

**MURRELLS INLET-GARDEN CITY
FIRE DEPARTMENT**

FINANCIAL STATEMENTS

Year Ended December 31, 2024

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Murrells Inlet-Garden City Fire Department
Murrells Inlet, South Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Murrells Inlet-Garden City Fire Department, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Murrells Inlet-Garden City Fire Department's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Murrells Inlet-Garden City Fire Department, as of December 31, 2024, and the respective changes in financial position 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Murrells Inlet-Garden City Fire Department 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.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, the Murrells Inlet-Garden City Fire Department adopted GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. Our opinion is not modified with respect to that matter.

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 the Murrells Inlet-Garden City Fire Department'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance

is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Murrells Inlet-Garden City Fire Department'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Murrells Inlet-Garden City Fire Department'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 (pages 3 - 8), pension plan information (pages 32 - 35) and budgetary comparison information (pages 36 - 38) 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.



SMITH SAPP PROFESSIONAL ASSOCIATION
Certified Public Accountants

Myrtle Beach, South Carolina
June 11, 2025



MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

Management's discussion and analysis of the Murrells Inlet-Garden City Fire Department's (the Department) financial performance provides an overview of the Department's financial activities for the year ended December 31, 2024. Please read it in conjunction with the Department's financial statements, which begin on page 9.

Financial Highlights

- The assets and deferred outflows of resources of the Department exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,925,367 (net position).
- The Department's total net position increased by \$4,384,633, or 46.0%, during the year ended December 31, 2024.
- During the year ended December 31, 2024, the Department's total revenues amounted to \$15,131,182, an increase of 38.2%.
- During the year ended December 31, 2024, the Department's total expenses amounted to \$10,676,892, an increase of 33.7%.
- At December 31, 2024, the Department's governmental funds reported combined fund balances of \$11,569,038, an increase of \$3,215,045 in comparison to the prior year.
- There was a net increase in the Department's investment in capital assets for the current fiscal year in the amount of \$1,123,236, or 15.8%.
- At year-end, the Department had \$574,213 in outstanding notes payable compared to \$701,124 last year.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 9 - 10) provide information about the activities of the Department as a whole and present a longer-term view of the Department's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Department's operations in more detail than the government-wide statements by providing information about the Department's funds. The fiduciary fund financial statements on pages 15 - 16 provides financial information about an activity for which the Department acts as a custodian on behalf of the Department's firemen. The notes to the financial statements are an integral part of the financial statements and begin on page 17. This report also contains other information in addition to the basic financial statements.

Reporting the Department as a Whole

Our analysis of the Department as a whole begins on page 5. One of the most important questions asked about the Department's finances is, "Is the Department as a whole better off or worse off as a result of the year's activities?". The statement of net position and the statement of activities report information about the Department

as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Department's net position and changes in them. You can think of the Department's net position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as one way to measure the Department's financial health, or financial position. Over time, increases or decreases in the Department's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Department.

In the statement of net position and the statement of activities, the Department's governmental activities include fire department and rescue squad operations. Property taxes, impact fees and charges for services are the primary financing sources for these activities.

Reporting the Department's Funds

Our analysis of the Department's funds begins on page 7. The fund financial statements begin on page 11 and provide detailed information about the funds, not the Department as a whole. The Board of Directors establishes funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants and other money.

The Department's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the "modified accrual basis of accounting", which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Department's operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is presented in a reconciliation following each governmental fund financial statement.

The Department as an Custodian

The Department is an custodian, or fiduciary, for certain funds held on behalf of the Department's firemen. The fiduciary fund financial statements can be found on pages 15 - 16 of this report. We exclude this activity from the Department's other financial statements because the Department cannot use these assets to finance its operations. The Department is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

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 begin on page 17.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension plans and budgetary information beginning on page 32.

The Department as a Whole

Condensed statements of net position at December 31, 2024 and 2023 are shown below.

THE DEPARTMENT'S NET POSITION

	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 12,959,151	\$ 9,786,371
Capital Assets (Net)	<u>8,239,102</u>	<u>7,115,866</u>
Total Assets	<u>\$ 21,198,253</u>	<u>\$ 16,902,237</u>
 Deferred Outflows of Resources	 <u>\$ 2,698,661</u>	 <u>\$ 1,967,242</u>
Long-Term Liabilities	\$ 7,647,501	\$ 6,832,493
Other Liabilities	<u>970,156</u>	<u>878,423</u>
Total Liabilities	<u>\$ 8,617,657</u>	<u>\$ 7,710,916</u>
 Deferred Inflows of Resources	 <u>\$ 1,353,890</u>	 <u>\$ 1,617,829</u>
Net Position:		
Net Investment in Capital Assets	\$ 7,664,889	\$ 6,414,742
Restricted	555,464	1,135,319
Unrestricted	<u>5,705,014</u>	<u>1,990,673</u>
Total Net Position	<u>\$ 13,925,367</u>	<u>\$ 9,540,734</u>

As noted earlier, net position may serve over time as a useful indicator of financial position. The Department's net position at December 31, 2024 was \$13,925,367, an increase of \$4,384,633, or 46.0%, from a year ago.

The largest portion of the Department's net position, \$7,664,889, reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The Department uses these capital assets to provide services; consequently, the assets are not available for future spending. An additional portion of the Department's net position, \$555,464, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position amounts to \$5,705,014.

Changes in the Department's net position during the years ended December 31, 2024 and 2023 follows.

