Budget Summary

Blue Ridge Fire & Rescue, Inc. 2026-2027

History

Since the establishment of Blue Ridge Fire & Rescue, Inc. in 1958, our objective has been to provide protection of life and property through firefighting, rescue, and emergency medical activities to the best of our ability. We are very community oriented and strive to be an integral influence throughout the schools, neighborhoods, and areas we serve. Our mission statement is "Community First" and we endeavor daily to live up to that commitment.

Goals and Accomplishments

Our notable accomplishments in the last year are as follows:

- In 2025 we answered a total of 2783 calls for service.

- We began the process of evaluating our preparedness for managing both major and multiple incidents such as natural disasters, searches, large fires, and mass casualties using lessons learned from Hurricane Helene and other major incidents. This process identified a need for relocating our internal EOC, which has historically been mobile within our station. We have started to gather some equipment and supplies that will allow us to have a more permanent footprint and reduce the time and effort required to activate the EOC when needed. We have began preparing a room at our main station to become a dedicated space for an EOC/Office Space for our Captains.

- We purchased turnout gear as part of our annual cycle of replacement to maintain in-date gear that meets the accepted standards for all personnel. This completed a program we initiated in 2020 to ensure that members had the correct ppe for our operation tempo and needs. Moving forward we have reduced the amount needed in our budget by half and this will allow us to maintain the program.

- We continue to update our training program to include additional training aids and props to better prepare our members. Also, we search out progressive opportunities to provide up to date and pertinent training to ensure personnel readiness. The fire service is ever-changing and a keystone of our commitment to the community is being ready to meet these new challenges with the knowledge and skills necessary to be successful.

- Our members continue to work to complete their NC Certifications. Our goal is to not only have all personnel certified but to ensure that they are capable and competent.

- We have a clear need for additional staffing and will add personnel as funds become available, we hired one additional full-time personnel. We have budgeted for 3 additional part-time staff adding an additional person per shift.

- We continue to look at our apparatus replacement needs, and plan to replace large and small apparatus per our standard replacement rotation. Our replacement rotation plan is based on manufacturers recommendations, national standards, age, equipment reliability, department operational needs, and condition of the vehicle. We only add or replace apparatus as is required to ensure the readiness of our organization.

- Public involvement and engagement remains a top priority with Blue Ridge as we move forward with solid goals that will benefit the community. We make great efforts to be out in the community and interact with the individuals we serve to educate and improve their overall safety.

Present and Future Needs

We continue housing two staff in the Village of Flat Rock for twenty-four-hour shifts to provide better coverage for the Village and surrounding area. This has made a vast improvement in our ability to provide service in that area and reinforces the need for disbursement of our resources to additional areas of our district. Our organization answers a high number of calls for service, relative the area, and will continue to work to best meet this need.

We currently plan to hire additional staff as funds become available due to our call volume and the demand for our services continuing to grow.

We plan to purchase a number of Viper radios as well as upgrade our outdated radios

The parking lot and driveway at Station II is in need of repair and we are budgeting to replace the asphalt soon.

Our truck committee is composed of paid and volunteer personnel who continue to work on truck replacement needs and specifications for needed apparatus. Due to manufacturer lead times and projected needs, we are working to spec large apparatus replacements and while we do not expect to take delivery of any new large apparatus this year we do expect to complete to refurbishment of a used apparatus to allow for a reserve when our first out apparatus are out of service.

Small vehicle purchases such as those used for Brush Fires and Tactical trucks are still on our normal rotation for purchases.

We continue to have a substantial need for capital improvement projects, we identified ways to use a portion of our upcoming budget as well as some of our contingency funds to fund future Capital Projects.

Annexation

The impact of annexation by the City of Hendersonville continues to create concern as it causes stagnation of our budget leaving us in a unique position. We continue to provide services in these areas without compensation. We are committed to maintaining a professional relationship with the City of Hendersonville Fire Department and will continue working with them in the future to address community needs.

Equipment

Blue Ridge has nineteen apparatus, two ATVs, and a Fire Safety House. Strong emphasis is placed on Community Risk Reduction and Public Education through presentations made to the school system, homeowner associations, community clubs, and other local events.

Finances

Our annual budget review with our Chief, Administrative Specialist, and Board of Directors continues to ensure that we stay on course with our annual budget.

