



STONEY POINT FIRE DEPARTMENT INC.

Stations 13 & 19

2190 Lake Upchurch Drive, Parkton, North Carolina 28371

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November 19, 2019

SUBJECT: Minutes of the Monthly Board of Directors Meeting November 19, 2019

The monthly Board of Directors' meeting of the Stoney Point Fire Department Inc. was called to order by Chairman Brown and was led in prayer by Secretary Pate at 7:30 PM. The meeting was conducted at the corporate office Station 13.

A: Roll Call:

<u>Members Present:</u>		<u>Members Absent:</u>	
Daniel C. Brown	Chairman		
Larry Townsend	Vice Chairman		
Gary Turlington	Treasurer		
Angus Pate	Secretary		
Jerry R. Hall	Member		
Roger F. Hall	Member		
Joel Siles	Member		
Clarkie Johnson	Clerk to the Board		

<u>Chief Officers Present:</u>		<u>Chief Officers Absent:</u>	
Freddy Johnson Sr.	Fire Chief		
		Freddy Johnson Jr.	Deputy Fire Chief

B: ANNUAL / SPECIAL / PUBLIC HEARING MEETING:

N/A

C: READING AND APPROVAL OF THE MINUTES OF THE LAST MEETING:

- Secretary Pate presented the minutes from the October 15, 2019 monthly Board of Directors meeting for review and approval. Chairman Brown called for the approval of the October 15, 2019 Monthly Board of Directors meeting minutes. **MOTION** A motion was made by Director Roger Hall to approve the October 15, 2019 Monthly Board of Directors minutes as presented. The motion was **SECONDED** by Director Joel Siles and **APPROVED** by all members present.

D: REPORT OF THE FIRE CHIEF:



1. **General Information.**

1. The Chief reminded the members that Deputy Chief Johnson Jr. is still attending the National FBI Academy in Quantico Virginia until December 19.

2. **Guests:** The Clerk to the Board Mrs. Johnson introduced Ms. Teresa Garris as our new part time administrative assistant. Ms. Garris is currently working about 20 hours per week give or take assisting the Clerk of the Board, with all administrative requirements in order to address continuity. Chairman Brown and the members of the board welcomed Teresa to our team.

3. **Personnel:**

1. The Chief stated we currently have 16 members in various stages of our recruit training program. Once completed successfully they will join our volunteer duty shifts. We currently have 93 active members with a support staff of 22 for a total membership of 114.

4. **Apparatus Fleets:**

1. The Chief advised that Engine 1332's module control box that controls our entire emergency lighting on the truck required replacing. The module stopped working early last week. A new module has been installed and all our emergency lighting is operating normally.
2. The Chief updated the members concerning the status of our ladder truck 1351. The ladder truck is still in Four Oaks being repaired. The body shop managers sent us the attached



pictures. He also stated that he is waiting on parts from E-One and working on our compartment doors. He estimated another 3 to 4 weeks before the apparatus will be ready providing they do not run into any unexpected repair issues. After the body repairs have been completed the apparatus will still need to be re-stripped to cover the damaged area.

3. All of our GMC pickups received a recall notice. When we took them in for service, FLOW GMC also mitigated the recalls.
4. Engine 1931 was serviced at Gregory Poole and new front brakes were installed on the apparatus. The apparatus is in service at Station 19.

5. The chief reported that the air compressor at Station 13 stopped working and we had to replace the head. Work is in process now of installing the new compressor head.

6. (FY 2019-2020 █ Vehicle, Equipment and Fuel Expenditures as of **November 19, 2019**
(List from Quicken) (Previous two (2) Fiscal Years for comparison purposes)