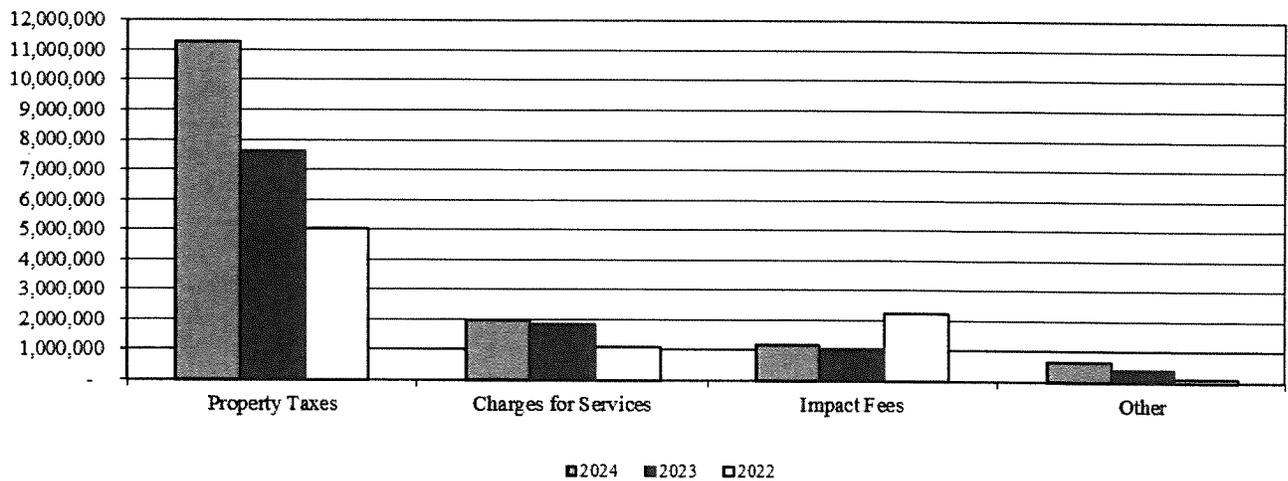
THE DEPARTMENT'S CHANGES IN NET POSITION

	<u>2024</u>	<u>2023</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,993,461	\$ 1,856,167
Operating Grants and Contributions	76,106	173,451
Capital Grants and Contributions	483,858	171,943
General Revenues:		
Property Taxes	11,277,824	7,641,168
Impact Fees	1,186,004	1,055,461
Investment Earnings	<u>113,929</u>	<u>47,307</u>
Total Revenues	<u>\$ 15,131,182</u>	<u>\$ 10,945,497</u>

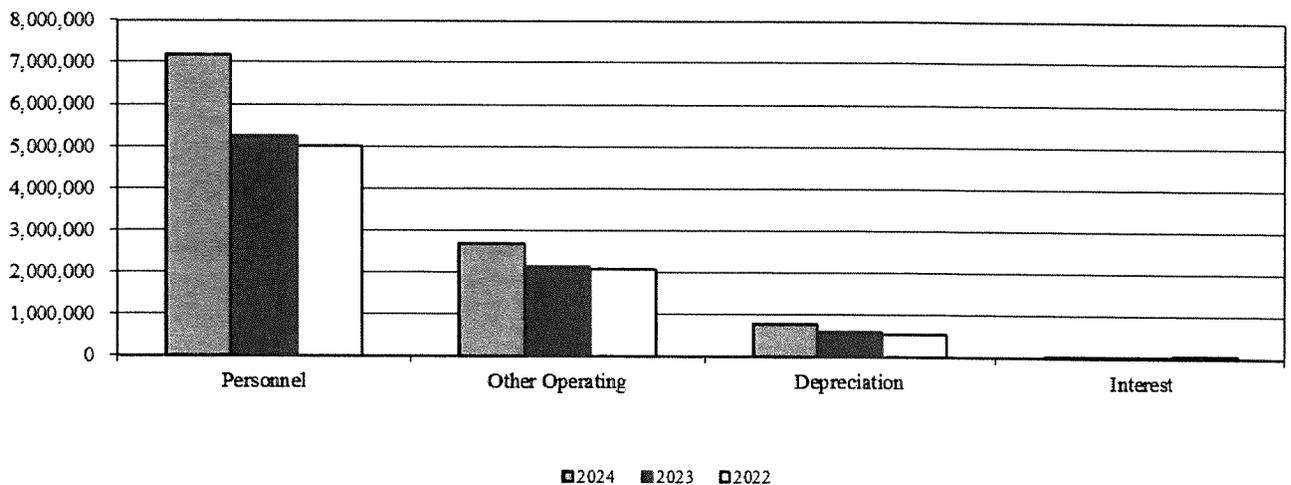
THE DEPARTMENT'S CHANGES IN NET POSITION (continued)

	<u>2024</u>	<u>2023</u>
Expenses:		
Fire Department	\$ 10,084,786	\$ 7,441,005
Rescue Squad	560,501	533,231
Interest Expense	<u>31,605</u>	<u>13,217</u>
Total Expenses	\$ <u>10,676,892</u>	\$ <u>7,987,453</u>
 Change in Net Position	 \$ <u>4,454,290</u>	 \$ <u>2,958,044</u>
Total Net Position - Beginning, as Previously Reported	\$ 9,540,734	\$ 6,582,690
Cumulative Effect of Adopting GASB Statement No. 101	<u>(69,657)</u>	<u></u>
Total Net Position - Beginning, as Restated	\$ <u>9,471,077</u>	\$ <u>6,582,690</u>
 Total Net Position - Ending	 \$ <u>13,925,367</u>	 \$ <u>9,540,734</u>

Revenues



Expenses



The Department's revenues increased by 38.2% (\$15,131,182 in 2024 compared to \$10,945,497 in 2023) and expenses increased by 33.7% (\$10,676,892 in 2024 compared to \$7,987,453 in 2023). The factors driving these results include:

- Property taxes increased by 47.6% (\$11,277,824 in 2024 compared to \$7,641,168 in 2023) due to an increase in millage rates.
- Charges for services increased by 7.4% (\$1,993,461 in 2024 compared to \$1,856,167 in 2023).
- Impact fees increased by 12.4% (\$1,186,004 in 2024 compared to \$1,055,461 in 2023).
- Personnel expenses increased by 37.2% (\$7,193,635 in 2024 compared to \$5,243,138 in 2023).