We have experienced technical issues with our Payroll Data being routed and mapped to several incorrect accounts in Quickbooks Online, this was a recurring issue after switching to the cloud based Quickbooks vs. the desktop application. While some of these issues have been addressed sporatically, they continue to create extra work for our finance team and our CPA, resulting in delays to our books being ready for our annual audit.

However, we are aggressively addressing these issues by working with our CPA and a Part-time contract employee to make the necessary corrections and get us on a more efficient timeline.

We continue to work with Crawley and Lee, CPA to complete our audit for the fiscal year 2024 & 2025 . Upon receiving these items, we will review them and submit them as soon as possible.

Insurance Ratings

We are a Class 3 and achieved that in 2018. The results of our latest rating performed in February 2023 showed improvement, but we currently remain a Class 3.

Manpower

We are a combination department with 1 full-time Fire Chief, 1 full-time Deputy Chief, 1 full-time Battalion Chief, 1 paid full-time Administrative Specialist/firefighter, 16 full-time Firefighters, 18 Volunteers, 3 Junior Firefighters, and 33 Lifetime Members. Our roster consists of experienced and generous members who bring a multitude of talents to the department. The ability to recruit, train, and keep our volunteers is key to providing cost-effective fire protection to our district.

Current personnel certifications include 5 Paramedics, 2 Advanced EMTs, 22 EMTs, 28 Certified Firefighters,12 State Instructors, 15 State Certified Officers, 21 RTs, 3 Certified Divers, 5 Confined Space Technicians, 5 Trench Technicians, 23 Urban Interface Firefighting, and 21 Child Safety Seat Technicians.

District

Blue Ridge Fire & Rescue Protection District covers two thirds of the Village of Flat Rock, East Flat Rock, meets with the South end of the City of Hendersonville and extends into a special use district in the Big Hungry and Pot Shoals areas. Acquired in 2016, this district is a special use district that allows us to provide coverage for any structure over the Henderson County line into Polk County that is within our Six Mile coverage area. A contract was signed with Polk County in June 2016.

Substations

Facilities include the main station which is located at 2503 Old Spartanburg Road, and one substation which is located at 61 Village Center Drive.

Fy 26/27 Plans

As we have not seen adequate increases from year to year in our budget, we cannot reduce our current tax rate without creating the possibility/likelihood of laying off personnel before the end of a four-year budget cycle. It is possible to maintain our current staffing level, but it would eliminate our ability to remain competitive in pay and benefits with other departments in the area. We do have the benefit (to employees) of participating in the state retirement system, but as a department it requires over 14% more to pay an employee the same amount as other departments. To this end we are requesting to stay at our current tax rate.

We remain diligent in our quest to increase our contingency fund to adequate levels. We recognize the need for constructing two additional stations and plan to continue to pursue that goal. We are moving forward with plans to adjust our apparatus fleet to achieve the most efficient mix for our protection district.

It is our intention to be as responsible as possible with the resources afforded to us by our community. While we strive to accomplish this every day, the current economy and other factors beyond our control have our resources spread pretty thin with no signs of letting up. All of this means that we will continue to search for the most efficient way to operate while remaining competent and capable to provide for the needs of our community.

Type Department Name Here

ITEM DESCRIPTION	2025-2026 BUDGET	YEAR-TO-DATE	2026-2027 BUDGET	INCREASE/DECREASE
		AS OF		
REVENUE				
PRESENT/REQUESTED TAX RATE				
ACTUAL HENDERSON COUNTY REVENUE RECEIVED				
Henderson County Ad Valorem Taxes	$2,229,052.10	$2,264,709.15	$2,297,782.82	$68,730.72
Donations	$0.00		$0.00	$0.00
Fundraising	$0.00		$0.00	$0.00
Grants	$0.00		$0.00	$0.00
HazMat Charges	$0.00		$0.00	$0.00
Interest Income			$0.00	$0.00
Miscellaneous		$4,726.06	$6,100.00	$6,100.00
NC County Sales Tax Refund	$5,000.00		$10,000.00	$5,000.00
NC Fuel Tax Refund	$1,500.00		$1,500.00	$0.00
Other Income (City, Other Counties, Town)	$1,095,395.89	$860,153.70	$1,121,320.65	$25,924.76
Rental Income	$30,000.00	$8,699.06	$12,000.00	($18,000.00)
Sales of Assets	$0.00			$0.00
Total Revenues	$3,360,947.99	$3,138,287.97	$3,448,703.47	$87,755.48
FOOTNOTES				
**Polk County contract is in Misellaneous				
**Village of FR is in Other Income				