UNIT #	NOMENCLATURE	FY 17/18	FY 18/19	FY 19/20
1319	1960 American LaFrance (Antique)	560.22	867.74	1,304.03
1331	2017 Pierce Arrow-XT	48,128.39	1,981.16	
1332	2004 Pierce Dash Engine	42,134.97	16,905.64	1,770.43
1333	1988 Pierce Dash Engine	14,864.97	4,247.79	
1341	1990 AMC General 5 Ton Cargo Brush	1,440.02	2,326.17	198.87
1351	1996 E-One 75ft Ladder Truck	17,618.30	35,511.43	1,419.95
1362	2015 GMC Sierra 2500 HD 4 X 4	116.44	1,359.47	75.72
1371	2016 GMC Sierra 1500 4 X 4	13.60	564.85	15.58
1391	Future Command Vehicle 2018	0.00	0.00	
Rescue 13	2017 Pierce Arrow-XT-Walk In	188,516.09	29,119.17	
1931	2004 Pierce Dash Engine	28,944.61	15,219.38	4,484.08
1932	1986 Pierce Dash Engine	1,814.21	2,229.22	15,203.68
1941	1984 AMC 5 Ton Truck	Sold-2,606.24	0.00	
1961	1984 Chevrolet ¾ Ton Diesel-Lift Gate	0.00	885.56	398.55
1962	2015 GMC Sierra 2500 HD 4 X 4	980.32	567.27	
1963	2017 – Auxiliary Support Trailer	0.00	0.00	
1981	2016 Mobile Air Trailer	0.00	6.42	
Rescue 19	1984 International Rescue (1376)	Sold-2,319.79	0.00	
Boat 13	19” Rescue One Connector Boat 50 HP	715.58	318.64	
Boat 19	14” Zodiac Inflatable 25 HP	5.99	0.00	
Trailers	2009 Boat Trailer Double Stack	2.75	0.00	89.67
U-Trailer	Utility Trailer (Small)	13.26	160.83	242.43
Cmd Trl	2006 FEMA Trailer	23.75	0.00	
MISC	RELATED VEH EXPENSES	5,575.65	21,157.17	2,586.23
	Total Vehicle Maintenance	186,383.17	133,427.91	27,789.20
	EQUIPMENT OTHER	17,305.17	22,773.78	8,973.42
	TOTAL VEH/EQUIP EXPENSES	203,688.34	156,201.69	36,762.62
	BUDGETED (\$100,000.00)			
	GASOLINE & FUELS (\$ 40,000)	23,976.32	28,400.96	11,357.08
	FY-BUDGETED TOTAL (140,000)	227,664.66	184,602.65	48,119.70
	Total over / under Budget	+87,664.66	+ 44,602.65	

5. Grounds and Buildings:

1. The Chief stated that since last month we experienced some water issues at Station 19 which required the replacing of filters in both our station water supply and irrigation system due to sand clogging our filters.





2. German exchange firefighter Alex Kuen completed our station 19 storage room reorganizational project. All our fire service appliances are now organized in specialty built bins. All our small tools, connectors, flashlights, rescue tools, has all been organized and placed in individual bins. This helps with our accountability and monthly inventory requirements. The bin on the far right houses large items such as master stream devices, piercing nozzles, hose clamps and many other items needed to run our operations.



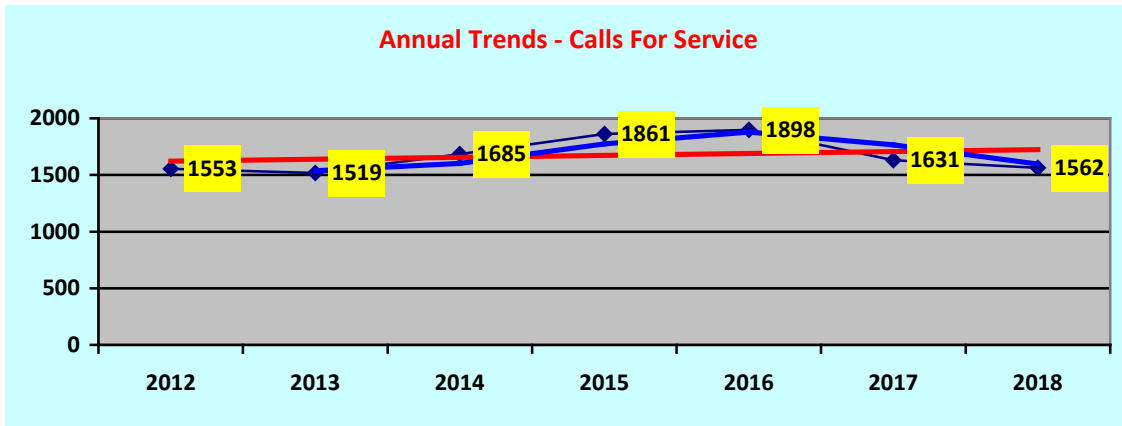
3. The Chief advised that we added three more sections of high capacity storage units to each end of existing high pile storage racks. We have ordered three (3) additional sections to place outside underneath our overhang at the end of the building. Our spare tires are currently exposed to the elements, with the sun causing damage to the tires. With the new racks we will move both against the interior wall. The move will keep the outside racks out of direct sun light as well as other weather related elements.

Fire Conditions:

1. Chief Johnson briefed on our current call volume through October 2019.
(See Charts below – Monthly calls by year and annual trend line chart.)

 SPFD INCIDENT RESPONSE DATA 							
MONTH	2013	2014	2015	2016	2017	2018	2019
JANUARY	135	158	161	159	163	139	131
FEBRUARY	135	123	173	136	141	113	110
MARCH	126	139	142	156	138	137	120
APRIL	99	144	159	139	134	130	114
MAY	119	145	161	144	120	128	128
JUNE	136	139	169	126	100	131	122
JULY	101	181	152	135	153	132	113
AUGUST	118	130	150	175	147	108	129
SEPTEMBER	97	122	152	169	120	144	143
OCTOBER	124	130	139	198	150	137	131
NOVEMBER	112	131	145	147	127	132	
DECEMBER	113	143	164	214	138	131	
TOTALS	1519	1685	1861	1898	1631	1562	1241





6. Training Report:

1. The Chief stated that we are now in a makeup training mode through the end of the year. With our ISO scheduled for the 1st quarter in 2021 the 2020 calendar year will be critical for our training program in order to hit all the key tasks and hours. In January the clock starts over. When ISO notifies us we must provide the previous twelve months of training.

