

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA
(COMPONENT UNIT OF THE
COUNTY OF CHARLESTON)**

FINANCIAL STATEMENTS

JUNE 30, 2024

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**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

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Independent Auditor's Report

Board of Commissioners
St. John's Fire District
John's Island, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of St. John's Fire District (the "District") (a component unit of the County of Charleston, South Carolina), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of St. John's Fire District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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 GAAS and *Government 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 GAAS and *Government 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about whether the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, and the pension plan schedules, as listed in the table of contents, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
October 2, 2024

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

This discussion and analysis of St. John's Fire District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to present the District's financial performance as a whole; readers should also review the financial statements, the notes to the financial statements and the supplemental schedules to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of the District exceeded the liabilities and the deferred inflows of resources at the close of the most recent fiscal year by \$12,250,341 as a result of total assets and deferred outflows of \$75,947,867 exceeding total liabilities and deferred inflows of \$63,697,526.
- On the government-wide financial statements, the District's total net position increased by \$2,612,648 compared to a net increase of \$2,647,533 in the prior year.
- As of the close of the current fiscal year, the District's General Fund reported ending fund balance of \$11,480,517, a decrease of \$394,905 from the prior year fund balance. Of the total fund balance for the General Fund, \$11,225,203 is unassigned and thus available for spending at the District's discretion.
- The District's total net capital assets increased by \$9,870,446 during the current fiscal year which was directly attributable to current year additions of \$11,464,230 exceeding depreciation expense of \$1,555,198 and net disposals of \$38,586.
- The District's total debt decreased by \$2,139,600 during the current fiscal year due to scheduled principal payments.
- During fiscal year 2024, the District's General Fund revenues were \$19,251,863 compared to \$16,605,603 in the prior year. This increase was primarily related to an increase in property tax revenue of \$2,300,627 due to an increase in millage rate and assessed values. General Fund expenditures of \$19,684,333 increased by \$4,796,171 primarily due to increases in personnel costs and other operating expenses of \$2,458,888 an increase of \$2,337,283 in capital outlay.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – the *Financial Section* which includes management's discussion and analysis, the financial statements, the notes to the financial statements, and required supplementary information and the *Compliance Section*.

Government-Wide Financial Statements. The financial statements include two kinds of statements that present different views of the District. The first two financial 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 the two 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.

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).

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental 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 are related to public safety. The District has no business-type activities. The government-wide financial statements can be found as listed in the table of contents.

The government-wide statements present information on the primary government and any component units, if applicable. The District has no discretely presented or blended component units; however, the District is a discretely presented component unit of Charleston County. The County of Charleston, South Carolina (the "County") has budgetary authority over the District. In addition, the County has authority over any general obligation bond issuances for the District. As a result, the District is reported as a discretely presented component unit of the County.

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

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 fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between the governmental fund and governmental activities.

The District maintains three individual governmental funds. Information is presented in the governmental funds' Balance Sheet and in the governmental funds' Statement of Revenues, Expenditures, and Change in Fund Balance for the General Fund, the Debt Service Fund, and the Capital Projects Fund, which are considered to be 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 has been provided which enhances the financial statements. This information can be found as listed in the table of contents.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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	<ul style="list-style-type: none"> ▪ Statement of Net Position ▪ Statement of Activities 	<ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Change in Fund Balance
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Asset/Liability Information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources (if any), both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used and liabilities and deferred inflows of resources (if any) 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 exceeding liabilities and deferred inflows of resources by \$12,250,341 at the close of the most recent fiscal year compared to assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$9,637,693 at the close of the prior year.

The District's total assets increased by \$3,360,639 over the prior year primarily due to increases in taxes receivable and capital assets of \$2,688,963 and \$9,870,446, respectively, which were partially offset by decreases in cash and cash equivalents and prepaid assets of \$6,288,424 and \$2,870,391, respectively. Total liabilities as of June 30, 2024 decreased by \$1,546,358 from the prior year primarily due to scheduled principal payments on outstanding debt. The changes in deferred pension charges and deferred pension credits were due to the actuarial change of the net pension liability.

The District reported a net investment in capital assets (i.e., land, buildings, furniture and equipment, etc. net of any related outstanding debt used to acquire those assets) of \$12,814,266 as of June 30, 2024. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's net position restricted for future debt service payments was \$856,765 as of June 30, 2024. The remaining deficit balance of net position of \$1,420,690 is classified as unrestricted net position. The deficit is primarily the result of the District reporting a net pension liability related to its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

See below for a summary of the District's net position for fiscal years 2024 and 2023.