Type Department Name Here

ITEM DESCRIPTION	2025-2026 BUDGET	YEAR-TO-DATE AS OF	2026-2027 BUDGET	INCREASE/DECREASE
EXPENDITURES				
Administrative Cost				
Annual Payment - Apparatus	$110,000.00	$76,913.82	$102,540.00	($7,460.00)
Annual Payment - Building	$100,000.00	$67,732.38	$90,300.00	($9,700.00)
Annual Payment - Other Equipment	$0.00		$0.00	$0.00
Appreciation and Award Banquets	$8,000.00	$6,212.13	$12,000.00	$4,000.00
Bank Charges	$200.00	$105.00	$200.00	$0.00
Building Fund	$14,000.00	$8,900.00	$24,266.55	$10,266.55
Chaplain	$0.00		$0.00	$0.00
Computer	$8,500.00	$6,753.51	$7,500.00	($1,000.00)
Contingency Funds	$100,000.00	$75,000.00	$75,000.00	($25,000.00)
Contract Labor (Part-Time Clerk)	$0.00		$16,343.92	$16,343.92
County/State Tax	$1,000.00	$876.60	$1,000.00	$0.00
Discretionary Fund	$0.00			$0.00
Deposits/Down Payment	$0.00			$0.00
Dues/Subscriptions	$23,000.00	$6,605.05	$7,000.00	($16,000.00)
Expendable Supplies	$15,829.02			($15,829.02)
Flowers/Gifts	$4,000.00	$3,836.09	$4,000.00	$0.00
Food	$0.00			$0.00
Insurance - Building, Business Umbrella, Error	$63,000.00	$65,685.84	$68,000.00	$5,000.00
Legal and Professional Fees	$25,000.00	$32,000.00	$30,000.00	$5,000.00
Licenses and Permits	$1,000.00			($1,000.00)
Miscellaneous	$500.57			($500.57)
Office Supplies	$4,000.00	$4,968.27	$5,500.00	$1,500.00
Public Relations	$5,000.00	$3,954.80	$5,000.00	$0.00
Rent	$0.00			$0.00
(Optional Line Item)				$0.00
(Optional Line Item)				$0.00
(Optional Line Item)				$0.00
(Optional Line Item)				$0.00
Total Administrative Cost	$483,029.59	$359,543.49	$448,650.47	($34,379.12)

Operational Cost				
Breathing Apparatus	$0.00			$0.00
Communications (radios, pagers, cell phone)	$50,000.00	$14,028.71	$65,000.00	$15,000.00
EMT Supplies & Equipment	$12,000.00	$9,322.48	$13,000.00	$1,000.00
Firefighting Supplies & Equipment	$50,000.00	$47,269.18	$51,000.00	$1,000.00
Firefighting Equipment Maintenance	$5,080.00	$7,409.56	$10,000.00	$4,920.00
Fuel	$55,000.00	$22,748.79	$60,000.00	$5,000.00
Hazardous Materials Supplies	$500.00	$0.00	$500.00	$0.00
Infection Control	$1,500.00	$0.00	$500.00	($1,000.00)
Maintenance/Repair of Apparatus	$65,000.00	$48,563.91	$65,000.00	$0.00
DOI				$0.00
Physical Fitness	$11,000.00	$8,160.00	$11,000.00	$0.00
Public Education and Fire Prevention	$20,000.00	$18,931.00	$21,000.00	$1,000.00
Rehabilitation	$0.00			$0.00
Rescue Equipment	$10,000.00	$9,400.00	$11,000.00	$1,000.00
Training	$45,000.00	$51,630.00	$53,000.00	$8,000.00
Turn Out Gear	$50,000.00	$51,023.69	$60,000.00	$10,000.00
Uniforms	$25,000.00	$24,866.00	$26,000.00	$1,000.00
NFPA Physicals				$0.00
(Optional Line Item)				$0.00
(Optional Line Item)				$0.00
Total Operational Cost	$400,080.00	$313,353.32	$447,000.00	$46,920.00
PERSONNEL COST				
Payroll				
Gross Full-Time Pay	$1,209,600.00	$907,200.00	$1,410,547.33	$200,947.33
Gross Part-Time Pay	$63,000.00	$48,000.00	$64,000.00	$1,000.00
Gross Overtime Pay	$304,500.00	$265,412.00	$75,500.00	($229,000.00)
Gross Holiday Pay	$32,000.00	$26,000.00	$47,718.72	$15,718.72
Employer's Payroll Taxes (6.2% Soc. Sec. 1.45%	$123,000.00	$99,785.00	$125,000.00	$2,000.00
Bonus			85,670.91	$85,670.91
Vol./FF Reimbursement/Stipend	1,000.00		1,000.00	$0.00
(Optional Line Item)				$0.00
(Optional Line Item)				$0.00
(Optional Line Item)				$0.00
Total Payroll Cost	$1,733,100.00	$1,346,397.00	$1,809,436.96	$76,336.96
Benefits				
Employer's Retirement Contribution	$225,000.00	$178,832.91	$228,534.00	$3,534.00
Supplemental Retirement 401k/457	$66,694.00	$47,944.48	$63,207.04	($3,486.96)
Health Insurance	$300,000.00	$271,652.54	$283,000.00	($17,000.00)

