



## **Cedar Mountain Fire/Rescue, Inc.**

**Post Office Box 479; 8725 Cascade Lake Road**

**Cedar Mountain, North Carolina 28718-0479**

**NC Business: (828) 885-7297 SC Business: (864) 610-3363 Fax: (828) 862-5715**

**<http://www.cmfr.org>**

22 July 2016

John Hansley  
Deputy County Administrator  
County of Greenville  
301 University Ridge, Suite 2400  
Greenville, SC 29601

Dear Mr. Hansley,

As per our previous correspondence, please accept this letter as Cedar Mountain Volunteer Fire/Rescue's request to increase the millage rate assessed in our district.

I am providing the following additional documents with this cover letter to further explain and justify our request:

CMFR Background and History  
Graph showing the number of Calls for Service from 2013 until present  
Copy of our FY 2017 Budget  
Copy of our Annual Audit

The first reason behind our asking for this increase is that the rate that our Transylvania County, NC residents now pay is \$ 0.1331 per one hundred dollars of assessed valuation. We have always attempted to keep the rates in the two states as close to the same as possible given the different methods used to calculate the assessed property valuations.

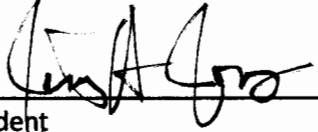
A second reason for our request is that our call volume continues to increase steadily. We have already responded to 152 calls for service this calendar year with 41 of those coming in the last thirty days! We received a total of 276 calls for service in 2015 and if the current numbers remain constant the rest of this year, we will most likely go over 300 for 2016. This causes increases in our fuel consumption and other call related supply costs. Another factor that comes into play here is that the complexity and amount of time needed to complete a number of these calls has also increased meaning that the department must provide food and drinks to the responders more frequently!

Based upon the above, we would respectfully request that Greenville County Council raise the millage rate for our district so that it will be consistent with the NC rate.

Thank you for your efforts and assistance in this matter!

If any additional information is needed, my email is [jjones@cmfr.org](mailto:jjones@cmfr.org) and my cell phone is (828) 553-0401. Our mailing address is listed above if you need to send anything to us. Our Chief, Davie Summey can be an alternate contact. His email is [dsummey@cmfr.org](mailto:dsummey@cmfr.org) and his cell phone is (919) 218-1387.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Jones", written over a horizontal line.

President  
Cedar Mountain Volunteer Fire/Rescue, Inc.

## Background & History

Cedar Mountain Volunteer Fire/Rescue, Inc.

Cedar Mountain Volunteer Fire/Rescue was formed in May of 1980 to serve the residents of southeastern Transylvania County, North Carolina and northwestern Greenville County, South Carolina. US Highway 276, Geer Highway, runs through our district.

Our district includes the communities of Cedar Mountain in NC, Caesar's Head and Cliff Ridge in SC, the DuPont Recreational State Forest in NC, the Caesar's Head State Park in SC, and YMCA-Camp Greenville in SC. Our district contains numerous residences that are "seasonal" and are only occupied during the summer months. In addition to the seasonal residents, based upon recently updated estimates, the state forest and state park are expected to draw over 850,000 visitors to our district this year.