The Department's Funds

Governmental Funds

The focus of the Department's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Department's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Department's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Department's governmental funds reported combined fund balances of \$11,569,038 an increase of \$3,215,045 in comparison with the prior year. Of this amount, \$10,883,778, or 94.1%, constitutes unassigned fund balance, which is available for spending at the Department's discretion. The remainder of fund balance is either not available for spending or restricted for specific purposes by external constraints.

The General Fund is the chief operating fund of the Department. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$11,244,808 while the total fund balance amounted to \$11,891,479. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 99.4% of total expenditures, while total fund balance represents 105.1% of that same amount. The General Fund's total fund balance increased by \$3,358,565 during the current fiscal year.

The Rescue Squad Fund has a total fund balance of \$(322,441), a decrease of \$143,520 from the prior year.

General Fund Budgetary Highlights

The original budget was amended during the year. Revenues available for appropriation were \$4,032,750 over the final budgeted amounts. The actual charges to appropriations (expenditures) were \$125,661 under the final budgeted amounts.

Budget to actual comparisons for the General Fund can be found on page 36.

Capital Asset and Debt Administration

Capital Assets

The Department's investment in capital assets for its governmental activities as of December 31, 2024 amounted to \$8,239,102, net of accumulated depreciation. This amount represents a net increase of \$1,123,236, or 15.8%, from last year.

Capital assets were comprised of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 974,517	\$ 974,517
Construction-In-Progress	60,110	
Land Improvements	115,696	109,296
Buildings and Improvements	3,873,507	3,866,507
Fire Trucks	5,498,721	5,323,567
Vehicles and Equipment	5,489,464	4,458,468
Accumulated Depreciation	<u>(7,772,913)</u>	<u>(7,616,489)</u>
	<u>\$ 8,239,102</u>	<u>\$ 7,115,866</u>

More detailed information about the Department’s capital assets is presented in Note 5 to the financial statements.

Debt

At year-end, the Department had \$574,213 in outstanding notes payable compared to \$701,124 last year. More detailed information about the Department’s long-term liabilities is presented in Note 8 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The Department’s Board of Directors considered many factors when setting the 2025 budget. Some of those factors are the economy, population growth rate and inflation rates. These indicators were taken into account when adopting the General Fund budget for 2025. Revenues available for appropriation in the General Fund budget are \$13,656,486, an increase of 28.3% from the 2024 final budget of \$10,646,212. Budgeted expenditures are expected to increase 19.3%, from \$11,443,310 in fiscal year 2024 to \$13,656,486 in fiscal year 2025.

Contacting the Department’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Department’s finances and to show the Department’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department at Post Office Box 648, Murrells Inlet, South Carolina 29576 or phone (843) 651-1101.

BASIC FINANCIAL STATEMENTS

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
December 31, 2024

Assets

Cash and Cash Equivalents	\$ 2,484,119
Receivables (Net)	9,940,859
Inventories	128,630
Prepaid Assets	1,166
Restricted Cash and Cash Equivalents	404,377
Land and CIP	1,034,627
Other Capital Assets (Net)	<u>7,204,475</u>
 Total Assets	 \$ <u>21,198,253</u>

Deferred Outflows of Resources

Related to Pension Plans	\$ <u>2,698,661</u>
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Liabilities

Accounts Payable and Accrued Expenses	\$ 349,921
Noncurrent Liabilities:	
Due Within One Year	620,235
Due in More Than One Year	<u>7,647,501</u>
 Total Liabilities	 \$ <u>8,617,657</u>

Deferred Inflows of Resources

Related to Pension Plans	\$ <u>1,353,890</u>
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Net Position

Net Investment in Capital Assets	\$ 7,664,889
Restricted - Impact Fees	555,464
Unrestricted	<u>5,705,014</u>
 Total Net Position	 \$ <u><u>13,925,367</u></u>

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2024

Functions / Programs	Program Revenues			Net (Expense)	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position	
Governmental Activities:					
Fire Department	\$ 10,084,786	\$ 1,593,196	\$ 74,131	\$ 483,858	\$ (7,933,601)
Rescue Squad	560,501	400,265	1,975		(158,261)
Interest Expense	31,605				(31,605)
Totals	\$ 10,676,892	\$ 1,993,461	\$ 76,106	\$ 483,858	\$ (8,123,467)
General Revenues:					
Property Taxes					\$ 11,277,824
Impact Fees					1,186,004
Investment Earnings					113,929
Total General Revenues					\$ 12,577,757
Change in Net Position					\$ 4,454,290
Total Net Position - Beginning, as Previously Reported					\$ 9,540,734
Cumulative Effect of Adopting GASB Statement No. 101					(69,657)
Total Net Position - Beginning, as Restated					\$ 9,471,077
Total Net Position - Ending					\$ 13,925,367

