assets: Capital assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide financial statements, but are not reported in the fund financial statements.

All capital assets are recorded at historical cost. CSFAR's capitalization limit for buildings, vehicles, fire trucks, equipment, land improvements and leasehold improvements is $5,000. Interest is not capitalized during the construction of capital assets. Other than land and construction in progress, all capital assets are depreciated over their estimated useful lives using the straight-line method. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate fixed asset category. Improvements are depreciated over the remaining useful lives of the related capital assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide financial statements, maintenance and repairs are expensed when incurred. Betterments and renewals that meet CSFAR's capitalization limits are capitalized. When capital assets are sold or otherwise disposed of, the asset cost and related accumulated depreciation are removed from the respective accounts, and the resulting gains or losses are included in the Statement of Activities.

Estimated useful lives are as follows:

Buildings	39 years
Emergency vehicles	5 – 10 years
Support vehicles	5 years
Equipment	5 – 10 years
Land improvements	15 years
Leasehold improvements	10 – 15 years

Payables, Accruals and Long-Term Liabilities: All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, long-term obligations, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability only when payment is due.

Pensions: In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 9 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. CSFAR recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or CSFAR's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Plan's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Deferred Outflows and Inflows of Resources: As defined by GASB Concept Statement No. 4, *Elements of Financial Statements*, deferred outflows of resources and deferred inflows of resources represent the consumption of net position by the government or an acquisition of net position by the government, respectively, that is applicable to a future reporting period.

In addition to assets, the Statement of Net Position and the Balance Sheet will report a separate section whenever the element, *deferred outflows of resources*, is presented. This separate financial statement element represents a consumption of net position that applies to a future period(s) and that will be recognized as an outflow of resources (expense/expenditure) during that future period(s). CSFAR currently has one type of deferred outflows of resources: (1) CSFAR reports deferred pension charges in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System.

These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (e.g., pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will report a separate section whenever the element, *deferred inflows of resources*, is presented. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and that will be recognized as an inflow of resources (revenue) during that future period(s). CSFAR currently has two types of deferred inflows of resources: (1) CSFAR reports deferred property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) CSFAR also reports deferred pension credits in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

<u>Fund Balances</u>: As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in classifications based primarily on the extent to which CSFAR is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- <u>Nonspendable Fund Balance</u> – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

- <u>Restricted Fund Balance</u> – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

- <u>Committed Fund Balance</u> – includes amounts that can only be used for the specific purposes determined by a formal action of CSFAR’s highest level of decision-making authority, the Board of Fire Control. Commitments may be changed or lifted only by CSFAR taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

- Assigned Fund Balance – includes amounts intended to be used by CSFAR for specific purposes that are neither restricted nor committed. Intent is expressed by (a) CSFAR or (b) a body (the Board of Fire Control, fire chief, or Greenville County) to which the assigned amounts are to be used for specific purposes.

- Unassigned Fund Balance – includes all residual amounts in governmental funds that are not classified as nonspendable, restricted, committed or assigned. This residual classification is also used for all negative fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Net Position: Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and related debt. Net position is reported as restricted when there are limitations imposed on its use. Unrestricted net position is any amount not included in net investment in capital assets or in restricted net position.

Restricted Assets/Net Position: Restricted assets include any assets restricted as to their use in specific CSFAR programs either through enabling legislation or through external restrictions imposed by donors, grantors, creditors, or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, CSFAR first applies restricted position and then unrestricted position. At June 30, 2023, CSFAR had restricted assets of $73,370 which consisted of $67,861 of cash and $5,509 of receivables in the Debt Service Fund.

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 revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Leases: GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 are effective for the year ending June 30, 2023. CSFAR considers the effects of GASB No. 87 to be immaterial and, therefore, CSFAR has not recorded current leases under the standard.

NOTE 2 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk Related to Deposits: Custodial credit risk is the risk that in the event of a bank failure, CSFAR's deposits may not be returned. South Carolina state law requires banks to collateralize deposits for governmental entities that exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC). Accounts held at each institution are insured by the FDIC up to $250,000. CSFAR has no additional deposit policy for custodial credit risk. As of June 30, 2023, none of CSFAR's bank balance of $4,424,994 were exposed to custodial credit risk.