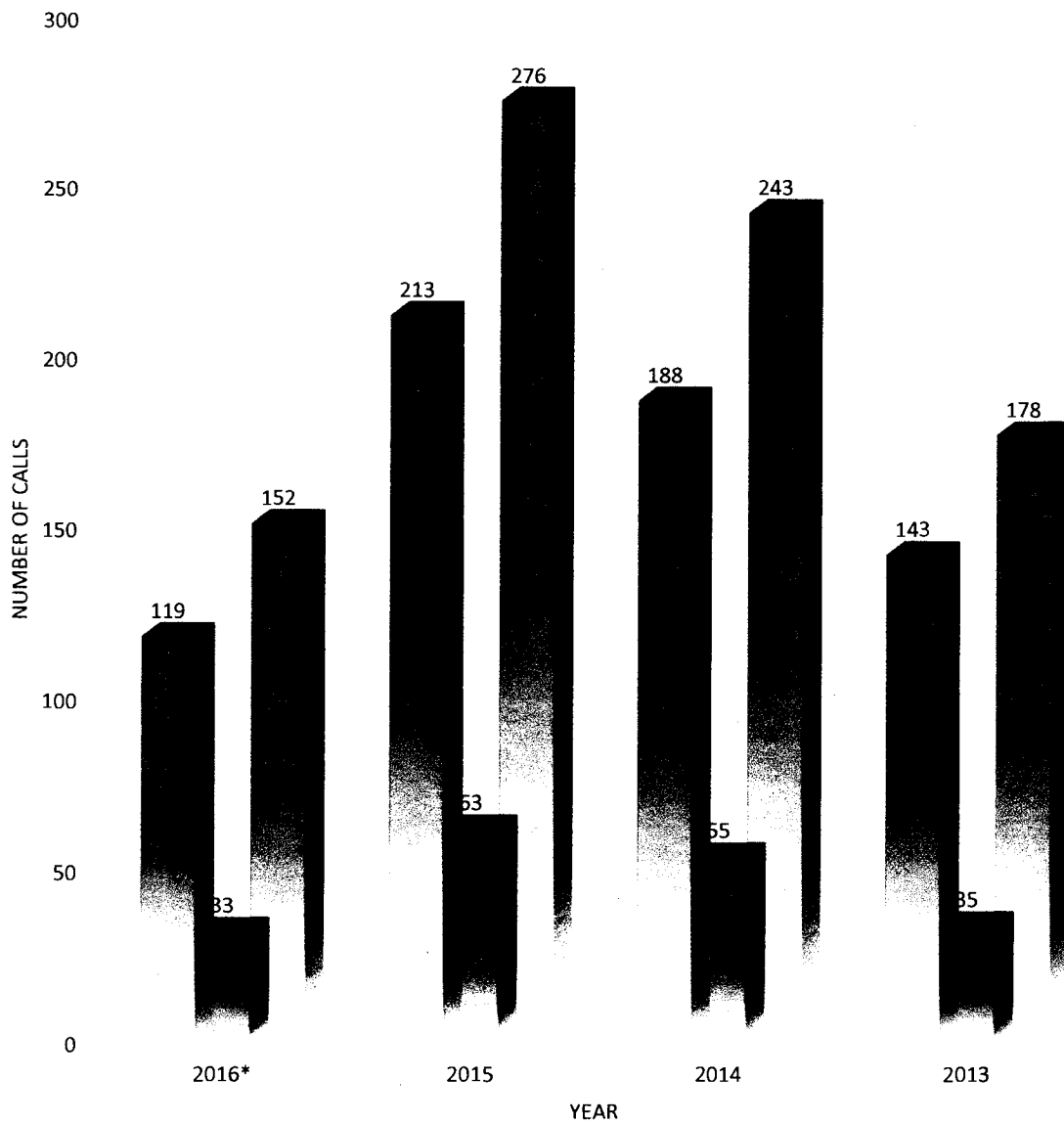
We are a North Carolina not-for-profit corporation with a Class 5 ISO rating. We are also registered as a North Carolina not-for-profit corporation doing business in the State of South Carolina. We are members of the North Carolina State Fireman's Association and the South Carolina State Firefighters Association.

Over the years we have continually upgraded our building and firefighting equipment keeping track of technological advances, firefighter safety, and governmental rules and regulations. In 2005 we moved into our new headquarters at the intersection of US 276 and Cascade Lake Road in Cedar Mountain. Our apparatus currently consists of 2 Class A pumpers, 1 combo Class A pumper/tanker, a 3500 gallon tanker, a service/command truck, a medical response truck, a specialized rescue truck, a personnel transport/towing truck, a portable breathable air compressor, and an ATV.

Our membership has remained relatively steady over the years at between 30 and 32 members including both men and women from all across our district. Those members dedicated over 1,700 hours towards training last calendar year and over 900 hours already this year.

In addition to the training hours mentioned above, we have already answered 152 calls for service this year. This reflects an increase of approximately 10 calls from the same period in 2015. Our calls for service have been steadily increasing over the last several years! Another interesting fact about our calls for service this year is that we have answered 41 calls in the last thirty days!