3. The Chief reminded the members of the board that on January 28 through February 2nd, 2020 all the Chief Officers with the exception of Division Chief Hanzal will be attending the North Carolina Association of Fire Chiefs (NCAFC) Mid-Winter Conference in Concord. This 5 day professional development conference is crucial to our Chief Officers continuing Professional Development. Division Chief Hanzal will be in the rear providing oversight in the absence of the Fire Chief.

4. With our ISO rating scheduled for early 2021 we will also send certified Fire Life Safety Educators to attend the February 12 through 14, 2020 North Carolina Fire Life Safety Educator Safety Summit in Concord North Carolina. This 2.5 day summit will provide us with adequate continuing education point in order to receive ISO credit for our public education efforts. Attending will be Chief Johnson Sr. FLSE III, Assistant Chief Sean Johnson FLSE III, Division Chief Brandon Hanzal FLSE II and Lieutenant Jordan Hughes Fire Life Safety Educator I.

5. He also advised that in April 2020 Assistant Chief Kevin Murphy, Sean Johnson, Division Chief Hanzal and Captain Joe Belcher will be attending the Fire Department Instructor Conference (FDIC) in Indianapolis, Indiana during the period 14 through 18 April 2020. .



E: REPORT OF THE TREASURER:

1. Treasurer Turlington provided the current fund balance and financial information from all sources.

Current Fund Balances:	As of November 19, 2019	\$	1,302,461.95	First Citizens
	CD North State Bank as of Nov 11, 2019	\$	211,840.88	12.9% of Budget.
	Total Cash Flow Available	\$	1,514,302.83	Total Available Funds

Fiscal Year 2019 – 2020 Budget Information

Approved County FY 19/20 Budget		1,105,675.00
County Budget Funding Received YTD	\$	163,644.48
County Budget Funding Pending YTD	\$	942,030.52
County Budget Funding over Approved Amount		\$ 0.00
Approved Fayetteville FY 19/20 Budget \$		459,724.00
Fayetteville City Funding Received YTD \$		229,862.00
Fayetteville City Funding Pending YTD \$		229,862.00
Approved Town of Hope Mills Contract FY 19/20 Budget \$		78,692.00
Town of HM Contract Funding Received for last Fiscal Year in Oct 2019	\$	70,492.60
Town of HM Contract Funding Received FY 19/20 YTD	\$	8,000.00
Hope Mills Budget Funding Pending YTD	\$	70,692.00
Other Income Hope Mills-Old Mutual Aid (\$ 8,000.00 Anl FY 19/20)	\$	8,000.00
Town of Hope Mills Full Responder Contract Fee =	\$	69,692.00 based on last year's pay out
Town of Hope Mills 1 time Debt Assumption Payment	\$	16,451.06-Outstanding - On-Going
Combined County / COF / & Hope Mills Approved FY 17/18 Budget \$		1,644,091.00
Combined FY 19-20 COF / HM & County Budget Received YTD -		\$ 401,506.48
Combined COF / HM & County Budget Pending -		\$ 1,242,584.52
Other Income CCFCA -	\$	0.00
Other Income /Tax Refund (Sales & Fuel Tax) -	\$	32,782.16
Goods and Property Sold -	\$	0.00
Total Board Funds YTD received 19/20 to date ALL SOURCES \$		504,781.24

1. Treasurer Gary Turlington advised that our monthly transaction reports for September and October will be ready for our December meeting. With the trail of terror and preparing for our annual Christmas program the Clerk to the Board is running slightly behind.
2. Treasurer Turlington presented the Fiscal Year 2018 – 2019 Financial Audits, associated Management Letters, and 2019 Form 990 and Form 8879-EO dated 11/15/2019 to the members of the board and stated that there are no issues with the audits. A review of the audit along with a discussion amongst the members of the board followed. At the conclusion of the discussion period, Chairman Brown called for a motion to approve or disapprove the audit. Director Jerry Hall made a **MOTION** to approve the Fiscal Year 2018-2019 Financial Audit prepared by Haigh, Byrd and Lambert, LLP as presented. The motion was **SECONDED** by Director Joel Siles and **APPROVED** by all members present. (See Enclosure # 2)