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General Fund	Rescue Squad Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 2,484,119	\$	\$ 2,484,119
Receivables (Net):			
Emergency Medical Services	531,860		531,860
Intergovernmental:			
Restricted	151,087		151,087
Unrestricted	2,946,577		2,946,577
Property Taxes	6,311,235		6,311,235
Other		100	100
Due From Other Fund	361,117		361,117
Inventories	90,041	38,589	128,630
Prepaid Assets	1,166		1,166
Restricted Cash and Cash Equivalents	404,377		404,377
Total Assets	<u>\$ 13,281,579</u>	<u>\$ 38,689</u>	<u>\$ 13,320,268</u>
 Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenditures	\$ 339,163	\$ 13	\$ 339,176
Due to Other Fund		361,117	361,117
Total Liabilities	<u>\$ 339,163</u>	<u>\$ 361,130</u>	<u>\$ 700,293</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>\$ 1,050,937</u>	<u>\$</u>	<u>\$ 1,050,937</u>
Fund Balances			
Nonspendable:			
Inventories	\$ 90,041	\$ 38,589	\$ 128,630
Prepaid Assets	1,166		1,166
Restricted - Impact Fees	555,464		555,464
Unassigned	11,244,808	(361,030)	10,883,778
Total Fund Balances	<u>\$ 11,891,479</u>	<u>\$ (322,441)</u>	<u>\$ 11,569,038</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,281,579</u>	<u>\$ 38,689</u>	<u>\$ 13,320,268</u>

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2024

Total Fund Balances - Total Governmental Funds	\$ 11,569,038
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	8,239,102
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,050,937
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(6,933,710)</u>
Net Position of Governmental Activities	\$ <u>13,925,367</u>

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	General Fund	Rescue Squad Fund	Total Governmental Funds
Revenues			
Property Taxes	\$ 11,186,272	\$	\$ 11,186,272
Charges for Services	1,612,410	400,265	2,012,675
Impact Fees	1,186,004		1,186,004
Intergovernmental	533,858		533,858
Miscellaneous	145,418	1,975	147,393
Total Revenues	\$ 14,663,962	\$ 402,240	\$ 15,066,202
Expenditures			
Current:			
Fire Department	\$ 9,249,386	\$	\$ 9,249,386
Rescue Squad		545,760	545,760
Capital Outlay	1,907,275		1,907,275
Debt Service:			
Principal	126,911		126,911
Interest	34,077		34,077
Total Expenditures	\$ 11,317,649	\$ 545,760	\$ 11,863,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,346,313	\$ (143,520)	\$ 3,202,793
Other Financing Sources			
Sale of Capital Assets	12,252		12,252
Net Change in Fund Balances	\$ 3,358,565	\$ (143,520)	\$ 3,215,045
Fund Balances (Deficit) - Beginning	8,532,914	(178,921)	8,353,993
Fund Balances (Deficit) - Ending	\$ 11,891,479	\$ (322,441)	\$ 11,569,038

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,215,045

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which capital outlays (\$1,907,275) exceeded depreciation (\$784,039) in the current period. 1,123,236

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 64,980

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, had any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. 126,911

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (75,882)

Change in Net Position of Governmental Activities \$ 4,454,290

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
December 31, 2024

Assets

Cash and Cash Equivalents	\$ 392,939
Prepaid Assets	<u>9,750</u>
Total Assets	<u>\$ 402,689</u>

Liabilities

Accounts Payable	<u>\$ 689</u>
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Net Position

Restricted for Firemen	<u><u>\$ 402,000</u></u>
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The accompanying notes are an integral part of the financial statements.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
Year Ended December 31, 2024

Additions	
Insurance Receipts	\$ 401,790
Miscellaneous	273
Total Additions	<u>\$ 402,063</u>
Deductions	
Retirement Plan	\$ 209,046
Miscellaneous	25,944
Total Deductions	<u>\$ 234,990</u>
Change in Net Position	\$ 167,073
Net Position - Beginning	<u>234,927</u>
Net Position - Ending	<u><u>\$ 402,000</u></u>

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Murrells Inlet-Garden City Fire Department (the Department) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Department applies all relevant GASB pronouncements.

The more significant accounting policies of the Department are described below.

A. Reporting Entity

The Department was established in 1966 by Title 4 Chapter 23 of the Code of Laws of the State of South Carolina. The Department was created to provide fire protection for the residents of the district that was created. The Department's duties and responsibilities include purchasing and maintaining firefighting equipment, hiring and employing firemen and training volunteer firemen.

Funding for the Department is provided by property taxes and impact fees levied and collected by Georgetown County, South Carolina and Horry County, South Carolina. The Department receives contractual revenues from Georgetown County to provide paramedic rescue services.

In evaluating how to define the Department, for financial reporting purposes, management has considered all potential component units. Potential component units are legally separate organizations for which the Department might be considered to be financially accountable. The Murrells Inlet-Garden City Fire Department financial reporting entity consists only of the activities of the Department. No other separate entities have been included in the reporting entity since the Department is not financially accountable for any other separate organizations.

B. Government-Wide Financial Statements

The Department's government-wide financial statements (the statement of net position and the statement of activities) report information on all of its nonfiduciary activities. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

The financial transactions of the Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements. The Department uses the following fund types:

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Funds

The focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Department's governmental funds:

1. General fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes and the revenue serves as the foundation of the fund.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Department programs. The reporting focus is on net position and changes in net position.

The Department reports the following major governmental funds:

The *General Fund* is the Department's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.

The *Rescue Squad Fund* is a special revenue fund that is used to account for contract revenues received from Georgetown County, South Carolina to provide paramedic rescue services.

The Department's custodial fund is presented in the fiduciary fund financial statements. Since these assets cannot be used to address activities or obligations of the Department, the custodial fund is not incorporated into the government-wide financial statements. The Department's custodial fund is as follows:

The *Firemen's Fund* is used to account for resources held by the Department for its firemen in an custodial capacity.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. The Department considers all revenues to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and net pension liability, are recorded only when payment is due.