## CEDAR MOUNTAIN FIRE/RESCUE CALLS FOR SERVICE



■ NC Calls ■ SC Calls ■ Total

Year to Date Calls for Service				
		<b>2015</b>	<b>2014</b>	<b>2013</b>
NC Calls		213	188	143
SC Calls		63	55	35
Total		276	243	178





**BUDGET PROPOSAL FOR FISCAL YEAR 2016-2017**

**Fire District: Cedar Mountain**

**INCOME**

<b>Revenues</b>	<b>FY 15-16 Approved Budget</b>	<b>FY 16-17 Approved Budget</b>
Transylvania County Fire Tax Revenue	\$172,000	\$194,000
Donations & Fundraising	\$12,000	\$12,400
Grants	\$10,000	\$15,000
HazMat Charges	\$0	\$0
Interest Income	\$75	\$75
Miscellaneous	\$200	\$200
Other Income (other municipalities, counties, states)	\$55,000	\$55,000
Sale of Assets	\$0	
Sales Tax Refund	\$2,500	\$3,000
Reserve Fund	\$0	\$0
<b>Total Revenue</b>	<b>\$251,775</b>	<b>\$279,675</b>
<b>Transfers</b>		
Transfers in from Reserve	\$0	
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>
<b>Proceeds from Borrowing</b>		
Proceeds from Borrowing	\$0	
<b>Total Proceeds</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Income</b>	<b>\$251,775</b>	<b>\$279,675</b>

	FY 15-16	FY 16-17
<b>EXPENDITURES</b>	<b>Approved Budget</b>	<b>Proposed Budget</b>
Annual Payment - Apparatus (rolling stock)	\$0	
Annual Payment - Building	\$58,342	\$58,342
Annual Payment - Other Equipment	\$0	
Appreciation and Awards Banquet	\$500	\$500
Audit	\$5,500	\$5,000
Awards	\$150	\$150
Bank Charges	\$12	\$12
Breathing Apparatus	\$4,500	\$4,500
Building Fund	\$0	
Capital - Cash Purchases - Apparatus	\$5,000	\$0
Capital - Cash Purchases - Building	\$0	
Capital - Cash Purchases - Other Equipment	\$0	
Communications (radios, pagers)	\$7,500	\$7,000
Computers	\$0	
County/State Sales Tax	\$3,000	\$3,000
Dry Hydrants	\$2,000	\$2,000
Dues/Subscriptions	\$2,450	\$2,450
Education/Training - Fire Suppression	\$4,500	\$4,500
Education/Training - Medical	\$750	\$750
Education/Training - Rescue	\$750	\$750
Equipment Rental	\$0	
Fire Rescue Supplies	\$1,500	\$1,500
Fire Prevention	\$750	\$750
Fire Suppression Equipment	\$4,500	\$4,500
Flowers/Gifts	\$150	\$150
Food	\$2,000	\$2,000
Fuel	\$8,500	\$8,500
Garbage Disposal	\$2,450	\$2,450
Grants - Matching Funds for Grant Submission		\$30,000
Grounds Maintenance	\$3,000	\$3,000
Immunization (for volunteers)	\$400	\$300
Insurance - Building, Business Umbrella, Error Omission, Vehicle	\$17,500	\$17,500
ISO Rating Improvement	\$0	

	<b>FY 15-16</b>	<b>FY 16-17</b>
	<b>Approved Budget</b>	<b>Proposed Budget</b>
Legal & Professional Fees	\$0	
Licenses & Permits	\$250	\$250
Medical Equipment/supplies	\$2,500	\$3,500
Medical Supplies	\$0	
Miscellaneous	\$1,500	\$1,500
Office Supplies	\$3,021	\$2,021
Paid Personnel County Wide Program	\$45,000	\$45,000
Pension Fund	\$3,500	\$3,500
Per Call Cost Reimbursement	\$6,000	\$6,000
Phone Charges	\$4,500	\$4,000
Physicals	\$5,000	\$4,500
Postage/Shipping	\$300	\$300
Protective Gear	\$5,000	\$5,000
Repair & Maintenance - Apparatus	\$14,000	\$19,000
Repair & Maintenance - Building	\$5,000	\$8,000
Repair & Maintenance - Parking Lot	\$0	
Repair & Maintenance - Fire Training Facility	\$0	
Repair & Maintenance - Other Equipment	\$3,000	\$3,500
Repair & Maintenance - Rescue Equipment	\$2,500	\$2,500
Travel	\$500	\$500
Uniforms	\$1,200	\$1,200
Utilities	\$9,800	\$9,800
Workers Compensation	\$3,500	
<b>Total Expenditures</b>	<b>\$251,775</b>	<b>\$279,675</b>
<b>Excess Income/Expenditures</b>	<b>\$0</b>	<b>\$0</b>



## FIRE DISTRICT - CURRENT DEBT SERVICE

Fire District:                     Cedar Mountain                    

Please list all the fixed monthly, quarterly, or annual payments you have already committed to paying in FY 2016-2017. These would include loans for apparatus (rolling stock), equipment, buildings, land, etc.