As of June 30, 2023, CSFAR had the following investments:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity (Years)
Cash and investments held by County Treasurer	Unrated	$ 67,861	3.42

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

CSFAR does not typically put its funds in security investments, and thus, has not developed a policy for credit risk, custodial credit risk or concentration of credit risk for these types of investments.

NOTE 3 – PROPERTY TAXES

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

Property taxes other than those on motor vehicles are levied and billed by the County on real and business personal properties on October 1 based on the assessed valuation of the property located within CSFAR's district as of the preceding December 31. For the year ended June 30, 2023, the assessed value was approximately $108.5 million at rates of 27.50 mils for the General Fund and 2.30 mils for the Debt Service Fund. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
After March 16	15% of tax plus $15 execution cost

Current year real and business personal property taxes become delinquent on March 17. Unpaid property taxes become a lien against the property as of the date the tax liability is fixed (usually, December 31 of the year preceding the tax levy). The levy date for motor vehicles is the first day of the month in which the motor vehicle license is renewed. These taxes are due by the last day of the same month.

NOTE 3 – PROPERTY TAXES (CONTINUED)

CSFAR has recorded uncollected, delinquent property taxes at June 30, 2023, of $67,522 less an allowance for estimated uncollectible property taxes of $9,227. Delinquent property taxes of $39,815 have been recognized as revenue at June 30, 2023 because they were collected and had been received by CSFAR within 60 days of year-end. At June 30, 2023, $18,480 has been recorded as deferred revenue on the governmental funds financial statements because it is not expected to be collected within 60 days of year end and thus is not considered available.

NOTE 4 – OPERATING LEASES

During the year ended June 30, 2020, CSFAR entered into a five year operating lease for two copy machines. There is no minimum monthly payment associated with this lease, as all payments are based solely on usage. During the year ended June 30, 2023, CSFAR paid $433 in relation to this lease and are included in fire safety and emergency response and general current expenditures in the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, respectively.

During the year ended June 30, 2019, CSFAR entered into a five-year operating lease for a display screen and adjustable stand. This lease calls for minimum monthly payments of $174 and expires in September 2023. Payments related to this lease during the year ended June 30, 2023 totaled $2,151 and are included in fire safety and emergency response and general current expenditures in the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, respectively.

NOTE 5 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023 was as follows:

	July 1, 2022	Additions	Reductions	June 30, 2023	Amount Due in One Year
Governmental activities:					
Net pension liability	$ 1,496,448	$ 456,196	$ -	$ 1,952,644	$ -
Due to Greenville County for general obligation bond issuance	3,050,000	-	(170,000)	2,880,000	175,000
Compensated absences	37,201	10,481	-	47,682	47,682
Governmental Activities Long-term Liabilities	$ 4,583,649	$ 466,677	$ (170,000)	$ 4,880,326	$ 222,682

Compensated absences and the net pension liability have been liquidated in the past by the General Fund. CSFAR's policies regarding compensated absences and its net pension liability are described below in Note 6 and Note 9 respectively.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

CSFAR has recognized long-term debt due to Greenville County for general obligation bonds issued at CSFAR's request. In June 2017, at CSFAR's request, Greenville County Council issued $3,875,000 of general obligation refunding and improvement bonds ("2017 GORIB"). These bonds are backed by the full faith, credit and taxing power of the County. As such, Greenville County appropriates funds to service the debt of the general obligation bonds and has all responsibility for the management and service of the bonds. The bonds are not collateralized by any present or future assets of CSFAR. The County provided a millage increase for purposes of servicing the bond obligations.

The general obligation bond principal is due in annual installments of $160,000 to $245,000 beginning on April 1, 2018 through April 1, 2037, plus interest from 2.0% to 3.0% due semi-annually on April 1st and October 1st. This general obligation bond will be liquidated by the County's Debt Service Fund.