E. Cash Equivalents

The Department considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

F. Receivables

Receivables are presented in the financial statements net of allowances for credit losses. Allowances for credit losses are based upon historical trends, the periodic aging of receivables and forecasted economic conditions.

G. Interfund Activity

The effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity is classified as either loans, services provided, reimbursements or transfers. Loans are referred to as due to/from other funds. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

H. Inventories

Inventories are valued at cost, on an average cost basis.

I. Prepaid Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets using the consumption method in both the government-wide and fund financial statements.

J. Restricted Assets

Restricted assets consist of impact fees that must be expended for the acquisition and/or maintenance of property and equipment utilized by the Department. When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, then unrestricted resources as they are needed.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

K. Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Department as assets with an initial, individual cost of more than \$2,500. Purchased capital assets are recorded at historical cost. Donated capital assets are recorded at acquisition cost on the date of donation.

The costs of normal maintenance and repairs, which neither materially add to the value of an asset nor prolong its life, are charged to expense as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	15 years
Buildings and Improvements	40 years
Fire Trucks	20 years
Vehicles and Equipment	5 years

L. Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Department currently has one item which qualifies for reporting in this category. It is the deferred amount related to pension plans, which represents the Department's proportionate share of the plans' deferred outflows of resources.

M. Compensated Absences

The Department recognizes a liability for compensated absences related to vacation and sick leave if it (a) is attributable to services already rendered, (b) accumulates and (c) is more likely than not to be used for time off or otherwise paid in cash. Compensated absences also includes salary related payments that are directly and incrementally associated with the vacation and sick leave payments.

N. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The Department currently has two items which qualify for reporting in this category. Unavailable revenue, which arises only under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet, is deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred amounts related to pension plans represents the Department's proportionate share of the plans' deferred inflows of resources.

O. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the repayment of the principal of long-term debt during the current period. The face amount of long-term debt issued is reported as other financing sources.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

P. Equity Classifications

In the government-wide and fiduciary fund financial statements, equity is classified as net position and is displayed in the following components:

Net Investment in Capital Assets - Consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Consists of net position with constraints placed on their use by (a) third parties such as creditors, grantors, contributors or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of restricted or net investment in capital assets.

In the governmental fund financial statements, fund balances are displayed in the following components:

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

Restricted - Consists of amounts with constraints placed on their use by (a) third parties such as creditors, grantors, contributors or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Unassigned - Consists of all amounts not included in other classifications. The Department only reports positive unassigned fund balance in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Department considers restricted funds to have been spent first. Additionally, the Department first uses committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Department has not formally adopted a minimum fund balance policy.

Q. Revenues and Expenses

Real property and all personal property other than vehicles are assessed for property tax purposes as of January 1st of each year. All taxable property is assessed in proportion to its value on that date. Taxes are payable between October 1st and January 15th following their levy on October 1st. The lien date is January 15th and unpaid amounts after this date are considered to be delinquent and are subject to penalties for late payment.

New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Highway Department and payment is due before the end of the month of the scheduled renewal.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the Department recognizes grant revenues and receivables when the applicable eligibility requirements, including time requirements, are met. Resources received before the eligibility requirements are met are reported as deferred revenue.

Note 2 - Government-Wide Financial Statement Reconciliations

The governmental funds balance sheet is followed by a reconciliation between total fund balances - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. The details of the element in the reconciliation that relates to long-term liabilities, \$6,933,710, follows:

Note Payable	\$ 574,213
Net Pension Liability and Related Amounts	5,861,761
Compensated Absences	486,991
Accrued Interest Payable	<u>10,745</u>
	<u>\$ 6,933,710</u>

The governmental funds statement of revenues, expenditures and changes in fund balances is followed by a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. The element of the reconciliation that relates to long-term debt, \$126,911, is comprised of the following:

Principal Repayments	\$ <u>126,911</u>
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The details of another element in the reconciliation that relates to expenses, \$75,882, follows:

Accrued Interest	\$ (2,472)
Compensated Absences	125,460
Net Pension Liability	<u>(47,106)</u>
	<u>\$ 75,882</u>

Note 3 - Cash and Cash Equivalents

At year-end, the carrying amount of the Department's deposits in financial institutions was \$3,281,435 and the financial institutions' balances totaled \$3,851,213. Of that balance, \$2,319,873 was covered by federal depository insurance, \$1,517,051 collateralized with securities held by the pledging financial institutions' trust department in the Department's name and \$14,289 was uninsured and uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned to it. The Department does not have a deposit policy for custodial credit risk.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 4 - Receivables (Net)

Receivables at December 31, 2024, including the applicable allowances for credit losses, are as follows:

	<u>General Fund</u>	<u>Rescue Squad Fund</u>	<u>Totals</u>
Emergency Medical Services	\$ 2,907,233	\$	\$ 2,907,233
Intergovernmental	3,097,664		3,097,664
Property Taxes	6,311,235		6,311,235
Other		100	100
	<u>\$ 12,316,132</u>	<u>\$ 100</u>	<u>\$ 12,316,232</u>
Allowances for Credit Losses	<u>(2,375,373)</u>		<u>(2,375,373)</u>
	<u>\$ 9,940,759</u>	<u>\$ 100</u>	<u>\$ 9,940,859</u>

Note 5 - Capital Assets (Net)