<u>List of Equipment, Buildings, Etc.</u>	<u>Creditor</u>	<u>Unpaid Balance as of 07/01/16</u>	<u>Minimum Payments</u>		<u>Timing (mo, qtr, yrly) of Payments</u>	<u># of Months Left as of 07/01/2016</u>
			<u>Interest</u>	<u>Principal</u>		
Consolidation Loan - Bldg. & Trucks	HomeTrust Bank	544526.86	1804.74	3057.13	180	140
<b>Totals</b>		<b>544,527</b>	<b>1,805</b>	<b>3,057</b>		

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**

**CEDAR MOUNTAIN, NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**

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# CARLAND & ANDERSEN, INC.

CERTIFIED PUBLIC ACCOUNTANTS

307 NORTH CHURCH STREET ▪ HENDERSONVILLE, NC 28792

MEMBER - AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER - NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Ronald G. Carland, CPA  
Terry B. Andersen, CPA

F.T. Carland, CPA  
Trish Cheek, CPA  
George B. Lee, CPA  
Harold C. Reid, CPA

## **Independent Auditor's Report**

To the Board of Directors  
Cedar Mountain Volunteer Fire Rescue, Inc.  
Cedar Mountain, North Carolina

We have audited the accompanying financial statements of Cedar Mountain Volunteer Fire Rescue, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cedar Mountain Volunteer Fire Rescue, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the Cedar Mountain Volunteer Fire Rescue, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carlson & Anderson, Inc.*

Brevard, North Carolina  
November 24, 2015

# **Financial Statements**

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2015**

(With Comparative Amounts for June 30, 2014)

<b>Assets</b>		
	<u>2015</u>	<u>2014</u>
<b>Current Assets</b>		
Cash	\$ 43,085	\$ 45,596
Tax revenue receivable	227	107
Sales tax receivable	1,482	2,690
Grants and matching funds receivable		28,030
Prepaid expenses	<u>6,712</u>	<u>6,593</u>
Total Current Assets	<u>\$ 51,506</u>	<u>\$ 83,016</u>
<b>Noncurrent Assets</b>		
Property and equipment, net	<u>\$ 1,108,611</u>	<u>\$ 1,232,101</u>
<b>Total Assets</b>	<u><u>\$ 1,160,117</u></u>	<u><u>\$ 1,315,117</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 7,599	\$ 38,239
Current maturity of long term debt	<u>36,030</u>	<u>34,635</u>
Total Current Liabilities	<u>\$ 43,629</u>	<u>\$ 72,874</u>
<b>Other Liabilities</b>		
Long term debt	<u>\$ 544,528</u>	<u>\$ 580,558</u>
<b>Total Liabilities</b>	<u>\$ 588,157</u>	<u>\$ 653,432</u>
<b>Net Assets</b>		
Unrestricted		
Undesignated	\$ 31,644	\$ 34,617
Investment in property and equipment, net of related debt	<u>528,053</u>	<u>616,908</u>
Total Unrestricted Net Assets	<u>\$ 559,697</u>	<u>\$ 651,525</u>
Temporarily Restricted	<u>12,263</u>	<u>10,160</u>
Total Net Assets	<u>\$ 571,960</u>	<u>\$ 661,685</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,160,117</u></u>	<u><u>\$ 1,315,117</u></u>

The notes to the financial statements are an integral part of this statement.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