3. **Auxiliary Account** - Treasurer Tracie Johnson via e-mail provided the Auxiliary treasurer's fund balance as of today is **\$ 290,588.43**. Tracie also provided the final gross income chart from the 2019 Trail of Terror. Our total income through our TOT fund raiser for the 2019 calendar year was **\$ 159,694.60**. We still have to deduct overhead and a more accurate account of our overhead will be available for the December meeting. We experienced two (2) rain-outs which negatively affects our overall income. We did schedule two (2) make up days and operated for the first time after Halloween in order to offset our rain out losses. The Chief informed the board that we will set aside a significant amount of funding from the TOT for infrastructure use at Station 19 as part of our migration of the TOT to Station 19. He also said that our new European style helmets will be purchased using TOT funds. The helmets are expected to be delivered by the middle of the month of December.
4. **Miscellaneous Firefighter Account (Ice & Cans)** - Our balance as of October 15, 2019 is **\$ 12,182.12**. The Chief advised that we purchased critical surplus radio parts from a Carey area fire department that will sustain us in maintaining our large amount of portable radios. We spent \$ 1,685.00 for both 2500 and 5000 Motorola radio cases as well as other critical internal parts and knobs. These radios are no longer supported by Motorola.
5. **Relief Fund** – Chief Johnson Sr. stated that there have been no changes in our Relief Fund balances. As of 10/15/19 our current balance is **\$ 74,377.45** which is in the form of a Certificate of Deposit (CD) with a maturity date of 10/11/19 and automatically renews every twelve months. The new maturity date is 10/11/20. We also have a total of \$ 13,641.06 in our relief fund check book for a total combined fund balance of **\$ 88,018.51** with North State Bank.
6. **Child Passenger Safety Seat Account** – The current CPSS fund balance with Wells Fargo is (**\$ 1,350.75**) and BB&T (**\$ 351.00**) with a combined total of **\$ 1,701.75**. Support equipment to support our CPS program was purchased from the listed funds.

F: REPORT OF COMMITTEES:

- | | | |
|----|---|------------|
| 1. | Policy Committee - | No Report |
| 2. | Building & Grounds Committee - | No Report |
| 3. | Small Tools & Gear Committee - | No Report |
| 4. | Equipment & Vehicle Replacement Committee - | No Report |
| 5. | Budget Committee - | No Report. |

G: OLD BUSINESS:

1. The Chief updated the members of the board on our on-going SAFER grant and stated that we received 9 applications for the six (6) advertised positions. We will conduct interviews and hopefully hire by January 1, 2020. 6 of the 9 were internal candidates.
2. Another reminder - The Chief advised the members of the board that our annual Christmas Dinner is scheduled for Sunday December 15, 2019 and will be held at the Fayetteville



Technical Community College (FTCC) in the all-purpose room located in the Tony Rand Center. He will provide additional information as we move closer to the event. Tonight's meeting is our last meeting prior to our Christmas Dinner just 3 weeks away.

3. The Chief informed the members that we acquired a Pierce Fire Truck Cab that is being converted into a podium for our meetings. The new podium will be housed at Station 19 but can be moved as needed. He passed around pictures for comparison. The work on the podium was conducted in-house by Engineer David Stewart with assistance from various department members as needed. We will utilize the podium for our up-coming department Christmas and awards dinner at FTCC.



H. NEW BUSINESS:

1. The Chief requested approval of the new compensation formula effective January 1, 2020. Funding will come from the new funding incentives adopted with the new county contract. He stated that with the implementation of career Shift Captains and Lieutenants as well as additional full time staffing he recommended pay raises ranging from 2.5% to 12.5% effective January 2020 and provided a by name breakdown. Chief recommended that we utilize \$ 36,590.00 to provide pay raises and align our rank structure of our shift personnel. The raises will also provide some stability and longevity amongst our full time staff. A pay raise for the Clerk to the Board is also included. A discussion amongst the members of the board followed. Chairman Brown called for a motion to approve or disapprove the chief's request. Director Joel Siles made a **MOTION** to approve the compensation formula presented by the Fire Chief effective January 1, 2020. The motion was **SECONDED** by Vice Chairman Larry Townsend and **APPROVED** by all members present. The Chief advised that a selection board consisting of Chief Officers will convene to review and interview applications and potential candidates for SAFER firefighter positions, Shift Lieutenants and Shift Captains. We will only hire qualified individuals meeting the prerequisites listed in the job announcement into leadership positions. Once a decision is made on the Captain positions we will conduct interviews for any vacant shift Lieutenant slots.
2. The Chief informed the board members that the Clerk to the Board is preparing the Volunteer Run Checks and preparing approved Christmas bonus checks based on longevity and praiseworthy **work performance** throughout the year. Funding for both programs are already in the budget with no further action required by the board. Our Christmas bonus for qualifying career members is, less than 5 years of honorable and above average work performance and service qualifies for a \$ 100.00 dollar bonus, 5 to 10 qualifies for a \$ 200.00 dollar bonus and more than 10 years qualifies for a \$ 300.00 dollar bonus. The bonus program does not apply to the Fire Chief who reports directly to the board. Vice Chairman Larry Townsend made a **MOTION** to give the chief a Christmas bonus equaling the same amount as last year's bonus. The motion was **SECONDED** by Treasurer Gary Turlington and **APPROVED** by all members present.