Department Name 2025-2026 EXPENDITURES

Dental Insurance	$18,000.00	$12,592.74	$22,000.00	$4,000.00	
Vision Insurance	$8,000.00	$5,721.44	$5,000.00	($3,000.00)	
Life Insurance	$3,000.00	$1,632.00	$3,000.00	$0.00	
Supplemental Insurance plans	$9,000.00	$7,100.00	$5,000.00	($4,000.00)	
State Firemen's Pension Fund				$0.00	
(Optional Line Item)				$0.00	
(Optional Line Item)				$0.00	
(Optional Line Item)				$0.00	
(Optional Line Item)				$0.00	
Total Benefits Cost	$629,694.00	$525,476.11	$609,741.04	($19,952.96)	
STATIONS:					
MAIN STATION					
Building Maint	$40,000.00	$29,650.79	$45,000.00	$5,000.00	
Cable	$2,500.00	$1,900.00	$2,500.00	$0.00	
Internet	$3,119.40	$2,422.44	$3,200.00	$80.60	
Electric	$12,000.00	$8,756.27	$13,000.00	$1,000.00	
Garbage	$7,500.00	$5,866.48	$8,000.00	$500.00	
Grounds Upkeep	$4,000.00	$2,600.00	$5,000.00	$1,000.00	
Heating Fuel	$5,000.00	$4,300.00	$5,000.00	$0.00	
Station Supplies	$7,500.00	$6,008.25	$8,500.00	$1,000.00	
Telephone	$3,000.00	$2,745.00	$3,000.00	$0.00	
Water	$1,500.00	$1,021.00	$2,000.00	$500.00	
STATION #2					
Building Maint	$10,000.00	$6,050.00	$20,000.00	$10,000.00	
Cable	$2,500.00	$1,800.00	$2,500.00	$0.00	
Internet	$1,675.00	$875.00	$1,675.00	$0.00	
Electric	$5,000.00	$3,740.00	$5,000.00	$0.00	
Garbage	$500.00	$300.00	$500.00	$0.00	
Grounds Upkeep	$3,000.00	$2,025.15	$3,000.00	$0.00	
Heating Fuel	$3,000.00	$1,800.00	$3,000.00	$0.00	
Station Supplies	$2,500.00	$1,877.00	$2,500.00	$0.00	
Telephone	$0.00		$0.00	$0.00	
Water	$750.00	$250.00	$500.00	($250.00)	
STATION #3					
Building Maint				$0.00	
Cable				$0.00	
Internet				$0.00	
Electric				$0.00	

Garbage				$0.00	
Grounds Upkeep				$0.00	
Heating Fuel				$0.00	
Station Supplies				$0.00	
Telephone				$0.00	
Water				$0.00	
STATION #4					
Building Maint				$0.00	
Cable				$0.00	
Internet				$0.00	
Electric				$0.00	
Garbage				$0.00	
Grounds Upkeep				$0.00	
Heating Fuel				$0.00	
Station Supplies				$0.00	
Telephone				$0.00	
Water				$0.00	
Total Station Cost	$115,044.40	$83,987.38	$133,875.00	$18,830.60	
TOTAL EXPENDITURES	$3,360,947.99	$2,628,757.30	$3,448,703.47	$87,755.48	
Footnotes:					
**Grounds: Mower and Sm equp. Maint					
**Truck Maint. Includes 4x4					
**Bonus includes: training, cert, longevity					
**Expendable Supplies--moved to FF/Etc.					