This general obligation bond issue was used to refund the 2003 GOB and to provide the funding for the acquisition, construction, installation, renovation, equipping, and furnishing of a new fire station for CSFAR

Annual debt service requirements to maturity for long-term debt are as follows:

GOVERNMENTAL ACTIVITIES

Year ending June 30,	Principal	Interest	Total
2024	$ 175,000	$ 75,608	$ 250,608
2025	180,000	72,108	252,108
2026	185,000	68,508	253,508
2027	185,000	64,808	249,808
2028	190,000	60,183	250,183
2029-2033	1,030,000	224,110	1,254,110
2034-2037	935,000	70,415	1,005,415
	$ 2,880,000	$ 635,740	$ 3,515,740

NOTE 6 – COMPENSATED ABSENCES

CSFAR provides annual leave to employees based on length of service. The financial statements reflect an accrual for the estimated liability based on the straight-time hourly rates in effect at June 30, 2023.

NOTE 7 – RISK MANAGEMENT

CSFAR is exposed to various types of risks including loss related to torts; theft of, damage to and destruction of real and personal property; injuries to employees and others; and damage to property of others. Therefore, CSFAR has purchased insurance contracts from commercial insurance companies to manage such risks. There was no significant reduction in insurance coverage during the year ended June 30, 2023, and no claim settlements have exceeded insurance coverage during the years ended June 30, 2023, 2022 or 2021.

NOTE 8 – CAPITAL ASSETS

The following is a summary of capital asset activities for the year ended June 30, 2023:

	July 1, 2022	Additions	Disposals	Transfers	June 30, 2023
Governmental Activities:					
Capital assets being depreciated:					
Buildings	$ 4,422,648	$ -	$ -	$ -	$ 4,422,648
Emergency vehicles	2,462,564	-	(175,000)	-	2,287,564
Support vehicles	132,738	61,570	-	-	194,308
Equipment	354,092	8,524	-	-	362,616
Land improvements	25,880	-	-	-	25,880
Leasehold improvements	71,071	5,831	-	-	76,902
Total Capital Assets Being Depreciated	7,468,993	75,925	(175,000)	-	7,369,918
Less: Accumulated depreciation:					
Buildings	670,055	113,401	-	-	783,456
Emergency vehicles	1,806,837	137,685	(175,000)	-	1,769,522
Support vehicles	90,135	11,365	-	-	101,500
Equipment	280,720	43,865	-	-	324,585
Land improvements	17,684	1,725	-	-	19,409
Leasehold improvements	25,279	7,480	-	-	32,759
Total Accumulated Depreciation	2,890,710	315,521	(175,000)	-	3,031,231
Capital assets being depreciated, net	4,578,283	(239,596)	-	-	4,338,687
Capital assets not being depreciated:					
Land	210,635	-	-	-	210,635
Capital assets not being depreciated	210,635	-	-	-	210,635
Governmental Activities Capital Assets, Net	$ 4,788,918	$ (239,596)	$ -	$ -	$ 4,549,322

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Depreciation expense of $315,521 related to capital assets that serve all CSFAR functions is included as a separate line item in the accompanying Statement of Activities for the year ended June 30, 2023.

NOTE 9 – PENSION PLAN

General Information about the Pension Plan

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description: The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

NOTE 9 – PENSION PLAN (CONTINUED)

The South Carolina Police Officers Retirement System (PORS), a cost–sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

Plan Membership: Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent positions; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.

Plan Benefits: Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms of each system is presented below:

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years of credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight-year service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

NOTE 9 – PENSION PLAN (CONTINUED)

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

  The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions: Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRA and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contributions rates will continues to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

NOTE 9 – PENSION PLAN (CONTINUED)

Pension reform legislation modified status such that the employer contribution rates for SCRA and PORS to be further increase, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statues, the contributions rates for SCRA and PORS may not be decreased until the plans are at least 85 percent funded.