	Net Position	
	<u>Governmental Activities</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current and Other Assets	\$ 38,350,017	\$ 44,859,824
Capital Assets, Net	34,384,880	24,514,434
Total Assets	<u>72,734,897</u>	<u>69,374,258</u>
Deferred Outflows of Resources		
Deferred Pension Charges	<u>3,212,970</u>	<u>3,022,902</u>
Liabilities		
Long-Term Liabilities	21,966,545	23,545,603
Net Pension Liability	15,074,544	14,935,704
Other Liabilities	3,239,564	3,345,704
Total Liabilities	<u>40,280,653</u>	<u>41,827,011</u>
Deferred Inflows of Resources		
Deferred Revenue - Property Taxes	22,938,293	20,300,004
Deferred Pension Credits	478,580	632,452
Total Deferred Inflows of Resources	<u>23,416,873</u>	<u>20,932,456</u>
Net Position		
Net Investment in Capital Assets	12,814,266	9,965,678
Restricted for Debt Service	856,765	848,041
Unrestricted	(1,420,690)	(1,176,026)
Total Net Position	<u>\$ 12,250,341</u>	<u>\$ 9,637,693</u>

The District's net position increased in fiscal year 2024 by \$2,612,648 (compared to an increase of \$2,647,533 in the prior year). Public safety expenses increased from the prior year by \$2,933,727, or 18%, while property tax revenues increased by \$2,503,997, or 13%. The increase in expenses is primarily due to increases in personnel costs as a result of cost-of-living increases. The increase in property tax revenues is primarily due to an increase in the millage rate and assessed values for the current year.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

See below for the changes in net position for fiscal years 2024 and 2023.

Changes in Net Position

Revenues	Governmental Activities	
	June 30, 2024	June 30, 2023
Program Revenues:		
Operating Grants	\$ 188,039	\$ 20,977
General Revenue:		
Property Taxes	21,661,370	19,157,373
Miscellaneous Revenues	303,951	125,743
Total Revenues	22,153,360	19,304,093
Program Expenses		
Public Safety	18,812,407	15,878,680
Interest and Fiscal Charges	728,305	777,880
Total Program Expenses	19,540,712	16,656,560
Change in Net Position	2,612,648	2,647,533
Net Position, Beginning of Year	9,637,693	6,990,160
Net Position, End of Year	\$ 12,250,341	\$ 9,637,693

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 governmental funds serves the purpose of determining available fund resources, how they were spent and what is available for future expenditures.

At June 30, 2024, the District's General Fund reported total fund balance of \$11,480,517 compared to \$11,875,422 for the prior year. The decrease of \$394,905 is due to the District's expenditures of \$19,684,333 exceeding the operating revenues of \$19,251,863 and other financing sources of \$37,565. The decrease was the result of the planned use of fund balance for the purpose of funding capital acquisitions. Of the General Fund's total fund balance, \$255,314 is classified as nonspendable and relates to prepaid expenses. The remaining fund balance of \$11,225,203 is unassigned and thus is available for spending at the District's discretion.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

At June 30, 2024, the District's Debt Service Fund reported total fund balance of \$1,045,769 compared to total fund balance of \$1,071,770 for the prior year. The decrease is due to principal and interest payments exceeding debt service property tax revenues for the current year. The entire fund balance in the Debt Service Fund is restricted for debt service.

At June 30, 2024, the Capital Projects Fund reported total fund balance of \$1,738,593 compared to total fund balance of \$10,900,051 for the prior year. The decrease is due to capital outlay of \$9,161,458. The fund balance is the result of unspent GO Bond proceeds and prepaid expenses. Of the District's Capital Projects Fund's total fund balance, \$1,214,235 is classified as nonspendable and relates to prepaid expenses related to deposits for the purchase of vehicles. The remaining fund balance of \$524,358 is restricted for capital projects.

General Fund Budgetary Highlights

Overall, the General Fund's revenues were \$795,745 greater than the final budget as a result of property taxes and miscellaneous revenues exceeding budgeted amounts by \$1,421,925 and \$268,951, respectively and intergovernmental grant revenues being under budget by \$895,131. The District's total expenditures were \$301,382 lower than budget primarily due to personnel services and capital outlay being under budget by \$245,681 and \$37,798, respectively. No amendments were made to the District's budget during the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal years 2024 and 2023, the District had \$34,384,880 and \$24,514,434, respectively, invested in capital assets, net of depreciation. The total increase in the District's investment in net capital assets was \$9,870,446 which was directly attributable to current year additions of \$11,464,230 exceeding depreciation expense of \$1,555,198 and net disposals of \$38,586. The most significant additions were the purchase of a fire boat and construction in progress additions related to the construction of the maintenance facility. The capital asset balances for fiscal years 2024 and 2023 were as follows:

Capital Assets, Net of Depreciation

Capital Assets	June 30, 2024	June 30, 2023
Land	\$ 2,095,341	\$ 2,095,341
Construction In Progress	16,483	822,201
Buildings and Improvements	22,608,876	16,566,028
Equipment and Vehicles	9,664,180	5,030,864
Totals	<u>\$ 34,384,880</u>	<u>\$ 24,514,434</u>

More detailed information about the District's capital assets is included in Note 4 of the notes to the financial statements.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At the end of fiscal years 2024 and 2023, the District had outstanding debt of \$22,282,000 and \$24,364,000, respectively. The District made principal payments on debt in fiscal years 2024 and 2023 of \$2,082,000 and \$1,779,000, respectively. Unamortized bond premiums related to the 2023 GO Bonds were \$1,027,207 as of June 30, 2024.

The State limits the amount of general obligation debt that districts can issue to 8% of the assessed value of all taxable property within a district's corporate limits. The District is below this limit.