The Department's capital asset activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 974,517	\$	\$	\$ 974,517
Construction-In-Progress		60,110		60,110
	<u>\$ 974,517</u>	<u>\$ 60,110</u>	<u>\$</u>	<u>\$ 1,034,627</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 109,296	\$ 6,400	\$	\$ 115,696
Buildings and Improvements	3,866,507	7,000		3,873,507
Fire Trucks	5,323,567	802,769	627,615	5,498,721
Vehicles and Equipment	4,458,468	1,030,996		5,489,464
	<u>\$ 13,757,838</u>	<u>\$ 1,847,165</u>	<u>\$ 627,615</u>	<u>\$ 14,977,388</u>
Accumulated Depreciation for:				
Land Improvements	\$ (95,564)	\$ (1,455)	\$	\$ (97,019)
Buildings and Improvements	(1,778,630)	(98,946)		(1,877,576)
Fire Trucks	(2,938,777)	(222,676)	(627,615)	(2,533,838)
Vehicles and Equipment	(2,803,518)	(460,962)		(3,264,480)
	<u>\$ (7,616,489)</u>	<u>\$ (784,039)</u>	<u>\$ (627,615)</u>	<u>\$ (7,772,913)</u>
Capital Assets (Net)	<u>\$ 7,115,866</u>	<u>\$ 1,123,236</u>	<u>\$</u>	<u>\$ 8,239,102</u>

Depreciation expense was charged to functions / programs of the Department's governmental activities as follows:

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 5 - Capital Assets (Net) (continued)

Fire Department	\$	757,735
Rescue Squad		<u>26,304</u>
		<u>\$ 784,039</u>

Note 6 - Accounts Payable and Accrued Expenses / Expenditures

Accounts payable and accrued expenses / expenditures consisted of the following at December 31, 2024:

	<u>General Fund</u>	<u>Rescue Squad Fund</u>	<u>Totals</u>
Trade Accounts Payable	\$ 9,146	\$ 13	\$ 9,159
Accrued Salaries and Wages	<u>330,017</u>		<u>330,017</u>
	<u>\$ 339,163</u>	<u>\$ 13</u>	<u>\$ 339,176</u>

Reconciliation to the Government-Wide Statement of Net Position:

Accrued Interest Payable		<u>10,745</u>
		<u>\$ 349,921</u>

Note 7 - Unavailable Revenue

At December 31, 2024 unavailable revenue consisted of the following:

	<u>General Fund</u>	<u>Rescue Squad Fund</u>	<u>Totals</u>
Property Taxes	\$ 718,035	\$	\$ 718,035
Emergency Medical Services	<u>332,902</u>		<u>332,902</u>
	<u>\$ 1,050,937</u>	<u>\$</u>	<u>\$ 1,050,937</u>

Note 8 - Long-Term Liabilities

A. Governmental Activities

At December 31, 2024, long-term debt of the Department's governmental activities was as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount</u>
Note Payable: Conway National Bank	\$ 701,124	4.99%	08/18/28	<u>\$ 574,213</u>

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 8 - Long-Term Liabilities (continued)

The note payable was issued to finance the acquisition of fire equipment. The note is secured by the asset financed. Annual debt service requirements to maturity for the note payable are as follows:

	Principal	Interest	Total
Year Ending December 31, 2025	\$ 133,244	\$ 28,653	\$ 161,897
2026	139,893	22,004	161,897
2027	146,873	15,024	161,897
2028	154,203	7,695	161,898
	\$ 574,213	\$ 73,376	\$ 647,589

B. Changes in Long-Term Liabilities

The Departments' long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Note Payable	\$ 701,124	\$	\$ 126,911	\$ 574,213	\$ 133,244
Compensated Absences	361,531	551,796	426,336	486,991	486,991
	\$ 1,062,655	\$ 551,796	\$ 553,247	\$ 1,061,204	\$ 620,235
Reconciliation to the Government-Wide Statement of Net Position:					
Net Pension Liability				7,206,532	
				\$ 8,267,736	\$ 620,235

Note 9 - Pension Plans

A. Plan Description

The South Carolina Retirement System (SCRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA). The SCRS was established pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the State and its political subdivisions. The SCRS covers employees of State agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

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

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 9 - Pension Plans (continued)

PEBA issues a publicly available annual comprehensive financial report that can be obtained at www.peba.sc.gov or by writing to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

B. Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements for the SCRS and the PORS is presented below.

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

PORS - To be eligible for PORS membership, an employee must be required by the terms of 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 position; 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 the PORS. Magistrates are required to participate in the 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. A member with an effective date of membership prior to July 1, 2012 is a Class Two member. A member with an effective date of membership on or after July 1, 2012 is a Class Three member.

C. Benefits Provided

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 for the SCRS and the PORS 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 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 earned 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.

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.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 9 - Pension Plans (continued)

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.

D. 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. Effective July 1, 2017, employee rates were increased and capped at 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS until reaching 18.56% for the SCRS and 21.24% for the PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in State statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified the statute such that the employer contribution rates for the SCRS and the PORS to be further increased, 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 the SCRS and the PORS to the maximum amortization period of twenty years from thirty years over a ten year schedule, as determined by the annual actuarial valuations of the plans. Finally, under the revised statute, the contribution rates for the SCRS and the PORS may not be decreased until the plans are at least eighty-five percent funded.

Required employee contributions rates, as a percentage of earnable compensation, are currently as follows:

	SCRS	PORS
Class Two Member	9.00%	9.75%
Class Three Member	9.00	9.75

Required employer contributions rates, as a percentage of earnable compensation, are currently as follows:

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 9 - Pension Plans (continued)

	SCRS	PORS
Class Two Member	18.41%	20.84%
Class Three Member	18.41	20.84
Incidental Death Benefit	0.15	0.20
Accidental Death Benefit	N/A	0.20

The Department's contributions to the SCRS and the PORS for the year ended December 31, 2024 were \$39,584 and \$1,097,369, respectively. The contributions made by the Department were equal to the required contributions for the year.