- The Chief provided two (2) Fayetteville Observer news articles. One highlighting our Assistant Chief Kevin Murphy and the other highlighted our recent AFG and SAFER grants awarded to Cumberland County Departments.

I: CLOSED SESSION - WHEN APPLICABLE:

- The Chief discussed a recent personnel issue that arose on the 31st of October that generated comments from a visitor. As a result one of the volunteer members involved was suspended for a period of ten (10) days. The ten (10) day suspension period has been served and a Letter of Reprimand was placed in the individuals personnel file. The reason for a ten (10) day suspensions and letter of reprimand only was due to the members blemish free record since he joined our department in April 2014.

J: ACCIDENT/MISHAP TRACKING

This section was created to track injuries, accidents and mishaps involving department owned vehicles, apparatuses, equipment and real property. The chart below represents accident tracking data for the current Fiscal Year. A complete accident report prepared by the department safety officer is available and on file for each trackable item. The chart will be updated on a monthly basis for board review.

Fiscal Year 2018-2019 Reportable Accidents				
DATE	TYPE OF ACCIDENT	EMPLOYEE	COSTS	REMARKS
11/01/18	Broke Scene Light 1351 during cab raise	Lt. Fitzpatrick	1,500.00	Repaired In House
11/15/18	MVA-1331 Hit Passenger Car	Lt. Austin - Drv	15,000.00	Other Driver at fault
12/10/18	MCT Damaged Fell Off	Eng Long/Dubois	5,000.00	Disciplinary Action
03/15/19	Medic Unit Backed into Door	Outside Agency	3,800.00	CFVEMS Ins Claims
09/17/19	MVA-1351 Hit by Medic Unit	Lt. Austin - OIC	15,000.00	CFVEMS Ins Claims
Current Total			40,300.00	

K: ADJOURNMENT:

With no further business Chairman Brown entertained a motion to adjourn, A **MOTION** was made by Director Joel Siles to adjourn. The motion was **SECONDED** by Vice Chairman Larry Townsend and **APPROVED** by all members present. The meeting adjourned at 2020 hours. **The next Board of Directors meeting is tentatively scheduled to be held on Tuesday December 17, 2019 at Station # 19 @ 7:30 PM.**

Respectfully Submitted:

Angus Pate.
 ANGUS PATE
 Secretary

Cc.

- 1 - Each Board Member
- 1 - Board File / Minutes Book / Web Page
- 1 - Accountant File Copy

2 Enclosures:

- SPFD Board of Directors Attendance Roster September 17, 2019
- FY 2018 – 2019 Fiscal Year Audit



2019

BOARD OF DIRECTOR'S & PRIMARY STAFF ATTENDANCE ROSTER

##	NAME	JAN (17) Sta. 13	FEB (21) Sta. 19	MAR (21) Sta. 13	APR (18) Sta. 19	MAY (16) Sta. 19	JUN (20) Sta. 19	JUL (18) Sta. 13	AUG (15) Sta. 19	SEP (19) Sta. 13	OCT (10) Sta. 19	NOV (28) Sta. 19	DEC (19) Sta. 19
01	Daniel C. Brown - President(2020)	P	P	P	P	P	P	N/A	N/A	P	P	P	
02	Larry Townsend V-President (2022)	P	P	X	P	P	P	N/A	N/A	X	P	P	
03	Angus Pate - Secretary (2020)	P	P	X	P	P	P	N/A	N/A	P	P	P	
04	Gary Turlington – Treasurer (2022)	P	P	P	X	P	P	N/A	N/A	P	X	P	
05	Joel Siles – (2022)	P	P	X	P	P	P	N/A	N/A	P	X	P	
06	Jerry Hall – (2022)	P	P	P	P	P	P	N/A	N/A	P	P	P	
07	Roger Hall (2020)	P	P	P	P	P	P-C	N/A	N/A	P	P	P	
08	Freddy Johnson Sr. - Chief (Annually)	P	P	P	P	P	P	N/A	N/A	P	P	P	
09	Freddy Johnson Jr. - Deputy Chief	P	P	P	X	P	P	N/A	N/A	P	E	E	
10	Sean Johnson – Asst Chief	X	P	X	X	P	P	N/A	N/A	E	E	E	
11	Kevin T. Murphy – Asst. Chief	E	E	E	E	E	E	N/A	N/A	E	E	E	

P-Present - A-Absent - N/A – No Meeting Conducted A-E – Absent & not required to attend by invitation only. N/A No Meeting-P-T telephonic participation.

- Due to summer vacations Board of Directors meetings are not scheduled for the months of **July** and **August 2018** unless there is a pressing need or emergency.
- With the exception of the Fire and Deputy Chief – Assistant Fire Chief Officers are not required to attend the monthly board meetings unless directed by the Fire Chief.
- **P-C** – Indicates that the member participated in the meeting via conference call.
- Deputy Chief Johnson Jr. attending the National FBI Academy from October through December and is excused from meetings.