(With Comparative Amounts for the year ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Public Support</b>				
Local government tax revenue	\$ 231,204		\$ 231,204	\$ 199,462
Federal and state financial assistance	752	\$ 7,117	7,869	461,738
Subrecipients matching funds				116,697
Fundraising	25,521		25,521	18,446
Total Public Support	\$ 257,477	\$ 7,117	\$ 264,594	\$ 796,343
<b>Other Revenues</b>				
Gain on disposal of asset				\$ 12,000
Investment income	\$ 88	\$ 30	\$ 118	197
Other revenues	9,556		9,556	741
Total Other Revenues	\$ 9,644	\$ 30	\$ 9,674	\$ 12,938
<b>Net Assets Released from Restrictions</b>				
Satisfaction of usage/time restrictions	\$ 5,044	\$ (5,044)		
Total Public Support and Other Revenues	\$ 272,165	\$ 2,103	\$ 274,268	\$ 809,281
<b>Expenses</b>				
Program services	\$ 340,154		\$ 340,154	\$ 769,980
Management and general	17,866		17,866	21,345
Fundraising	5,973		5,973	5,369
Total Expenses	\$ 363,993		\$ 363,993	\$ 796,694
Changes in Net Assets	\$ (91,828)	\$ 2,103	\$ (89,725)	\$ 12,587
Net Assets at Beginning of Year	651,525	10,160	661,685	649,098
Net Assets at End of Year	\$ 559,697	\$ 12,263	\$ 571,960	\$ 661,685

**The notes to the financial statements are an integral part of this statement.**



**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

(With Comparative Amounts for the year ended June 30, 2014)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Salaries and related expenses</b>					
Salaries	\$ 28,501			\$ 28,501	\$ 12,481
Benefits and other expense	6,023			6,023	2,159
Payroll taxes and insurance	2,459			2,459	1,105
<b>Total salaries and related expenses</b>	<b>\$ 36,983</b>			<b>\$ 36,983</b>	<b>\$ 15,745</b>
<b>Other operating expenses</b>					
Auxiliary - fundraising			\$ 4,384	\$ 4,384	\$ 4,656
Bank service charges		\$ 12	12	24	24
Communications	\$ 6,123			6,123	5,305
Depreciation	136,620	3,270		139,890	137,475
Dues and subscriptions	3,091	343		3,434	3,309
Equipment	3,576			3,576	4,872
Fire prevention	353			353	100
Fuel	8,858			8,858	8,340
Insurance	16,451	1,828		18,279	21,792
Interest	21,336	2,371		23,707	25,050
Medical expense	4,171			4,171	5,513
Medical supplies	3,741			3,741	2,476
Office expense	1,112	1,111		2,223	2,931
Other operating expenses	17,419	1,040	1,577	20,036	13,652
Pension	2,640			2,640	2,400
Personal protective equipment	245			245	2,874
Postage		194		194	237
Professional fees		4,850		4,850	7,135
Refuse disposal	2,043	227		2,270	1,936
Repairs and maintenance	54,651	1,346		55,997	36,130
Subrecipients equipment acquisitions					470,446
Supplies	545			545	744
Telephone	3,130	348		3,478	3,982
Travel	14			14	
Training and education	8,716			8,716	7,880
Utilities	8,336	926		9,262	11,690
<b>Total other operating expenses</b>	<b>\$ 303,171</b>	<b>\$ 17,866</b>	<b>\$ 5,973</b>	<b>\$ 327,010</b>	<b>\$ 780,949</b>
<b>Total expenses</b>	<b>\$ 340,154</b>	<b>\$ 17,866</b>	<b>\$ 5,973</b>	<b>\$ 363,993</b>	<b>\$ 796,694</b>

The notes to the financial statements are an integral part of this statement.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

(With Comparative Amounts for the year ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (89,725)	\$ 12,587
Noncash items included in change in net assets		
Depreciation	139,890	137,475
Changes in operating assets and liabilities		
Tax revenue receivable	(120)	48
Sales tax receivable	1,208	(1,444)
Grants and matching funds receivable	28,030	(24,177)
Prepaid expenses	(119)	291
Accounts payable and accrued expenses	(30,640)	34,666
	<u>\$ 48,524</u>	<u>\$ 159,446</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property and equipment	\$ (16,400)	\$ (132,932)
<b>Cash Flows from Financing Activities</b>		
Payments on long term debt	\$ (34,635)	\$ (33,293)
Net (Decrease) in Cash	\$ (2,511)	\$ (6,779)
Cash - Beginning of Year	<u>45,596</u>	<u>52,375</u>
Cash - End of Year	<u>\$ 43,085</u>	<u>\$ 45,596</u>
<b>Supplemental disclosure:</b>		
Interest paid	<u>\$ 23,707</u>	<u>\$ 25,050</u>