Other long-term obligations include accrued compensated absences. More detailed information about the District's long-term obligations is presented in Note 5 of the notes to the financial statements.

ECONOMIC FACTORS

St. John's Fire District is comprised of four barrier islands covering a land mass of approximately 185 square miles within Charleston County. Charleston County is continuing to experience positive population growth.

FISCAL YEAR 2024-2025 BUDGET

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The current mission of the District is to continue to provide the highest possible level of fire protection, prevention, and education to its population and to maintain low insurance rates for homeowners.

CONTACTING THE 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 the District at P.O. Box 56, John's Island, SC 29457.

Basic Financial Statements

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 11,609,974
Cash and Cash Equivalents, Restricted	834,493
Taxes Receivable, Net	23,265,012
Other Receivables, Net	7,102
Due from Charleston County	1,163,887
Prepaid Expenses	1,469,549
Total Current Assets	<u>38,350,017</u>
Non-Current Assets:	
Capital Assets:	
Non-Depreciable	2,111,824
Depreciable, Net	32,273,056
Total Non-Current Assets	<u>34,384,880</u>
TOTAL ASSETS	<u>72,734,897</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	<u>3,212,970</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	638,645
Accrued Compensation	270,765
Accrued Interest Payable	221,265
Current Portion of Compensated Absences	578,889
Current Portion of Debt	1,530,000
Total Current Liabilities	<u>3,239,564</u>
Non-Current Liabilities:	
Net Pension Liability	15,074,544
Compensated Absences, Less Current Portion	187,338
Debt, Less Current Portion	21,779,207
Total Non-Current Liabilities	<u>37,041,089</u>
TOTAL LIABILITIES	<u>40,280,653</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Property Taxes	22,938,293
Deferred Pension Credits	478,580
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>23,416,873</u>
NET POSITION	
Net Investment in Capital Assets	12,814,266
Restricted For:	
Debt Service	856,765
Unrestricted	(1,420,690)
TOTAL NET POSITION	<u>\$ 12,250,341</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE</u>	
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Contributions</u>	
PRIMARY GOVERNMENT:				Governmental Activities	
Governmental Activities:					
Public Safety	\$ 18,812,407	-	188,039	-	\$ (18,624,368)
Interest Expense and Fiscal Charges	728,305	-	-	-	(728,305)
TOTAL - PRIMARY GOVERNMENT	\$ 19,540,712	-	188,039	-	(19,352,673)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					18,784,741
Property Taxes Levied for Debt Service					2,876,629
Miscellaneous Revenues					303,951
Total General Revenues					21,965,321
CHANGE IN NET POSITION					2,612,648
NET POSITION, Beginning of Year					9,637,693
NET POSITION, End of Year					\$ 12,250,341

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 11,609,974	-	-	\$ 11,609,974
Cash and Cash Equivalents, Restricted	-	-	834,493	834,493
Taxes Receivable, Net	19,256,252	4,008,760	-	23,265,012
Other Receivables, Net	7,102	-	-	7,102
Due From:				
Charleston County	129,974	1,033,913	-	1,163,887
Prepaid Items	255,314	-	1,214,235	1,469,549
TOTAL ASSETS	\$ 31,258,616	5,042,673	2,048,728	\$ 38,350,017
LIABILITIES				
Accounts Payable	\$ 328,510	-	310,135	\$ 638,645
Accrued Compensation	270,765	-	-	270,765
TOTAL LIABILITIES	599,275	-	310,135	909,410
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	205,174	32,261	-	237,435
Deferred Revenue - Property Taxes	18,973,650	3,964,643	-	22,938,293
TOTAL DEFERRED INFLOWS OF RESOURCES	19,178,824	3,996,904	-	23,175,728
FUND BALANCES				
Nonspendable:				
Prepaid Items	255,314	-	1,214,235	1,469,549
Restricted:				
Capital Projects	-	-	524,358	524,358
Debt Service	-	1,045,769	-	1,045,769
Unassigned	11,225,203	-	-	11,225,203
TOTAL FUND BALANCES	11,480,517	1,045,769	1,738,593	14,264,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31,258,616	5,042,673	2,048,728	\$ 38,350,017

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES**

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 14,264,879
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:	
Property taxes receivable will be collected but are not available soon enough to pay for the current period's expenditures and, therefore, are considered unavailable in the governmental funds.	237,435
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets was \$49,094,033 and the accumulated depreciation was \$14,709,153.	34,384,880
Accrued interest payable was recognized for governmental activities but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(221,265)
The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(12,340,154)
Long-term obligations, including debt and compensated absences, are not due or payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term obligations consisted of:	
Long-Term Debt	(22,282,000)
Premiums on Long-Term Debt	(1,027,207)
Compensated Absences	(766,227)
	<hr/>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 12,250,341</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	\$ 18,759,873	2,873,290	-	\$ 21,633,163
Intergovernmental Grant	188,039	-	-	188,039
Miscellaneous Revenues	303,951	-	-	303,951
TOTAL REVENUES ALL SOURCES	19,251,863	2,873,290	-	22,125,153
EXPENDITURES				
Current:				
Public Safety	17,012,534	-	-	17,012,534
Capital Outlay	2,671,799	-	9,161,458	11,833,257
Debt Service:				
Principal	-	2,082,000	-	2,082,000
Interest	-	817,291	-	817,291
TOTAL EXPENDITURES	19,684,333	2,899,291	9,161,458	31,745,082
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(432,470)	(26,001)	(9,161,458)	(9,619,929)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	37,565	-	-	37,565
TOTAL OTHER FINANCING SOURCES (USES)	37,565	-	-	37,565
NET CHANGES IN FUND BALANCES	(394,905)	(26,001)	(9,161,458)	(9,582,364)
FUND BALANCES, Beginning of Year	11,875,422	1,071,770	10,900,051	23,847,243
FUND BALANCES, End of Year	\$ 11,480,517	1,045,769	1,738,593	\$ 14,264,879