As noted above, both employees and CSFAR are required to contribute to the Plans at rates established and as amended by the PEBA. CSFAR's contributions are actuarially determined but are communicated to and paid by CSFAR as a percentage of the employees' annual eligible compensation as follows for the past three years:

	SCRS Rates			PORS Rates		
	2021	2022	2023	2021	2022	2023
Employer Rate:						
Retirement	15.41%	16.41%	17.41%	17.84%	18.84%	19.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Benefit	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	15.56%	16.56%	17.56%	18.24%	19.24%	20.24%
Employee Rate	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%

The required contributions and percentages of amounts contributed to the Plans by CSFAR for the past three years were as follows:

	SCRS Contributions		PORS Contributions	
Fiscal Year Ended	Required Contribution	% Contributed	Required Contribution	% Contributed
June 30, 2023	$ 7,711	100%	$ 222,669	100%
June 30, 2022	$ 7,831	100%	$ 188,481	100%
June 30, 2021	$ 8,873	100%	$ 147,884	100%

Eligible payrolls of CSFAR covered under the Plan for the past three years were as follows:

Fiscal Year Ended	SCRS Payroll	PORS Payroll	Total Payroll
June 30, 2023	$ 43,910	$ 1,100,145	$ 1,144,055
June 30, 2022	$ 47,286	$ 979,632	$ 1,026,918
June 30, 2021	$ 57,024	$ 810,767	$ 867,791

NOTE 9 – PENSION PLAN (CONTINUED)

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

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2021. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2021 actuarial valuations, using membership data as of July 1, 2021, projected forward to the end of the fiscal year, and the financial information of the pension trust funds as of June 30, 2022, using generally accepted actuarial procedures. Information included in the following schedule is based on the certification provided by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company.

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability (TPL) determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 56,454,779,872	$ 32,212,626,932	$ 24,242,152,940	57.10%
PORS	$ 8,937,686,946	$ 5,938,707,767	$ 2,998,979,179	66.40%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not appliable for other purposes, such as determining the plans' funding requirements.

At June 30, 2023, CSFAR reported liabilities of $96,268 and $1,856,376 for its proportionate share of the net pension liabilities for the SCRS and PORS Plans, respectively. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities was determined based on the most recent actuarial valuation report as of July 1, 2021 that was projected forward to the measurement date. CSFAR's proportion of the net pension liabilities was based on a projection of CSFAR's long-term share of contributions to the pension plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2022, CSFAR's SCRS proportion was 0.000397 percent, which was a decrease from its proportion measured as of June 30, 2021. At June 30, 2022, CSFAR's PORS proportion was 0.061900 percent, which was an increase from its proportion measured as of June 30, 2021.

NOTE 9 – PENSION PLAN (CONTINUED)

For the year ended June 30, 2023, CSFAR recognized a net pension (credit) expense of ($597) and $315,219 for the SCRS and PORS, respectively. At June 30, 2023, CSFAR reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	$ 836	$ 420
Changes of assumptions	3,088	-
Net difference between projected and actual earnings on pension plan investments	148	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,029	63,035
District's contributions subsequent to the June 30, 2022 measurement date	7,711	-
	12,812	63,455
PORS		
Differences between expected and actual experience	31,146	36,697
Changes of assumptions	77,302	-
Net difference between projected and actual earnings on pension plan investments	5,606	-
Changes in proportion and differences between District contributions and proportionate share of contributions	247,637	104,975
District's contributions subsequent to the June 30, 2022 measurement date	222,669	-
	584,360	141,672
Total	$ 597,172	$ 205,127

NOTE 9 – PENSION PLAN (CONTINUED)

Of CSFAR's deferred outflows of resources relating to pensions, $7,711 resulted from contributions to the SCRS subsequent to the measurement date and $222,669 resulted from contributions to the PORS subsequent to the measurement date. These amounts will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a net reduction in pension expense as follows:

Year Ended June 30:	SCRS	PORS	Total
2024	$ (58,120)	$ 222,652	$ 164,532
2025	2,275	69,523	71,798
2026	(2,509)	(72,156)	(74,665)
	$ (58,354)	$ 220,019	$ 161,665

Actuarial assumptions and methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022 total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for the system.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0%(varies by service)	3.5% to 10.5%(varies by service)
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

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

Assumptions used in the determination of the June 30, 2022, TPL are as follows.