Type Department Name Here		Capital Projects Roster					
Project Year	**Project Name**	**Category**	**Quantity**	**Per Unit**	**Project Cost**	**Purchase or Finance**	**Budget Line Item # (if applicable)**
					$ -		
2026	EOC Room	Equipment	1	$15,000.00	$ 15,000.00	Purchase	38: Communications
2026	Pavement Fixed at Station II	Building/Land	1	$100,000.00	$ 100,000.00	Purchase	99: Building Maintenance/Contingency
2026	Turnout Gear	Equipment	6	$10,000.00	$ 60,000.00	Purchase	52: Turnout Gear
2026	Radio Upgrades	Equipment	16	$2,500.00	$ 40,000.00	Purchase	38: Communications
2026	IT/Network	Equipment	1	$5,000.00	$ 5,000.00	Purchase	38: Communications
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Type Department Name Here

CURRENT ASSETS	AS OF
Item Description	**Current Balance**
Bonds, Certificates of Deposit, Stock	
General Checking	$838,382.32
Savings	$12,246.00
Truck Fund	$286,000.00
Building Fund	$312,000.00
Future Needs	
Contingency Fund	$1,381,058.00
Total assets	$2,829,686.32

Notes:

2023/2024 TAX RATE WORKSHEET FOR

Type Department Name Here		
DESCRIPTION	**AMOUNT**	
TOTAL DISTRICT TAX ASSESSMENT 2026-2027	**$1,831,707,230.00**	
Divided by 100		
TOTAL	$18,317,072.30	
Multiplied by requested tax rate	0.13	
TOTAL	$2,381,219.40	
*Multiplied by tax collection percentage (97%)		
TOTAL	$2,309,782.82	
Subtract Training Center Assessment	12,000	
Add Projected Payments in Lieu of Taxes		
****TOTAL PROJECTED REVENUE**	**$2,297,782.82**	
** Revenue is projected because it does not reflect tax discoveries, releases or refunds.		
* Collection percentage based on last complete year of collections.		

2023/2024 TAX RATE WORKSHEET FOR

Type Department Name Here		
DESCRIPTION	**AMOUNT**	
TOTAL DISTRICT TAX ASSESSMENT 2026-2027	**$889,231,283.00**	
Divided by 100		
TOTAL	$8,892,312.83	
Multiplied by requested tax rate	0.13	
TOTAL	$1,156,000.67	
*Multiplied by tax collection percentage (97%)		
TOTAL	$1,121,320.65	
Subtract Training Center Assessment		
Add Projected Payments in Lieu of Taxes		
****TOTAL PROJECTED REVENUE**	**$1,121,320.65**	
** Revenue is projected because it does not reflect tax discoveries, releases or refunds.		
* Collection percentage based on last complete year of collections.		

Form **8868**

(Rev. January 2025)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return or Excise Taxes Related to Employee Benefit Plans

File a separate application for each return.
Go to *www.irs.gov/Form8868* for the latest information.

OMB No. 1545-0047

Electronic filing (*e-file*). You can electronically file Form 8868 to request up to a 6-month extension of time to file any of the forms listed below except for Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts. An extension request for Form 8870 must be sent to the IRS in a paper format (see instructions). For more details on the electronic filing of Form 8868, visit *www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.*

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Part I — Identification

Type or Print

File by the due date for filing your return. See instructions.

Name of exempt organization, employer, or other filer, see instructions.
Blue Ridge Fire and Rescue, Inc.

Taxpayer identification number (TIN)
[redacted]

Number, street, and room or suite no. If a P.O. box, see instructions.
2503 Old Spartanburg Rd

City, town or post office, state, and ZIP code. For a foreign address, see instructions.
East Flat Rock, NC 28726

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 4720 (other than individual)	09
Form 4720 (individual)	03	Form 5227	10
Form 990-PF	04	Form 6069	11
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8870	12
Form 990-T (trust other than above)	06	Form 5330 (individual)	13
Form 990-T (corporation)	07	Form 5330 (other than individual)	14
Form 1041-A	08	Form 990-T (governmental entities)	15

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name

Plan Number

Plan Year Ending (MM/DD/YYYY)

Part II — Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of Phillip Carland

Telephone No. [redacted] Fax No.