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ (9,582,364)**

Amounts reported for the governmental activities in the Statement of Activities are different because of the following:

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 unavailable revenues related to property taxes for the year.	28,207
Bond principal payments are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	2,082,000
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Position.	-
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and payable and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and payable. This amount represents the change in accrued interest from the prior year.	31,386
Bond premiums are reported as an other financing source in the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the difference between premiums received and the amortization of premiums during the current year.	57,600
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 the governmental funds. This amount represents the change in compensated absences from the prior year.	(79,727)
Changes in the District'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 reported in the Statement of Activities.	205,100
Governmental funds report only proceeds received from the sale of capital assets without any consideration for the net book value of the assets that were sold. The Statement of Activities reports gains or losses based on the proceeds and the net book value of the assets sold.	(38,586)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This amount represents the amount that current year depreciation expense of \$1,555,198 was exceeded by capital asset additions of \$11,464,230.	9,909,032

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,612,648**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. John's Fire District (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America 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.

A. Reporting Entity

The District is governed by the St. John's Fire District Commission, which has the responsibility of the financial budget and control over the operations of the District. The District maintains and operates fire departments that provide fire protection. The District was created by Act 369 of the General Assembly of the State of South Carolina on April 9, 1959. The District's revenues are dependent upon taxes levied on users of the services provided by the District. The Commission is appointed by the Governor of South Carolina for a four-year term or until their replacement is appointed and qualified.

The County of Charleston, South Carolina (the "County") has budgetary authority over the District. In addition, the County has authority over any general obligation bond issuances for the District. As a result, the District is reported as a discretely presented component unit of the County.

As required by GAAP, the financial statements must present the District's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the District both appoints a voting majority of the entity's governing body, and either 1) the District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the District; and (c) issue bonded debt without approval by the District. An entity has a financial benefit or burden relationship with the District if, for example, any one of the following conditions exists: (a) the District is legally entitled to or can otherwise access the entity's resources, (b) the District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the District's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the District. Based on the criteria above, the District has no discretely presented or blended component units; however, the District is a discretely presented component unit of Charleston County.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally 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. The District does not have any business-type activities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary 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. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. 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.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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. Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government generally considers all governmental fund revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period with the exception of grant revenues, which are considered to be available if they are collected within one year after the current fiscal period. 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 claims and judgments, are recorded only when payments are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease purchase are reported as other financing sources.

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has no non-major funds.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used as an aid to management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major funds and fund types are used by the District:

ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities are accounted for through governmental funds.

The District reports the following major governmental funds:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund. This fund is used to account for the property taxes levied for the payment of principal, interest and fees relating to bonds and lease purchase agreements.

Capital Projects Fund. This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed for their intended purposes.

C. Budget and Budgetary Accounting

The District adopts an annual budget on a basis consistent with GAAP for the General Fund and Debt Service Fund. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 15 of each year, the District management and staff submit a tentative budget to the Commissioners for approval.
2. In early April, the District submits to the Charleston County Council a proposed budget for all funds for the fiscal year commencing the following July 1. This budget includes proposed expenditures and the means of financing them. The General Fund and Debt Service Fund are under Charleston County Council's budgetary authority. Charleston County Council approves the tax levy for these funds. Other funds are submitted for informational purposes.
3. Prior to July 1, the budget is legally enacted by the passage of a budget ordinance. The ordinance has three readings and one public hearing held in the Council Chambers.
4. All line item transfers or adjustments within the overall budget must be approved by the Commissioners. Additionally, increases in the overall budget proposed by the Commissioners must also be approved by the Charleston County Council.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, petty cash and short-term investments with a maturity date within three months of the date acquired. Restricted cash relates to bond and lease proceeds restricted for construction projects and capital acquisitions detailed in the lease documents and debt service property tax collections restricted for debt service payments.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

Investments

The District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types, and component units within the State of South Carolina) that authorize the District to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

In addition, South Carolina state statutes authorize the District to invest in the South Carolina Local Government Investment Pool ("SCLGIP"). This SCLGIP is duly chartered and administered by the State Treasurer's Office and the portfolio normally consists of investments in the U.S. Government and Agencies which carry a guarantee of the full faith and credit of the Federal Government. All investments are made in accordance with state statutes.