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

Long-term expected rate of return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	*46%*	*6.79%*	*3.12%*
Bonds	*26%*	*(0.35)%*	*(0.09)%*
Private Equity	*9%*	*8.75%*	*0.79%*
Private Debt	*7%*	*6.00%*	*0.42%*
Real Assets	*12%*		
Real Estate	9%	*4.12%*	0.37%
Infrastructure	3%	*5.88%*	0.18%
Total Expected Return	100%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Proportionate share of the net pension liability of the SCRS	$ 123,393	$ 96,268	$ 73,668
Proportionate share of the net pension liability of the PORS	$ 2,588,594	$ 1,856,376	$ 1,256,973

CLEAR SPRING FIRE AND RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR YEAR ENDED JUNE 30, 2023

	Original Budget	Revisions	Final Budget	Actual	Variance Positive (Negative)
REVENUES:					
Property taxes	$ 2,600,347	$ -	$ 2,600,347	$ 3,013,441	$ 413,094
Miscellaneous	-	-	-	66,442	66,442
Total Revenues	2,600,347	-	2,600,347	3,079,883	479,536
EXPENDITURES:					
Current:					
Fire safety and emergency response	2,548,000	-	2,548,000	2,322,532	225,468
Capital outlay	-	-	-	75,925	(75,925)
Total Expenditures	2,548,000	-	2,548,000	2,398,457	149,543
EXCESS OF REVENUES OVER EXPENDITURES / NET CHANGE IN FUND BALANCE	$ 52,347	$ -	$ 52,347	681,426	$ 629,079
FUND BALANCE, Beginning of year				3,532,157	
FUND BALANCE, End of year				$ 4,213,583	

See notes to required supplementary information.

CLEAR SPRING FIRE AND RESCUE

SCHEDULE OF CLEAR SPRING FIRE AND RESCUE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SOUTH CAROLINA RETIREMENT SYSTEM LAST NINE FISCAL YEARS

Only nine years of information is presented as only nine years of data were available.

	Year Ended June 30,								
	2023	2022	2021	2020 (2)	2019 (2)	2018 (1)	2017 (1)	2016	2015
Clear Spring Fire and Rescue's Proportion of the Net Pension Liability	0.00040%	0.00059%	0.00123%	0.00123%	0.00048%	0.00066%	0.00096%	0.00109%	0.00091%
Clear Spring Fire and Rescue's Proportionate Share of the Net Pension Liability	$ 96,268	$ 109,170	$ 149,367	$ 280,559	$ 107,344	$ 148,126	$ 205,482	$ 207,293	$ 157,016
Clear Spring Fire and Rescue's Covered-Employee Payroll	$ 47,286	$ 57,024	$ 65,216	$ 107,544	$ 76,747	$ 65,510	$ 142,324	$ 102,520	$ 83,237
Clear Spring Fire and Rescue's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	203.59%	191.45%	229.03%	260.88%	139.87%	226.11%	144.38%	202.20%	188.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.10%	60.70%	50.70%	54.40%	54.10%	53.34%	52.91%	59.92%	56.39%

(1) The 2017 net pension liability is lower than it should be due to the South Carolina Public Benefit Authority not receiving all of the contributions and contributions support from the District in time to include it in the allocation of net pension balances. This also resulted in the 2018 net pension liability being higher than it should be as it picked up these missed contributions. Since the net pension balances in total were not significantly off, no adjustments or corrections were deemed necessary.

(2) The 2019 net pension liability is lower than it should be due to the South Carolina Public Benefit Authority not receiving all of the contributions and contributions support from the District in time to include it in the allocation of net pension balances. This also resulted in the 2020 net pension liability being higher than it should be as it picked up these missed contributions. Since the net pension balances in total were not significantly off, no adjustments or corrections were deemed necessary.

CLEAR SPRING FIRE AND RESCUE

SCHEDULE OF CLEAR SPRING FIRE AND RESCUE'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

Only nine years of information is presented as only nine years of data were available.