• If the organization does not have an office or place of business in the United States, check this box . . . . ☐

• If this is for a Group Return, enter the organization's four-digit Group Exemption Number (GEN) ________ .

If this is for the whole group, check this box . . . . ☐

If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for . . ☐

1 I request an automatic 6-month extension of time until 5/15 , 20 26 , to file the **exempt organization return** for the organization named above. The extension is for the organization's return for:

☐ calendar year 20 ____ or

☑ tax year beginning 07/01 , 20 24 , and ending 06/30 , 20 25 .

2 If the tax year entered in line 1 is for less than 12 months, check reason:

☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Part III — Extension of Time To File Form 5330 (see instructions)

1 I request an extension of time until ________________, 20 ____, to file Form 5330.

You may be approved for up to a 6-month extension to file Form 5330, after the normal due date of Form 5330.

a	Enter the Code section(s) imposing the tax.	1a	
b	Enter the payment amount attached.	1b	$
c	For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date (MM/DD/YYYY).	1c	

2 State in detail why you need the extension.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature *Phillip D. Carland* Date *11/5/2025*

Blue Ridge Fire and Rescue
Procedures and Controls
July 1, 2024 through June 30, 2025

Accounting Staff:

Phil Carland, Administrative Specialist/Corporate Secretary - Handles daily accounting.

Carl Shaw, CPA - prior year auditor and now contracted by Blue Ridge Fire and Rescue to review the general ledger and assist with reconciliations, journal entries and assist with preparing schedules.

Safeguarding of accounting records:

The only people with access during the year to QuickBooks was Administrative Specialist, Phil Carland, contract CPA, Carl Shaw and the Chief.

QuickBooks is online and stored on the cloud.

Cash Receipts, Program Service Fees, Support (Grant Income) and Other Revenue

Cash Receipts:

All receipts sent to the department's physical address, as well as electronic payments sent directly to the department's bank account are recorded as received. Revenue typically falls into one of the following categories: local government revenue, rental income, grant income and other income.

The departments primary source of revenue is derived from the County of Henderson in the form of Ad Valorem and sales tax. The ad valorem and sales tax amounts are electronically deposited into Blue Ridge's bank account once a month. A copy of this EFT is kept by the Department.

Although a majority of the revenue arrives electronically, any revenue received by mail is deposited on a weekly basis. When the funds arrive in the form of cash or check, they are secured in a locked filing cabinet by the Administrative Specialist. They are taken to the bank on a weekly basis then entered into QuickBooks by the Administrative Specialist and the receipts from the deposit are stapled to the individual deposit slip in the deposit record book stored in a filing cabinet locked in the Administrative Specialist's office.

Any grant income received by mail is deposited. When the funds arrive in the form of cash or check, they are secured in a locked filing cabinet by the Administrative Specialist. They are taken to the bank and then entered into QuickBooks by the Administrative Specialist and the receipts from the deposit are stapled to the individual deposit slip in the deposit record book stored in the same secured filing cabinet. Contributions are rarely received. Any restrictions on revenue are recorded and spent on grants or donors intended purpose.

<u>Accounts Receivable</u>

At the end of the year accounts receivable from the County is recorded by Carl Shaw. The only receivable the Department usually has is the amount due from the County received after year end for the month of June.

Refund for sales taxes paid are to be filed with the NC Department of Revenue. These are due by July 31 and January 31 for the subsequent 6 months.

<u>Cash Disbursements, Accounts Payable and Other Liabilities, and Expenses for Program and Supporting Services</u>

Bank statements are received by Phil Carland to prepare the monthly bank reconciliations and the reconciliations and bank statements are given to the Board President, Vice President or Treasurer for review and for signature of approval. Each bank statement and reconciliation are then filed in a secure filing cabinet.

Credit Card Purchases

There are credit cards from various vendors. Listed below are the card vendors and the positions/people who have a card:

Walmart - Chief, Deputy Chief, Administrative Professional, Captains (3)
Staples - Chief, Administrative Professional
Marathon - Chief, Deputy Chief, Station Card (kept at local station)
Mastercard - Chief, Deputy Chief, Administrative Professional, Captains (3), Corporate Use Card

The authorized users keep the card in their possession. The Corporate card is secured in a filing cabinet.