Enclosure # 1 Board Minutes November 19, 2019

STONEY POINT FIRE DEPARTMENT, INC.

Cumberland County, North Carolina

FINANCIAL STATEMENTS

June 30, 2019

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June 30, 2019

Independent Auditor's Report

Financial Statements

Exhibit A - Statement of Assets, Liabilities and Net Assets - Modified Cash Basis

Exhibit B - Statement of Revenues, Expenses, and Changes in Net Assets - Modified Cash Basis

Notes to Financial Statements

Appendix I - Schedule of Property and Equipment

HAIGH, BYRD & LAMBERT, LLP

CERTIFIED PUBLIC ACCOUNTANTS
1007 HAY STREET
POST OFFICE BOX 53349
FAYETTEVILLE, NORTH CAROLINA 28305

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Stoney Point Fire Department, Inc.
Cumberland County, North Carolina

We have audited the accompanying financial statements for the Tax and Long-Term Debt Funds of Stoney Point Volunteer Fire Department, Inc. (a non-profit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June 30, 2019 and the related statement of revenues, expenses, and changes in net assets - modified cash basis 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 the modified cash basis of accounting; 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.

procedures selected depend on the auditors' 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 assets, liabilities, and assets of the Tax and Long-Term Debt Funds of Stoney Point Volunteer Fire Department as of June 30, 2019, and its revenues, expenses, and changes in net assets for the year then ended, on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Property and Equipment on Appendix I is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on this information.

Haigh, Byrd & Lambert, LLP

Certified Public Accountants
Fayetteville, North Carolina
November 11, 2019

STONEY POINT FIRE DEPARTMENT, INC.
Cumberland County, North Carolina

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
For the year ended June 30, 2019

EXHIBIT A

	<u>Tax Fund</u>	<u>Long Term Debt Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,604,816	\$ -	\$ 1,604,816
Due from Cumberland County - fire protection fees	29,924	-	29,924
Funds to be provided for future debt retirement	-	1,757,687	1,757,687
	<u>\$ 1,634,740</u>	<u>\$ 1,757,687</u>	<u>\$ 3,392,427</u>
<u>LIABILITIES AND NET ASSETS</u>			
Payroll taxes payable	\$ 95	\$ -	\$ 95
Notes payable	-	1,757,687	1,757,687
Total liabilities	<u>95</u>	<u>1,757,687</u>	<u>1,757,782</u>
Unrestricted net assets	<u>1,634,645</u>	-	<u>1,634,645</u>
	<u>\$ 1,634,740</u>	<u>\$ 1,757,687</u>	<u>\$ 3,392,427</u>

STONEY POINT FIRE DEPARTMENT, INC.
Cumberland County, North Carolina

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
For the year ended June 30, 2019

EXHIBIT B

	Tax Fund	Long Term Debt Fund	Total
Unrestricted net assets:			
Revenues:			
Fire protection fees:			
Cumberland County	\$ 988,714	\$ -	\$ 988,714
City of Fayetteville	434,412	-	434,412
Town of Hope Mills	78,693	-	78,693
Sales and motor fuel tax refunds	2,551	-	2,551
Sale of fixed assets	5,000	-	5,000
Other income	2,448	-	2,448
Insurance proceeds	28,545	-	28,545
Interest income	833	-	833
Total revenues	1,541,195	-	1,541,195
Expenses:			
Advertising	9,474	-	9,474
Communications	1,521	-	1,521
Dues and subscriptions	15,403	-	15,403
Employee benefits	25,055	-	25,055
Gas and oil	30,423	-	30,423
Insurance	83,351	-	83,351
Miscellaneous	15,736	-	15,736
Note payments - interest	-	70,078	70,078
Note payments - principal	-	174,658	174,658
Payroll taxes	49,786	-	49,786
Pension plan contributions	5,739	-	5,739
Professional fees	2,850	-	2,850
Purchase of fixed assets	120,503	-	120,503
Repairs - buildings	28,718	-	28,718
Repairs - equipment and vehicles	150,488	-	150,488
Salaries and wages	646,972	-	646,972
Supplies	14,922	-	14,922
Telephone	437	-	437
Training and schools	10,048	-	10,048
Travel, meals and meetings	11,062	-	11,062
Uniforms	13,318	-	13,318
Utilities	28,910	-	28,910
Volunteer expenses	30,457	-	30,457
Total expenses	1,295,170	244,736	1,539,907
Excess (deficiency) of revenues over expenses	246,025	(244,736)	1,288
Transfer of funds	(244,736)	244,736	-
Increase in unrestricted net assets	1,288	-	1,288
Unrestricted net assets - beginning of year	1,633,357	-	1,633,357
Unrestricted net assets - end of year	1,634,645	-	1,634,645

Stoney Point Board of Directors Minutes November 19, 2019
Enclosure # 2 Page 5 of 10 – Financial Statement June 30, 2019

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

STONE POINT FIRE DEPARTMENT, INC.
Cumberland County, North Carolina

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 Nature of Organization

Stoney Point Fire Department, Inc. was incorporated on July 29, 1964 as a non-profit, civic, charitable, benevolent, educational and social corporation with the main objective of the protection of life and property through fire fighting.