	Year Ended June 30,								
	2023	2022	2021	2020	2019	2018 (1)	2017	2016	2015
Contractually Required Contribution	$ 7,711	$ 7,831	$ 8,873	$ 10,148	$ 15,658	$ 10,407	$ 7,573	$ 15,741	$ 11,175
Contributions in Relation to the Contractually Required Contribution	7,711	7,831	8,873	10,148	15,658	10,407	7,573	15,741	11,175
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Clear Spring Fire and Rescue's Covered-Employee Payroll	$ 43,910	$ 47,286	$ 57,024	$ 65,216	$ 107,544	$ 76,747	$ 65,510	$ 142,324	$ 102,520
Contributions as a Percentage of Covered-Employee Payroll	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%

(1) The District received contributions from the State of Approximately $1,000 which is included in the contribution amounts for 2018.

CLEAR SPRING FIRE AND RESCUE

SCHEDULE OF CLEAR SPRING FIRE AND RESCUE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - POLICE OFFICERS RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

Only nine years of information is presented as only nine years of data were available.

	Year Ended June 30,								
	2023	2022	2021	2020 (2)	2019 (2)	2018 (1)	2017 (1)	2016	2015
Clear Spring Fire and Rescue’s Proportion of the Net Pension Liability	0.06190%	0.05391%	0.05143%	0.06534%	0.03391%	0.05510%	0.02845%	0.03958%	0.03919%
Clear Spring Fire and Rescue’s Proportionate Share of the Net Pension Liability	$ 1,856,376	$ 1,387,278	$ 1,705,369	$ 1,872,679	$ 960,948	$ 1,509,416	$ 721,551	$ 862,688	$ 750,226
Clear Spring Fire and Rescue’s Covered-Employee Payroll	$ 979,632	$ 810,767	$ 776,856	$ 776,062	$ 647,099	$ 578,512	$ 486,385	$ 490,366	$ 471,073
Clear Spring Fire and Rescue’s Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	189.50%	171.11%	219.52%	241.31%	148.50%	260.91%	148.35%	175.93%	159.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.40%	70.40%	58.80%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%

(1) The 2017 net pension liability is lower than it should be due to the South Carolina Public Benefit Authority not receiving all of the contributions and contributions support from the District in time to include it in the allocation of net pension balances. This also resulted in the 2018 net pension liability being higher than it should be as it picked up these missed contributions. Since the net pension balances in total were not significantly off, no adjustments or corrections were deemed necessary.

(2) The 2019 net pension liability is lower than it should be due to the South Carolina Public Benefit Authority not receiving all of the contributions and contributions support from the District in time to include it in the allocation of net pension balances. This also resulted in the 2020 net pension liability being higher than it should be as it picked up these missed contributions. Since the net pension balances in total were not significantly off, no adjustments or corrections were deemed necessary.

See notes to required supplementary information.

CLEAR SPRING FIRE AND RESCUE

SCHEDULE OF CLEAR SPRING FIRE AND RESCUE'S CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

Only nine years of information is presented as only nine years of data were available.

	Year Ended June 30,								
	2023	2022	2021	2020 (2)	2019 (2)	2018 (1)	2017 (1)	2016	2015
Contractually Required Contribution	$ 222,669	$ 188,481	$ 147,884	$ 141,695	$ 133,793	$ 105,089	$ 82,380	$ 66,829	$ 65,758
Contributions in Relation to the Contractually Required Contribution	222,669	188,481	147,884	141,695	133,793	105,089	82,380	66,829	65,758
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Clear Spring Fire and Rescue’s Covered-Employee Payroll	$ 1,100,145	$ 979,632	$ 810,767	$ 776,856	$ 776,062	$ 647,099	$ 578,512	$ 486,385	$ 490,366
Contributions as a Percentage of Covered-Employee Payroll	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

(1) The District received contributions from the State of Approximately $4,000 which is included in the contribution amounts for 2018.