The SCLGIP is a 2a 7 - like pool which is not registered with the Securities and Exchange District (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

Investments (Continued)

The District's cash investment objectives are preservation of capital, liquidity, and yield. The District reports its cash and investments at fair value which is normally determined by quoted market prices. The District's only investments in the past year were with the SCLGIP.

Receivables and Payables

During the course of its operations, the District has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds had not been paid or received as of the year-end, balances of interfund amounts or payables have been recorded.

All trade and property tax receivables are shown net of an allowance for uncollectibles (if any).

Inventories and Prepaid Items

Inventories and prepaid items in the governmental funds are reported under the consumption method (if material) as they are recorded as expenditures as they are used (consumed). Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories and prepaid items in the governmental funds are offset by non-spendable fund balance to reflect that portion of fund balance that is not spendable in form.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value (estimated by the District) at the date of donation. The District capitalizes capital acquisitions having a useful life greater than one year and a value of \$5,000 or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Depreciation Lives
Buildings and Improvements	5-30
Equipment and Vehicles	3-25

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The employee may receive the balance of their accumulated vacation pay upon separation from the District. The District records a liability for this balance. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District.

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The entire compensated absence liability and expense are reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year-end that are expected to be paid within a short time subsequent to year end, if they are material.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has one type of deferred outflows of resources. The District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes 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 report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has three types of deferred inflows of resources: (1) The District reports *unavailable revenue – 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) The District reports *deferred revenue – property taxes* in its Statement of Net Position and governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts are earned. (3) The District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina 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.

Fund Balance

The District accounts for fund balance in accordance with GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB #54”) which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The District classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (the Commission) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the District consist of amounts approved by a majority vote of the Commissioners.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

Fund Balance (Continued)

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The District's Commission is the sole party with the ability to assign fund balance.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The District's policy is to maintain a minimum unassigned fund balance in the General Fund of four months of the subsequent year's operating expenditures. The unassigned fund balance would assist with unexpected situations such as natural disasters.

The District generally requires restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the governmental funds during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. Encumbrances outstanding at year-end may be added to the District's budget for the following fiscal year. These encumbered monies may be expended only as set forth in the encumbrance policy except as authorized by the District Commissioners. The District had no outstanding encumbrances as of June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 6 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. The District recognizes a net pension liability for the 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 the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the District'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.

Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.
- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:
 - Quoted prices for similar assets and liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted market prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
 - Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

Accounting 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. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, the District's total bank balance was \$13,447,648, with a carrying amount of \$12,431,652. At June 30, 2024, none of the District's bank balances were exposed to custodial credit risk.

Investments

As of June 30, 2024, the District had the following investments:

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating [^]	Fair Value	Investment Maturities in Years			
				< 1 yr	1 - 3 yrs	3 - 5 yrs	> 5 yrs
SCLGIP	N/A ⁽²⁾	NR, NR	\$ 12,815	12,815	-	-	\$ -

[^] If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

⁽¹⁾ See Note I.D. for details of the District's fair value hierarchy.

⁽²⁾ Investments that have a net asset value are not subject to the fair value hierarchy.

NR – Not rated.

N/A - Not Applicable.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

A reconciliation of cash reported in the footnotes to the balances reported on the Statement of Net Position follows:

Financial Statements	
Statement of Net Position:	
Cash and Cash Equivalents	\$ 11,609,974
Cash and Cash Equivalents - Restricted	834,493
Total	\$ 12,444,467
Notes to the Financial Statements	
Deposits	\$ 12,431,652
Investments	12,815
Total	\$ 12,444,467

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not currently have a formal investment policy that limits its exposure to credit risk for investments.

Concentration of Credit Risk

The District does not currently have a formal investment policy that limits the amount the District may invest in any one issuer.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not currently have an investment policy related to custodial credit risk for investments.

NOTE 3. RECEIVABLES

The County bills and collects property taxes for itself and all other taxing entities within the County. The District recognizes property taxes in the period in which they are levied and available for financing current expenditures. Property taxes receivable represent delinquent real and personal taxes for the past ten years, plus the current year levy as discussed below, less an allowance for amounts estimated to be uncollectible. As of June 30, 2024, property taxes receivable for the General Fund and Debt Service Fund are net of allowances of \$735,681 and \$148,011, respectively.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 3. RECEIVABLES (CONTINUED)

Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are generally levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 - three percent, February 1 - an additional seven percent, March 16 - an additional five percent plus collection cost. If not paid by March 15, the property is subject to sale by the delinquent tax office. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is up for renewal. The taxpayer must provide proof of payment to the South Carolina Department of Transportation before that agency will renew the taxpayer's vehicle license.