The General Statutes of North Carolina in Chapter 69-25.1 provide that resident freeholders living within a designated fire district may by referendum approve the levy of a special tax to provide fire protection. The Board of County Commissioners of Cumberland County contracted with Stoney Point Fire Department, Inc. to provide fire protection within that district for the year ended June 30, 2019 for \$988,714. The contract further provides that such tax funds will be segregated and accounted for annually.

NOTE 2 Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that -

- Contributions and support are recognized when payment is received rather than earned.
- Payments to vendors, suppliers, and employees are generally recognized when paid instead of when goods or services are received.

Notwithstanding the above, the Department has elected to modify the cash basis of accounting to report fire protection fees in the period earned, regardless of when payment is received. The Department also accrues liabilities for payroll taxes related to salaries and wages incurred prior to year end.

Financial Statement Presentation

The Department's records are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

The Department reports information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Department has no temporarily or permanently restricted assets. Other funds may have been provided to the Department through dues and community projects and these funds have not been presented. Accordingly, the financial statements are not intended to be presented in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with modified cash basis accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months.

NOTES TO FINANCIAL STATEMENTS - continued

Income Taxes

The Department is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Department has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Management of the Department considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements. The Department's tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

Property and Equipment

The purchase of property and equipment is shown as an expenditure of the Tax Fund, but it is not shown as an asset of the Tax Fund. For informational purposes, Appendix I is included in the report to reflect property and equipment purchased from the Tax Fund after June 30, 1993. Depreciation of property and equipment is not shown.

Advertising

Advertising costs are expensed as incurred. During the year ended June 30, 2019, the Department had advertising costs of \$9,474.

Concentration of Support

The Department receives approximately 66% of its fire protection fees from the Board of County Commissioners, Cumberland County.

Subsequent Events

Management has evaluated subsequent events through November 11, 2019, the date on which the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

NOTE 3 Cash and cash equivalents

At June 30, 2019, amounts included in cash and cash equivalents consist of:

Non-interest bearing:

First Citizens - checking	\$ 1,393,462
North State Bank - c.d., earning interest at 0.10% at June 30, 2019	<u>211,354</u>
	<u>\$ 1,604,816</u>

NOTE 4 Concentration of Credit Risk

The Department maintains its cash balances at two financial institutions. The balances are insured by the federal deposit insurance corporation up to \$250,000. The Department had uninsured cash deposits at June 30, 2019 of \$1,172,126.

NOTES TO FINANCIAL STATEMENTS - continued

NOTE 5 Retirement Plan

The fire department provides a retirement program for the firemen under the North Carolina Firemen's and Rescue Squad Workers' Pension Fund. All firemen when they first volunteer are eligible after an initial 60 day waiting period. The fire department contributes \$10 per month per man. Each participant's benefit is fully funded after twenty years. The contribution for the fiscal year ended June 30, 2019 was \$0.

The Department also has a defined contribution retirement plan for paid employees. The Department matches employee contributions up to 5% of an employee's annual gross salary. The expenditures for such contributions for the year ended June 30, 2019 amounted to \$5,739.

NOTE 6 Note payable

Note payable at June 30, 2019 consists of the following:

North State Bank - note payable, bearing interest at 5.45% per annum in the original amount of \$1,102,000, with monthly installments of \$7,075, is scheduled to mature on February 28, 2028. The loan is secured by a deed of trust on the land located on 7221 Stoney Point Drive and 2190 Lake Upchurch Road in Fayetteville, North Carolina. Interest paid on the note during the year totaled \$30,352.

\$ 602,869

First Citizens Bank - note payable, bearing interest at 2.45% per annum in the original amount of \$1,400,000, with annual installments of \$159,842, is scheduled to mature on March 1, 2026, with a balloon payment of \$315,811. The loan is secured by two fire trucks. Interest paid on the note during the year totaled \$39,726.

1,154,818

Balance at June 30, 2019

\$ 1,757,687

Future debt maturities in the amount of \$1,757,687 are to be paid from future revenues. At June 30, 2019, maturities are as follows:

Year ended:	Amount
June 30, 2020	\$ 183,039
June 30, 2021	189,573
June 30, 2022	196,354
June 30, 2023	203,392
June 30, 2024	210,697
Thereafter	774,632
	<u>\$ 1,757,687</u>