There is one credit card referred to as the "Corporate card" that is locked securely in a filing cabinet in the chief's office. The card is only used by employees that have permission from the chief.

The Chief, Deputy Chief, and Administrative Specialist authorize credit card purchases either verbally or written. Users are authorized to make purchases that fall within the operating budget. If in the event a purchase was made without prior approval, the individual would meet with the Chief and Deputy Chief to discuss the occurrence which could result in disciplinary action.

Credit card accounts are monitored weekly by the Administrative Specialist and balanced and reconciled monthly. The statements are then signed by the Board President to ensure accuracy.

Cash transactions from the credit cards are not allowed and can result in disciplinary action.

Receipts are matched and coded with each individual purchase to ensure it was a Fire Department approved purchase. Receipts are attached to the statement.

The Chief and Administrative Specialist created a missing receipt form that has to be filled out and signed by the Chief when there is an instance of a missing receipt.

Invoices and Check Requests

The budget for expenditures is set by the Board of Directors annually.

Invoices are either mailed or emailed to the Administrative Specialist. They are put into a "to be paid" folder. Checks are processed weekly by the Administrative Specialist and are printed, signed and mailed by the Administrative Specialist. Dual signatures are required on all checks over $1,000 and all invoices other than routine recurring ones over $1,000 are approved, the Administrative Specialist and one from a member of the Executive Committee on the Board of Directors (Board Chair, Vice-Chair, and Treasurer). Blank checks are kept in a locked fire safe in the administrative office that is securely locked and only can be accessed by the Administrative Specialist, President and Treasurer.

Authorized signors for the general operating account are the Board Chair, Board Vice-Chair, Board Treasurer, and the Administrative Specialist, Phil Carland.

Authorized signors for the fireman's fund are the Chief (Will Sheehan), Deputy Chief (Jerry Hinson), Assistant/Vol Chief (Michael Burrell), Volunteer Secretary (Mark Stepp), Board Chair (Kemper Henderson), Administrative Specialist (Phil Carland).

Online banking is limited to the Administrative Specialist. In addition to accounts that are set up as recurring monthly auto-drafts, online transactions include payroll direct deposit, various tax payments, and on rare occasions, an emergency vendor payment (to prevent late charges, etc.)

For funds held for others (Firefighters Relief Fund):

The Firefighters Relief Fund provides financial assistance to firefighters that have been injured or killed while performing fire department duties. All insurance companies licensed to do business in NC are required to report the Firefighters Relief Fund tax, (1/2 of 1%) of the fire and lighting premiums collected for each rated fire district in NC. Fire departments that meet all requirements are eligible to receive the tax collected within their rated fire district. The Firefighters Relief Fund checks are mailed to the applicable

City/County with a memo instructing them to forward to the fire department. The Fireman's Relief Fund is restricted by the NC State Firefighters' Association. A report is filed annually by the department to report any income and disbursements.

Payroll Liabilities and Related Expenses

Salary and hourly rates of employees are approved by the Chief and Board of Directors in the budget review meeting annually. An excel spreadsheet and QuickBooks shows the authorized payrates, which are signed and approved by a member of the Board executive committee and the Chief.
Bonuses are approved by the Chief who follows guidelines detailed in the Department's Corporate Policies folder.

Personnel files are maintained by the Administrative Specialist.

Hourly rates are changed for the first pay period beginning after the fiscal year begins. Payroll is prepared semi-weekly. Because most employees work 24-hour shifts, at the end of the 24 hours, the Shift Captain enters the time worked on the shift into the Emergency Reporting Software. The shift calendar indicates which employees are working on which days and the Emergency Reporting application works as a time tracking software that is approved bi-weekly by employees after the Captain enters the time worked. A report is sent to the employees prior to payroll being processed bi-weekly and if discrepancies take place, the Deputy Chief, Captain and employee review it and resolve it if need be. The Deputy Chief approves the time sheets before payroll is processed.

Once the time report is generated and approved the payroll is entered into QuickBooks by the Administrative Specialist and then the appropriate amounts are entered into the bank direct deposit website.

Vacation and sick time are tracked in Emergency Reporting. At year end, accrued wages is calculated and a journal entry is recorded by Carl Shaw, CPA.

Payroll registers, 941's and the general ledger are reconciled at the end of the year by Carl Shaw, CPA.