The District is given an appropriation for property taxes by the County at the beginning of each fiscal year. In the event that collections for the District are less than the appropriation, state law mandates that the deficiency be made up through subsequent years' collections. However, any collections on behalf of the District that exceed the appropriation may be held in escrow by the County to cover any future shortfalls of collections. The County has not established such an escrow account.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 2,095,341	-	-	-	\$ 2,095,341
Construction in progress	822,201	7,287,056	605	(8,092,169)	16,483
Total Capital Assets, Non-Depreciable	<u>2,917,542</u>	<u>7,287,056</u>	<u>605</u>	<u>(8,092,169)</u>	<u>2,111,824</u>
Capital Assets, Depreciable:					
Buildings and improvements	22,465,469	-	-	6,752,597	29,218,066
Equipment and vehicles	12,815,501	4,177,174	568,104	1,339,572	17,764,143
Total Capital Assets, Depreciable	<u>35,280,970</u>	<u>4,177,174</u>	<u>568,104</u>	<u>8,092,169</u>	<u>46,982,209</u>
Less: Accumulated Depreciation for:					
Buildings and improvements	5,899,441	709,749	-	-	6,609,190
Equipment and vehicles	7,784,637	845,449	530,123	-	8,099,963
Total Accumulated Depreciation	<u>13,684,078</u>	<u>1,555,198</u>	<u>530,123</u>	<u>-</u>	<u>14,709,153</u>
Total Capital Assets, Depreciable, Net	<u>21,596,892</u>	<u>2,621,976</u>	<u>37,981</u>	<u>8,092,169</u>	<u>32,273,056</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 24,514,434</u>	<u>9,909,032</u>	<u>38,586</u>	<u>-</u>	<u>\$ 34,384,880</u>

For the year ended June 30, 2024, depreciation expense of \$1,555,198 was charged to the public safety function in the Statement of Activities.

NOTE 5. LONG-TERM OBLIGATIONS

All long-term debt issued for governmental purposes of the District is retired from the Debt Service Fund. General obligation bonds and notes are secured by the full faith, credit and taxing power of the District. Resources from the General Fund will be used to liquidate the compensated absences accrual for the governmental activities.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of long-term obligation transactions for the District for the year ended June 30, 2024.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds - Public Offering	\$ 18,395,000	-	631,000	17,764,000	\$ 969,000
General Obligation Bonds Direct Placement	5,969,000	-	1,451,000	4,518,000	561,000
Premium on 2022 GO Bond	1,084,807	-	57,600	1,027,207	-
Compensated Absences	686,500	598,382	518,655	766,227	578,889
Total Governmental Activities	\$ 26,135,307	598,382	2,658,255	24,075,434	\$ 2,108,889

General Obligation Bonds, including those issued through direct placement, consist of:

	Principal Outstanding at Year End
2016 General Obligation Bonds in original amount of \$5,430,000, due in annual installments of \$299,000 to \$645,000 from April 1, 2017 through April 1, 2031; interest ranges from 1.015% to 2.009%. These bonds were issued through direct placement.	\$ 2,560,000
2017 General Obligation Bonds in original amount of \$3,000,000, due in annual installments of \$95,000 to \$317,000 from April 1, 2018 through April 1, 2032; interest ranges from 1.225% to 1.436%. These bonds were issued through direct placement.	1,958,000
2018 General Obligation Bonds in original amount of \$8,220,000, due in annual installments of \$14,000 to \$789,000 from April 1, 2019 through April 1, 2033; interest ranges from 2.75% to 5.00%. These bonds were issued through a public offering.	6,125,000
2022 General Obligation Bonds in original amount of \$9,480,000, due in annual installments of \$285,000 to \$1,110,000 from April 1, 2022 through April 1, 2041; including interest of 1.74%. These bonds were issued through public offering.	8,370,000
2023 General Obligation Bonds in original amount of \$3,520,000, due in annual installments of \$114,000 to \$251,000 from April 1, 2024 through April 1, 2046; including interest of 4.35%. These bonds were issued through public offering.	3,269,000
Total General Obligation Bonds	\$ 22,282,000

The State limits the amount of bonded debt that Districts can issue to 8% of the assessed value of all taxable property within the District's corporate limits. The District's total outstanding debt subject to the 8% debt limit is below the legal debt limit of \$54,508,034.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

As of June 30, 2024, maturities on General Obligation Bonds are as follows:

Year Ending June 30,	Public Offering Bonds		Direct Placement Bonds		Total
	Principal	Interest	Principal	Interest	
2025	\$ 969,000	653,101	561,000	99,939	\$ 2,283,040
2026	1,034,000	605,397	571,000	87,639	2,298,036
2027	1,069,000	554,477	587,000	75,124	2,285,601
2028	1,135,000	501,839	612,000	62,246	2,311,085
2029	1,185,000	445,940	625,000	48,789	2,304,729
2030-2034	6,021,000	1,519,228	1,562,000	43,238	9,145,466
2035-2039	3,663,000	685,615	-	-	4,348,615
2040-2043	2,688,000	269,210	-	-	2,957,210
Totals	\$ 17,764,000	5,234,807	4,518,000	416,975	\$ 27,933,782

NOTE 6. RETIREMENT PLANS

The District participates in the State of South Carolina's retirement plans. 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' ("Systems") five defined benefit pension plans. PEBA has an 11-member Board of Directors ("PEBA Board"), 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 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.

The PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the System' Pension Trust Funds. The ACFR is publicly available through the 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. The PEBA is considered 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 of the state.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

Plan Description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, 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. 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"), 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.

- SCRS – 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 individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system 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 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 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. 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 for 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 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

Plan Benefits (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.