STONEY POINT FIRE DEPARTMENT, INC.
Cumberland County, North Carolina

SCHEDULE OF PROPERTY AND EQUIPMENT
June 30, 2019

Unaudited

Appendix 1

	June 30, 2018	Additions	Removals	June 30, 2019
Fire fighting equipment:				
Turnout gear - FEMA grant	\$ 809,966	\$ -	\$ (35,985)	\$ 773,981
Protective clothing	199,294	24,450	(18,679)	205,065
Radios & communication equip. - DHS gran	121,825	-	(112,519)	9,306
Breathing apparatus	106,485	-	(2,629)	103,856
Other fire fighting equipment	124,818	-	(67,215)	57,603
Turnout gear - DHS grant	86,217	-	(86,217)	-
Truck equipment	94,452	3,658	(15,088)	83,023
Holmatro rescue equipment	31,893	-	-	31,893
Communications equipment	22,734	-	(8,801)	13,933
Nafeco - camera	17,382	-	-	17,382
Top mount tank - 250 gallon	11,768	-	(11,768)	-
Interspiro testing machine	5,107	-	(3,320)	1,787
Pakhammer 90 kit	5,724	-	-	5,724
Ten-ton mat jack	2,324	-	-	2,324
Utility trailers (2)	2,100	-	-	2,100
Hydraulic pump - jaws of life	3,369	-	-	3,369
Battery optimizer / adapters	2,009	-	(2,009)	-
Rescue Randy manikin	1,089	-	(1,089)	-
FEMA travel trailer	1,000	-	(1,000)	-
Eyewash stations (3)	863	-	-	863
Evac chair	554	-	(554)	-
Mobile air system	131,502	-	-	131,502
Total fire fighting equipment	<u>1,782,474</u>	<u>28,108</u>	<u>(366,873)</u>	<u>1,443,710</u>
Other property and equipment:				
Computer equipment	51,486	1,865	(26,349)	27,002
Exercise equipment	23,995	-	-	23,995
Storage units	11,533	-	-	11,533
Furniture	24,277	-	(7,139)	17,138
Office equipment	9,825	-	-	9,825
Robotronics	8,958	-	-	8,958
Lawn equipment	8,340	-	(3,197)	5,143
Projectors	8,114	-	(6,675)	1,439
Fuel tanks	7,650	-	-	7,650
Protections, televisions, and mounts	6,554	-	-	6,554
Radio tower	6,258	-	-	6,258
Gasoline pumps and fans	5,988	-	(2,184)	3,804
Time clock system	2,184	-	-	2,184
Pressure washer	6,264	-	(1,527)	4,737
Pump house	1,527	-	-	1,527
Plaques and signs	1,391	-	-	1,391
Tool box and hand tools	1,389	-	(1,381)	8
Weather monitor	1,381	-	-	1,381
Time clock system	910	-	-	910
Security system	710	-	(710)	-
Security cameras	10,119	-	-	10,119
Portable suction units	2,504	-	-	2,504
	<u>201,357</u>	<u>1,865</u>	<u>(49,162)</u>	<u>154,060</u>

APPENDIX 1 - continued

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Removals</u>	<u>June 30, 2019</u>
Buildings and improvements:				
Station 19	1,017,100	-	-	1,017,100
Station improvements	151,587	24,035	(11,195)	164,427
Fire station	82,754	-	-	82,754
Storage building	54,376	13,856	-	68,232
Paving	38,248	4,700	-	42,948
Paving	20,298	-	-	20,298
New driveway, Station 13	16,345	-	-	16,345
Training tower	8,638	-	-	8,638
Heat & A/C units	8,999	-	-	8,999
Sewage pump	1,619	-	-	1,619
Total buildings and improvements	<u>1,399,964</u>	<u>42,591</u>	<u>(11,195)</u>	<u>1,431,360</u>
Vehicles:				
# 1331 2004 Pierce Dash Fire Truck	426,824	-	-	426,824
# 1332 2004 Pierce Dash Fire Truck	376,402	-	-	376,402
# 1961 2015 GMC 2500	40,916	-	-	40,916
# 1971 2016 GMC	36,317	-	-	36,317
# 1333 1989 Pierce Dash fire truck	30,000	-	-	30,000
# 1371 2002 Chevrolet Silverado 1500	20,000	-	(20,000)	-
1600 Deluxe Mercury 50hp boat	14,632	-	-	14,632
# 1962 1984 Chevrolet 3/4 ton diesel	3,500	-	-	3,500
Pierce Arrow XT Custom Pumper	653,761	-	-	653,761
Pierce Arrow XT Heavy Duty Rescue	737,000	-	-	737,000
2019 Chevrolet Tahoe	-	47,939	-	47,939
Total vehicles	<u>2,339,352</u>	<u>47,939</u>	<u>(20,000)</u>	<u>2,367,291</u>
Real estate	<u>148,169</u>	<u>-</u>	<u>-</u>	<u>148,169</u>
Total property and equipment	<u>\$ 5,871,316</u>	<u>\$ 120,503</u>	<u>\$ (447,230)</u>	<u>\$ 5,544,590</u>

Note: This statement includes only those items of property and equipment purchased from tax funds after June 30, 1973 at the original cost basis.