The Board of Directors review budget vs. actual reports at board meetings. Carl Shaw prepares a year end reconciliation of payroll from the payroll reports to the general ledger.

Motor Fuel Tax:

Refund for motor fuel taxes paid is prepared by Phil Carland. These reports are filed with the NC Department of Revenue.

Property and Equipment

The budget is approved by the Board of Directors each year. Large additions are typically discussed at board meetings. Capital expenditures and sales are made with approval by members of the Board. Expenses over $1,000 require check signing approval by one of the members of the Executive Board.

Annually, Carl Shaw, CPA prepares a spreadsheet listing all the fixed asset additions over $2,500. Shaw prepares a journal entry to reclassify the assets from expenses to the proper fixed asset accounts.

A list of the asset additions and disposals is prepared by Carl Shaw, CPA at the end of the fiscal year. Shaw calculates depreciation and prepares a depreciation schedule on his software program and records depreciation and gives to the Phil Carland for review.

An allocation of depreciation expense by function is prepared by Shaw based on the assets' use and is reviewed by the Administrative Specialist for preparation of the GAAP financial statements.

Debt

The Board of Directors must approve any new debt.

A statement for the monthly interest on notes payable is mailed from the bank. The Administrative Specialist reviews the invoice and records it into the general ledger.

Monthly as the payments are made, the general ledger accounts for debt and interest are reconciled to the loan statement balance by the Administrative Specialist and reviewed at year end by Carl Shaw, CPA to reconcile the amount owed back to the amortization schedules and ending note balance.

Net Assets

Grants restricted by the donor for a restricted purpose or that have a stipulated time restriction are classified by the Department as restricted grants. These are recorded as contributions with donor restrictions in GL accounts.

Contributions not restricted by the donor and any other transactions in the general ledger are posted to contributions without donor restrictions.

When time restriction or purpose restrictions are met, restricted net assets are reclassified to net assets not restricted.

After the audit firm has prepared the statements, the releases from net assets and activity reported in each net assets class on the financial statements are reviewed for accuracy by contract CPA firm. This is done from reviewing trial balances and audit firm's financial statement grouping schedules and Excel spreadsheets.

Financial Close and Reporting

Phil Carland and Carl Shaw, CPA review the detailed general ledger from QuickBooks online at the end of each year and scan for anything unusual or improper. They both prepare and review trial balances and any Excel spreadsheets used for the preparation of the financial statements and note disclosures at the end of the fiscal year.

Any estimates for allowances for doubtful accounts are recorded on the trial balance. Typically, no need for allowance since typically only receivable is amount due from County. Depreciable lives of property and equipment are determined by Phil Carland and Carl Shaw. Expense allocations are based on the estimate of the program activities benefited. These are prepared by Carl Shaw.

Journal entries are prepared by Carl Shaw.

The trial balance, including estimates and any spreadsheets to be used in preparation of the financial statements are given to the audit firm to prepare spreadsheets and financial statement grouping schedules from the trial balances for each fund. The audit firm prepares financial statement disclosures using a financial statement disclosure checklist. The disclosures are taken from trial balances, source documents, and spreadsheets prepared by Phil Carland and Carl Shaw. Phil Carland and Carl Shaw obtain the audit firm's grouping schedules, spreadsheets, and disclosure checklist and review to see that all required GAAP disclosures are made and that the numbers on the financial statements reconcile to the numbers they have on their general ledger.

The financial statements are given to Will Sheehan, Chief and Board of Directors for review and approval.

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March 3, 2026

Board of Directors
Blue Ridge Fire & Rescue, Inc.
2503 Old Spartanburg Road
East Flat Rock, North Carolina 28726

We have audited the financial statements of Blue Ridge Fire & Rescue, Inc. (Department) for the year ended June 30, 2024, and we will issue our report thereon dated March 3, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 8, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were (1) the depreciable lives and estimated residual value of property and equipment and (2) the allocation of functional expenses.

Management's estimate of the depreciable lives and estimated residual value of property and equipment is based on the normal period of time such assets should be useful for the purpose acquired. Management's estimate of the allocation of functional expenses is based on management's estimate of the program activities benefited. We evaluated the methods, assumptions, and data used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 3, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Department's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of the Board of Directors and management of Blue Ridge Fire & Rescue, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Crawley, Lee & Company, P.A.