E. Net Pension Liability and Pension Expense

SCRS - At December 31, 2024, the Department reported a liability of \$262,453 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the SCRS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Department's proportion was 0.001119%, which has increased from its proportion of 0.000612%, measured as of June 30, 2023.

For the year ended December 31, 2024, the Department recognized SCRS pension expense of \$65,234.

PORS - At December 31, 2024, the Department reported a liability of \$6,944,079 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the PORS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Departments' proportion was 0.231486%, which has increased from its proportion of 0.200724% measured as of June 30, 2023.

For the year ended December 31, 2024, the Department recognized PORS pension expense of \$1,024,612.

F. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans

At December 31, 2024, the Department reported deferred outflows of resources related to pension plans from the following sources:

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 9 - Pension Plans (continued)

	SCRS	PORS
Differences Between Expected and Actual		
Pension Liability Experience	\$ 8,625	\$ 652,139
Changes of Assumptions	4,627	151,185
Differences Between Projected and Actual		
Earnings on Plan Investments	14,151	539,686
Changes in Proportion and Differences Between		
Department Contributions and Proportionate Share		
of Contributions	86,105	669,328
Department Contributions Subsequent to the		
Measurement Date	<u>24,896</u>	<u>547,919</u>
	<u>\$ 138,404</u>	<u>\$ 2,560,257</u>

At December 31, 2024, the Department reported deferred inflows of resources related to pension plans from the following sources:

	SCRS	PORS
Differences Between Expected and Actual		
Pension Liability Experience	\$ 326	\$ 39,812
Differences Between Projected and Actual		
Earnings on Plan Investments	24,264	928,997
Changes in Proportion and Differences Between		
Department Contributions and Proportionate Share		
of Contributions	<u>6,309</u>	<u>354,182</u>
	<u>\$ 30,899</u>	<u>\$ 1,322,991</u>

The \$572,815 amount reported as deferred outflows of resources related to pension plans resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plans will be recognized in pension expense as follows:

	SCRS	PORS
Year Ended December 31, 2025	\$ 23,625	\$ (29,670)
2026	41,662	590,356
2027	19,978	231,593
2028	<u>(2,656)</u>	<u>(102,932)</u>
	<u>\$ 82,609</u>	<u>\$ 689,347</u>

G. Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 9 - Pension Plans (continued)

	SCRS	PORS
Inflation	2.25%	2.25%
Salary Increases	3.00 - 11.00	3.50 - 10.50
Investment Rate of Return	7.00	7.00

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

The long-term expected rate of return on pension plan investments is based upon twenty-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 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

	Target Asset Allocation	Expected Arithmetic Real Rate of Return
Public Equity	46.0%	6.23%
Bonds	26.0	2.60
Private Equity	9.0	9.60
Private Debt	7.0	6.90
Real Assets		
Real Estate	9.0	4.30
Infrastructure	3.0	7.30
	100.0%	

H. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the SCRS's and the PORS's fiduciary net position was projected to be available to make all 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 total pension liability.

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

Note 9 - Pension Plans (continued)

I. Sensitivity of the Department's Net Pension Liability to Changes in the Discount Rate

The following presents the Department's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

Department's Proportionate Share of the Net Pension Liability	SCRS		
	1.0% Decrease 6.0%	Current Rate 7.0%	1.0% Increase 8.0%
	\$ <u>340,109</u>	\$ <u>262,453</u>	\$ <u>190,937</u>

Department's Proportionate Share of the Net Pension Liability	PORS		
	1.0% Decrease 6.0%	Current Rate 7.0%	1.0% Increase 8.0%
	\$ <u>10,060,640</u>	\$ <u>6,944,079</u>	\$ <u>4,391,453</u>

J. SCRS and PORS Fiduciary Net Position

Detailed information about the SCRS's and the PORS's fiduciary net position is available in the separately issued annual comprehensive financial report.

Note 10 - Risk Management

The Department is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to protect against these risks of loss, the Department purchases insurance coverage. During the year ended December 31, 2024, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the Department's insurance coverage in any of the past three years.

Note 11 - Adoption of GASB Statement No. 101

During the year ended December 31, 2024, the Department adopted the provisions of GASB Statement No. 101, *Compensated Absences*. GASB 101 requires a liability for unused leave to be recognized if it (a) is attributable to services already rendered, (b) accumulates and (c) is more likely than not to be used for time off or otherwise paid in cash. As a result, net position at the beginning of 2024 has been decreased \$69,657 for the Department's estimated sick leave liability.

REQUIRED SUPPLEMENTARY INFORMATION

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE
SHARE OF THE SCRS NET PENSION LIABILITY

Last Ten Fiscal Years

<u>Year</u>	<u>Department's Proportion of the Net Pension Liability (NPL)</u>	<u>Department's Proportionate Share of the NPL</u>	<u>Department's Covered Payroll</u>	<u>Department's Proportionate Share of the NPL as a % of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
12/31/2024	0.001119 % \$	262,453	\$ 153,796	170.65 %	61.8 %
12/31/2023	0.000612	148,057	77,425	191.23	58.6
12/31/2022	0.000627	152,024	74,674	203.58	57.1
12/31/2021	0.000727	157,350	79,475	197.99	60.7
12/31/2020	0.000469	119,724	52,274	229.03	50.7
12/31/2019	0.000399	91,090	42,125	216.24	54.4
12/31/2018	0.000380	85,062	39,340	216.22	54.1
12/31/2017	0.000382	85,994	38,545	223.10	53.3
12/31/2016	0.000531	113,421	66,293	171.09	52.9
12/31/2015	0.001033	195,913	87,206	224.66	57.0