The notes to the financial statements are an integral part of this statement.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities**

Cedar Mountain Volunteer Fire Rescue, Inc. (the Organization) is a non-profit organization located in Cedar Mountain, North Carolina. The Organization was incorporated in the State of North Carolina on July 1, 1980, and provides fire protection and rescue services to the Cedar Mountain, North Carolina service district as well as to designated areas of Greenville County, South Carolina.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**FASB Accounting Standards Codification**

In June 2009, the Financial Accounting Standards Board (FASB) issued a statement titled *The Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (ASC). This standard establishes FASB ASC as the source of authoritative United States accounting and reporting standards for nongovernmental entities. References made to generally accepted accounting principles (GAAP) in these statements refer to the ASC.

**Financial Statement Presentation**

The Organization reports in compliance with ASC 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Information regarding its financial position and activities are grouped according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes of net assets are defined as follows:

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Unrestricted Net Assets**

Unrestricted net assets represent resources whose use is not limited or restricted by donors. They generally arise as a result of exchange transactions, unrestricted contributions, or restricted contributions whose restrictions have expired due to time and/or purpose requirements being met. Unrestricted net assets are classified as follows in the Statement of Financial Position:

**Undesignated Net Assets** – Net assets that are not subject to donor imposed stipulations or designations.

**Investment in Property and Equipment** – Net assets that are designated and consist of the investment in property and equipment, net of accumulated depreciation and related debt.

**Temporarily Restricted Net Assets**

Temporarily restricted net assets represent resources subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as *Satisfaction of Usage/Time Restrictions*.

**Permanently Restricted Net Assets**

Permanently restricted net assets represent resources that must be maintained permanently. Like temporarily restricted net assets, permanent restrictions may be imposed only by the donor. However, permanently restricted net assets generally do not get reclassified, since, by definition, the donor imposed stipulations to treat the contribution as an endowment results in the restriction never expiring. The income may be unrestricted or may also be restricted according to the donor's wishes.

As of June 30, 2015 and 2014, the Organization held no permanently restricted net assets.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Comparative Information**

The financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

**Fair Value Measurements and Disclosures**

The Organization discloses for each class of financial instruments the methods used and the significant assumptions made in determining the fair value of financial assets and/or liabilities. If there is a change in the valuation method, then the Organization discloses both the change and the reason for the change.

The Organization estimates the fair value of all financial instruments and those estimates do not materially differ from the aggregate carrying values of the financial instruments as recorded in the Statement of Financial Position.

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies.

**Cash and Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Grants and Subrecipients Matching Funds Receivable**

Grants receivable as of June 30, 2014, consisted of unconditional grants awarded as of year end but not received and related sub-recipient matching funds not received as of June 30, 2014. These grants and sub-recipient matching funds receivable were fully realized during the year ended June 30, 2015.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Acquisitions of property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Building and improvements, vehicles, equipment and furniture are depreciated over estimated useful lives of five to forty years. All property and equipment are depreciated using the straight-line method.

**Contributions and Donor Restrictions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence or nature of any donor restrictions. Grants and other contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized.

All other donor restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as *Satisfaction of usage/time restrictions*.

**Support and Revenue Sources**

The Organization receives support from multiple sources that include local government tax revenues and grant agreements with governmental entities; individual contributions are also received.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Contributed Services**

Contributed services that create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills are to be recognized as support. For the years ended June 30, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization in its specific program and fundraising activities.

**Functional Allocation of Expenses**

The costs for providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Firemen's and Rescue Squad Workers' Pension Fund**

The Organization contributes to the North Carolina Firemen's and Rescue Squad Workers' Pension Fund \$120 annually on behalf of each member of Cedar Mountain Volunteer Fire Rescue, Inc. with at least one year of service. For the years ended June 30, 2015 and 2014, the Organization contributed \$2,640 and \$2,400, respectively, on behalf of the qualifying members of the Organization.

Any member who has served twenty years as an "eligible fireman" or "eligible rescue squad worker" in the State of North Carolina and who has attained the age of fifty-five years is entitled to be paid a monthly pension from the fund in the amount of \$170 per month.