Plan 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, the SCRS and PORS ("Plans") 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 percent for the SCRS and 9.75 percent for the PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both the SCRS and PORS until reaching 18.56 percent for the SCRS and 21.24 percent 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 SCRS and 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 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 Plans. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the Plans are at least 85 percent funded.

As noted earlier, both employees and the District are required to contribute to the Plans at rates established and as amended by the PEBA. The District's contributions are actuarially determined but are communicated to and paid by the District as a percentage of the employees' annual eligible compensation.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

Plan Contributions (Continued)

Required employer and employee contribution rates for the past year are as follows:

	SCRS	PORS Rates
	2024	2024
Employer Contribution Rate: ^		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	<u>18.56%</u>	<u>21.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.75%</u>

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The actual and required contributions to the SCRS and PORS were \$124,511 and \$1,849,209, respectively, for the year ended June 30, 2024.

Actuarial Assumptions and Methods

Actuarial valuations of the 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, 2023 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2022. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
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

* Includes inflation at 2.25%.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

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"), were 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.

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 rate of returns 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 2023 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 following table. For actuarial purposes, the 7.00 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	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Rate of Return	<u>100.0%</u>		<u>5.31%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u><u>7.56%</u></u>

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2023 measurement date, for the SCRS and PORS, are presented in the following table:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 58,464,402,454	34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	6,405,925,370	\$ 3,044,096,206	67.8%

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 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 Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At June 30, 2024, the District reported liabilities of \$1,006,455 and \$14,068,089 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2023, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The District's proportion of the NPL were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the District's SCRS proportion was 0.004163 percent, which was an increase of 0.000179 percent from its proportion measured as of June 30, 2022. At the June 30, 2023 measurement date, the District's PORS proportion was 0.46214 percent, which was a decrease of 0.00368 percent from its proportion measured as of June 30, 2022.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2024, the District recognized pension expense of \$80,182 and \$1,688,440 for the SCRS and PORS, respectively. At June 30, 2024, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 17,474	\$ 2,791
Change in Assumptions	15,420	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,378
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	30,886	34,711
Employer Contributions Subsequent to the Measurement Date	124,511	-
Total SCRS	<u>188,291</u>	<u>38,880</u>
PORS		
Differences Between Expected and Actual Experience	662,057	173,429
Change in Assumptions	306,180	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	24,144
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	207,233	242,127
Employer Contributions Subsequent to the Measurement Date	1,849,209	-
Total PORS	<u>3,024,679</u>	<u>439,700</u>
Total SCRS and PORS	<u>\$ 3,212,970</u>	<u>\$ 478,580</u>

Deferred outflows of resources of \$124,511 and \$1,849,209 related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2025	\$ 10,739	464,446	\$ 475,185
2026	(22,509)	(373,818)	(396,327)
2027	37,261	659,858	697,119
2028	(591)	(14,716)	(15,307)
Total	<u>\$ 24,900</u>	<u>735,770</u>	<u>\$ 760,670</u>

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6. RETIREMENT PLANS (CONTINUED)

Discount Rate (Continued)

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 sensitivity of the District's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability of the SCRS	\$ 1,300,436	1,006,455	\$ 762,109
District's proportionate share of the net pension liability of the PORS	19,845,166	14,068,089	9,335,942
Total	\$ 21,145,602	15,074,544	\$ 10,098,051

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR is publicly available through the 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.

Payable to Plans

The District reported a payable of \$237,024 to the PEBA as of June 30, 2024, representing required employer and employee contributions for the month of June 2024 for the SCRS and PORS. This amount is included in Accounts Payable on the financial statements and was paid in July 2024.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan under programs administered by the South Carolina Deferred Compensation Commission. The multiple-employer plan was created in accordance with Internal Revenue Service Code Section 401(k). The Plan, available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death or an approved hardship is the deferred compensation available to an employee. Under Code Section 401(k), all amounts of compensation deferred under the plan are held in trust for the contributing employee, and are not subject to claims of employer's general creditors.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Litigation

The District is periodically the subject of litigation by a variety of plaintiffs. The District's management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

The District receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the District at June 30, 2024.

Commitments

The District had outstanding commitments of \$335,395 as of June 30, 2024. The majority of the outstanding commitments or \$323,517 relates to the construction of a new fire station.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the District carries commercial insurance.

The District also participates in the South Carolina State Accident Fund, a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The District pays an annual premium for this coverage. For the year ended June 30, 2024, the District made premium payments totaling \$571,436. The State Accident Fund's net position from its most recently issued audited financial statements as of June 30, 2023 was \$61,483,191.

The District has also joined together with other local governments in the South Carolina Employee Insurance Program ("EIP") to provide medical, dental, and life insurance for its employees. This is also a public entity risk pool operating as a common risk management and insurance program. The EIP is administered by the PEBA. For the year ended June 30, 2024, the District made premium payments totaling \$1,507,426. The EIP's net position from its most recently issued audited financial statements as of June 30, 2023 was \$408,936,614.

For the above risk management programs, the District has not significantly reduced insurance coverage from the previous year and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which the District participates, the District has effectively transferred all risk with no liability for unfunded claim.