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

CSFAR prepares and adopts an annual budget for its General Fund to provide for operations. The budget is prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Changes made during the year, if any, are approved by the Board of Fire Control.

NOTE 2 – EXCESS EXPENDITURES OVER APPROPRIATIONS

Expenditures in capital outlay exceeded appropriations for the year ended June 30, 2023 and were funded by the available fund balance.

NOTE 3 – COVERED-EMPLOYEE PAYROLL

At June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015, CSFAR reported liabilities for its proportionate share of the net pension liability for the SCRS Plan. The net pension liabilities were measured as of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined based on the most recent actuarial valuation report as of July 1, 2021 that was projected forward to the measurement date. For the Schedule of Clear Spring Fire and Rescue's Proportionate Share of the Net Pension Liability – South Carolina Retirement System, the covered-employee payroll amounts are presented as of the Plan measurement dates of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 respectively, because the amounts are compared with Plan information as of these dates.

On the Schedule of Clear Spring Fire and Rescue's Contributions – South Carolina Retirement System, the amounts presented as covered employee payroll are as of CSFAR's years ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 respectively, because the amounts are compared to CSFAR information as of these dates.

At June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015, CSFAR reported a liability for its proportionate share of the net pension liability for the PORS plan. The net pension liabilities were measured as of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined based on the most recent actuarial valuation report as of July 1, 2021 that was projected forward to the measurement date. For the Schedule of Clear Spring Fire and Rescue's Proportionate Share of the Net Pension Liability – Police Officers Retirement System, the covered-employee payroll amounts are presented as of the Plan measurement dates of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively, because the amounts are compared with Plan information as of these dates.

On the Schedule of Clear Spring Fire and Rescue's Contributions – Police Officers Retirement System, the amounts presented as covered employee payroll are as of CSFAR's years ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, respectively, because the amounts are compared to CSFAR information as of these dates.

CLEAR SPRING FIRE AND RESCUE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR YEAR ENDED JUNE 30, 2023

	Original Budget	Revisions	Final Budget	Actual	Variance Positive (Negative)
REVENUES:					
Property taxes	$ 2,600,347	$ -	$ 2,600,347	$ 3,013,441	$ 413,094
Miscellaneous	-	-	-	66,442	66,442
Total Revenues	2,600,347	-	2,600,347	3,079,883	479,536
EXPENDITURES:					
Current:					
Personnel:					
Salaries/wages	1,317,500	-	1,317,500	1,187,278	130,222
Health insurance	402,000	-	402,000	332,233	69,767
Retirement	230,000	-	230,000	230,380	(380)
Payroll taxes	101,500	-	101,500	91,480	10,020
Total Personnel	2,051,000	-	2,051,000	1,841,371	209,629
General:					
Computer expense	18,000	-	18,000	15,891	2,109
Gasoline/diesel fuel	30,000	-	30,000	26,829	3,171
Utilities	50,000	-	50,000	39,501	10,499
Telephone	8,000	-	8,000	8,641	(641)
Repairs and maintenance	105,000	-	105,000	111,024	(6,024)
Small equipment	99,000	-	99,000	97,006	1,994
Training	20,000	-	20,000	11,596	8,404
Uniforms	15,000	-	15,000	19,112	(4,112)
Memberships/dues	1,000	-	1,000	250	750
Medical supplies	8,000	-	8,000	6,592	1,408
Insurance – liability	45,000	-	45,000	50,996	(5,996)
Insurance – workers comp	45,000	-	45,000	38,444	6,556
Professional services	33,000	-	33,000	16,997	16,003
Miscellaneous	20,000	-	20,000	38,282	(18,282)
Total General	497,000	-	497,000	481,161	15,839
Capital outlay	-	-	-	75,925	(75,925)
Total Expenditures	2,548,000	-	2,548,000	2,398,457	149,543
EXCESS OF REVENUES OVER EXPENDITURES / NET CHANGE IN FUND BALANCE	$ 52,347	$ -	$ 52,347	681,426	$ 629,079
FUND BALANCE, Beginning of year				3,532,157	
FUND BALANCE, End of year				$ 4,213,583	