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE
SHARE OF THE PORS NET PENSION LIABILITY

Last Ten Fiscal Years

<u>Year</u>	<u>Department's Proportion of the Net Pension Liability (NPL)</u>	<u>Department's Proportionate Share of the NPL</u>	<u>Department's Covered Payroll</u>	<u>Department's Proportionate Share of the NPL as a % of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
12/31/2024	0.231486 % \$	6,944,079	\$ 4,566,004	152.08 %	70.5 %
12/31/2023	0.200724	6,110,223	3,516,865	173.74	67.8
12/31/2022	0.217774	6,531,007	3,446,487	189.50	66.4
12/31/2021	0.237152	6,101,726	3,568,748	170.98	70.4
12/31/2020	0.213233	7,071,248	3,221,195	219.52	58.8
12/31/2019	0.197980	5,673,995	2,867,565	197.87	62.7
12/31/2018	0.190883	5,408,757	2,642,111	204.71	61.7
12/31/2017	0.182470	4,998,740	2,457,207	203.43	60.9
12/31/2016	0.132220	3,353,651	2,096,934	159.93	60.4
12/31/2015	0.185850	4,050,594	2,384,345	169.88	64.6

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT

SCHEDULE OF DEPARTMENT CONTRIBUTIONS TO THE SCRS
Last Ten Fiscal Years

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Department's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
12/31/2024	\$ 39,584	\$ 39,584	\$ 0	\$ 213,278	18.56 %
12/31/2023	21,182	21,182	0	116,375	18.20
12/31/2022	12,823	12,823	0	75,275	17.03
12/31/2021	12,455	12,455	0	77,786	16.01
12/31/2020	10,427	10,427	0	67,012	15.56
12/31/2019	6,534	6,534	0	43,360	15.07
12/31/2018	5,785	5,785	0	41,129	14.07
12/31/2017	4,782	4,782	0	38,078	12.56
12/31/2016	4,838	4,838	0	42,864	11.29
12/31/2015	8,839	8,839	0	80,465	10.98

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT

SCHEDULE OF DEPARTMENT CONTRIBUTIONS TO THE PORS
Last Ten Fiscal Years

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Department's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
12/31/2024	\$ 1,097,369	\$ 1,097,369	\$ 0	\$ 5,166,519	21.24 %
12/31/2023	784,942	784,942	0	3,780,388	20.76
12/31/2022	682,739	682,739	0	3,459,372	19.74
12/31/2021	637,368	637,368	0	3,400,993	18.74
12/31/2020	652,699	652,699	0	3,578,394	18.24
12/31/2019	525,171	525,171	0	2,958,458	17.75
12/31/2018	465,970	465,970	0	2,781,686	16.75
12/31/2017	391,364	391,364	0	2,568,169	15.24
12/31/2016	315,346	315,346	0	2,252,449	14.00
12/31/2015	280,301	280,301	0	2,065,228	13.57

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 7,486,623	\$ 7,486,623	\$ 11,186,272	\$ 3,699,649
Charges for Services	1,296,000	1,563,000	1,612,410	49,410
Impact Fees	850,000	850,000	1,186,004	336,004
Intergovernmental		581,335	533,858	(47,477)
Miscellaneous	58,000	150,254	145,418	(4,836)
Total Revenues	\$ 9,690,623	\$ 10,631,212	\$ 14,663,962	\$ 4,032,750
Expenditures				
Current:				
Fire Department	\$ 9,289,410	\$ 9,382,515	\$ 9,249,386	\$ 133,129
Capital Outlay	248,645	1,898,898	1,907,275	(8,377)
Debt Service:				
Principal	127,820	127,820	126,911	909
Interest	34,077	34,077	34,077	
Total Expenditures	\$ 9,699,952	\$ 11,443,310	\$ 11,317,649	\$ 125,661
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,329)	\$ (812,098)	\$ 3,346,313	\$ 4,158,411
Other Financing Sources				
Insurance Recoveries	\$ 15,000	\$ 15,000	\$	\$ (15,000)
Sale of Capital Assets			12,252	12,252
Total Other Financing Sources	\$ 15,000	\$ 15,000	\$ 12,252	\$ (2,748)
Net Change in Fund Balances	\$ 5,671	\$ (797,098)	\$ 3,358,565	\$ 4,155,663
Fund Balances - Beginning	8,532,914	8,532,914	8,532,914	
Fund Balances - Ending	\$ 8,538,585	\$ 7,735,816	\$ 11,891,479	\$ 4,155,663

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
RESCUE SQUAD FUND
Year Ended December 31, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 400,265	\$ 400,265	\$
Miscellaneous	300	1,975	1,675
Total Revenues	\$ 400,565	\$ 402,240	\$ 1,675
Expenditures			
Current:			
Rescue Squad	\$ 538,211	\$ 545,760	\$ (7,549)
Net Change in Fund Balances	\$ (137,646)	\$ (143,520)	\$ (5,874)
Fund Balances (Deficit) - Beginning	(178,921)	(178,921)	
Fund Balances (Deficit) - Ending	\$ (316,567)	\$ (322,441)	\$ (5,874)

MURRELLS INLET-GARDEN CITY FIRE DEPARTMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024

Note 1 - Budgets and Budgetary Accounting

The Department utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Board of Directors submits a proposed operating budget for the year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31st, the budget is adopted by a majority vote of the Board of Directors.
4. The Department generally adopts an annual appropriated budget for all funds other than fiduciary funds. The budgets are adopted annually on a basis consistent with generally accepted accounting principles.
5. All annual appropriations lapse at year-end.