NOTE 9. SUBSEQUENT EVENTS

In September 2024, the District issued the General Obligation Bonds, Series 2024 with a par amount of \$19,110,000. Proceeds of the issuance will be used for capital acquisitions.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedule:

- General Fund

Pension Schedules:

- Schedule of St. John's Fire District's Proportionate Share of the Net Pension Liability – South Carolina Retirement System
- Schedule of Contributions – South Carolina Retirement System
- Schedule of St. John's Fire District's Proportionate Share of the Net Pension Liability – Police Officers Retirement System
- Schedule of Contributions – Police Officers Retirement System

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**ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL**

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 17,337,948	17,337,948	18,759,873	\$ 1,421,925
Intergovernmental Grant	1,083,170	1,083,170	188,039	(895,131)
Miscellaneous Revenues	35,000	35,000	303,951	268,951
TOTAL REVENUES ALL SOURCES	18,456,118	18,456,118	19,251,863	795,745
EXPENDITURES				
Public Safety:				
Personnel Services	15,296,524	15,262,524	15,016,843	245,681
Operating Expenditures	3,051,394	2,008,594	1,995,691	12,903
Total Public Safety Current Expenditures	18,347,918	17,271,118	17,012,534	258,584
Capital Outlay	220,200	2,709,597	2,671,799	37,798
TOTAL EXPENDITURES	18,568,118	19,980,715	19,684,333	296,382
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(112,000)	(1,524,597)	(432,470)	1,092,127
OTHER FINANCING SOURCES (USES)				
Sale of Assets	112,000	112,000	37,565	(74,435)
TOTAL OTHER FINANCING SOURCES (USES)	112,000	112,000	37,565	(74,435)
NET CHANGES IN FUND BALANCES	-	(1,412,597)	(394,905)	1,017,692
FUND BALANCES, Beginning of Year	11,875,422	11,875,422	11,875,422	-
FUND BALANCES, End of Year	\$ 11,875,422	10,462,825	11,480,517	\$ 1,017,692

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The District's final budget reflected a carryforward of prior year encumbrances of \$1,412,597.

ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF ST. JOHN'S FIRE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
St. John's Fire District's Proportion of the Net Pension Liability	0.004163%	0.003984%	0.004302%	0.004291%	0.004511%	0.004024%	0.004162%	0.004350%	0.004430%	0.004910%
St. John's Fire District's Proportionate Share of the Net Pension Liability	\$ 1,006,455	965,755	930,952	1,096,437	1,030,155	901,552	936,933	928,940	840,929	\$ 845,339
St. John's Fire District's Covered Payroll	\$ 526,314	474,375	486,273	478,724	476,399	416,953	419,974	421,182	415,787	\$ 445,755
St. John's Fire District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.2%	203.6%	191.4%	229.0%	216.2%	216.2%	223.1%	220.6%	202.2%	189.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

The discount rate was lowered from 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

ST. JOHN'S FIRE DISTRICT
 JOHN'S ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 124,511	92,421	78,557	75,684	74,489	69,364	56,539	48,549	46,583	\$ 45,321
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	124,511	92,421	78,557	75,684	74,489	65,068	52,243	48,549	46,583	45,321
Contributions from the State	-	-	-	-	-	4,296	4,296	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St. John's Fire District's Covered Payroll	\$ 670,858	526,314	474,375	486,273	478,724	476,399	416,953	419,974	421,182	\$ 415,787
Contributions as a Percentage of Covered Payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%

ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF ST. JOHN'S FIRE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended, June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
St. John's Fire District's Proportion of the Net Pension Liability	0.46214%	0.46582%	0.47734%	0.45092%	0.45352%	0.46793%	0.48367%	0.49949%	0.45912%	0.45235%
St. John's Fire District's Proportionate Share of the Net Pension Liability	\$ 14,068,089	13,969,949	12,281,660	14,953,456	12,997,565	13,258,872	13,250,297	12,699,387	10,006,504	\$ 8,659,951
St. John's Fire District's Covered Payroll	\$ 8,097,181	7,372,103	7,178,542	6,811,807	6,578,098	6,473,433	6,504,309	6,367,986	5,689,526	\$ 5,440,646
St. John's Fire District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	173.7%	189.5%	171.1%	219.5%	197.6%	204.8%	203.7%	199.4%	175.9%	159.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The discount rate was lowered from 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

ST. JOHN'S FIRE DISTRICT
JOHN'S ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,849,209	1,638,869	1,418,393	1,309,366	1,242,474	1,134,064	1,051,285	926,214	874,961	\$ 762,965
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	1,849,209	1,638,869	1,418,393	1,309,366	1,242,474	1,068,594	985,815	926,214	874,961	762,965
Contributions from the State	-	-	-	-	-	65,470	65,470	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St. John's Fire District's Covered Payroll	\$ 8,706,257	8,097,181	7,372,103	7,178,542	6,811,807	6,578,098	6,473,433	6,504,309	6,367,986	\$ 5,689,526
Contributions as a Percentage of Covered Payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

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Compliance Section

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

Board of Commissioners
St. John's Fire District
John's Island, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of St. John's Fire District (the "District") (a component unit of the County of Charleston, South Carolina), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
October 2, 2024