**Firemen's Relief Fund**

The State of North Carolina contributes funds to the Cedar Mountain Volunteer Fire Rescue, Inc. local relief fund for fire persons. For the June 30, 2015 year, the state contributed \$572 to the fund and the balance at year end was \$9,333. For the June 30, 2014 year, the state contributed \$707 to the fund and the balance at year end was \$8,737.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Income Tax Status**

The Organization is a non-profit corporation exempt from federal and state income taxes under Section (501)(c)(3) of the Internal Revenue Code and related state law and classified by the Internal Revenue Service as other than a private foundation. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal or state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2015. Years ended on or after June 30, 2012, remain subject to examination by federal and state tax authorities.

**NOTE 2 - Property and Equipment**

Property and equipment consist of the following:

	2015	2014
Land	\$ 45,000	\$ 45,000
Building	808,248	799,131
Vehicles	1,297,047	1,297,047
Equipment	744,846	737,562
Furniture and Fixtures	15,797	15,797
Less: Accumulated Depreciation	(1,802,327)	(1,662,436)
Total property and equipment (net)	\$ 1,108,611	\$ 1,232,101

Depreciation expense is \$139,890 and \$137,475 for the years ended June 30, 2015 and 2014, respectively.



**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 – Long Term Debt**

Long term debt consists of a note payable with a local financial institution. The note is secured by the Organization’s real property located in Cedar Mountain, North Carolina as well as collateralized with certain equipment. The terms of the long term debt obligation are as follows:

Note payable with monthly payments of \$4,862 including interest at 3.955%, secured by building and equipment, due February 7, 2028 -	\$ 580,558
Less: current portion of long-term debt	<u>(36,030)</u>
Long-term debt	<u><u>\$ 544,528</u></u>

Scheduled principal repayments are as follows

Fiscal Year	
2016	\$ 36,030
2017	37,481
2018	38,991
2019	40,560
2020	42,194
Next five years	237,874
Thereafter	<u>147,428</u>
Total	<u><u>\$ 580,558</u></u>

Interest expense on long term debt for the years ended June 30, 2015 and 2014 is \$23,707 and \$25,050, respectively.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 - Temporarily Restricted Net Assets**

Net assets are released from donor restrictions by meeting time restrictions or by incurring expenses satisfying the purpose restrictions specified by donors. Temporarily restricted net assets at June 30, 2015 and 2014, are available for the following purposes:

	2015	2014
Firemen's Relief Fund	\$ 9,333	\$ 8,737
SC 1% Fund	2,930	1,365
FEMA - Assistance to Firefighters Grant	58	58
Total Temporarily Restricted Net Assets	\$ 12,263	\$ 10,160

**NOTE 5 – Grants**

During the year ended June 30, 2015, the Organization received a grant in the amount of \$4,987 from the North Carolina Office of the State Fire Marshall (OSFM). The OSFM Fire Grant was a matching grant toward the purchase of equipment for the Organization. These funds were fully expended during the fiscal year. The Organization also received notification during the fiscal year of funding for a similar grant for 2016 in the amount of \$6,250. These funds had not been received or expended as of June 30, 2015. Additionally, the Organization received a grant in the amount of \$1,558 from the South Carolina Office of State Fire Marshal under the “one-percent money” fund. The fund is a one-percent tax collected on all fire insurance premiums written in the state. By law, fire departments must spend one-percent money in one of three categories: retirement and insurance, training and education, and recruitment and retention. No one-percent money was expended during the years ended June 30, 2015 and 2014

**NOTE 6 - Summary of Disclosure of Significant Commitments and Contingencies**

**Risk Management**

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; employees and natural disasters. The Organization carries commercial insurance for risks related to workers compensation, employee liability; and property and casualty insurance for risks related to theft, fire and other natural disasters. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded insurance coverage in any of the past three fiscal years.

**CEDAR MOUNTAIN VOLUNTEER FIRE RESCUE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6 - Summary of Disclosure of Significant Commitments and Contingencies (continued)**

**Concentration of Credit Risk**

Financial instruments that can potentially subject the Organization to credit risk include cash on deposit with financial institutions. The amount of cash held by the Organization in demand accounts did not exceed the \$250,000 amount insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2015 and 2014.

**NOTE 7 – Subsequent Events**

Subsequent events have been evaluated through November 24, 2015, which is the date the financial statements were available to be issued.