Fire District Number Thirteen, Incorporated

Financial Statements

June 30, 2025

Fire District Number Thirteen, Incorporated

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fire District Number Thirteen, Incorporated
Greensboro, North Carolina

Opinion

We have audited the accompanying financial statements of Fire District Number Thirteen, Incorporated (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fire District Number Thirteen, Incorporated as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fire District Number Thirteen, Incorporated and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fire District Number Thirteen, Incorporated's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fire District Number Thirteen, Incorporated's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fire District Number Thirteen, Incorporated's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Actual vs. Budgeted Expenditures 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 been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Duncan Ashe, P.A.

Greensboro, North Carolina
December 18, 2025

Fire District Number Thirteen, Incorporated
Statement of Financial Position
June 30, 2025 and 2024

Assets	2025	2024
Current assets:		
Cash	$ 672,716	$ 63,502
Investments	3,191,710	3,025,288
Receivables	405,127	222,789
Supplies	5,000	5,000
Prepaid expenses	19,774	18,096
Total current assets	4,294,327	3,334,675
Property and equipment, at cost:		
Land	234,355	234,355
Buildings	974,980	966,680
Equipment	1,145,460	893,429
Office furniture	104,187	52,687
Vehicles	2,061,791	1,931,456
Total property and equipment	4,520,773	4,078,607
Less accumulated depreciation	(3,492,555)	(3,233,823)
Net property and equipment	1,028,218	844,784
Other assets - Fireman's Fund (with donor restrictions)	11,722	13,985
Total assets	$ 5,334,267	$ 4,193,444
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 12,028	$ 10,991
Accrued expenses	153,442	141,190
Total current liabilities	165,470	152,181
Net assets without donor restrictions	5,157,075	4,027,278
With donor restrictions	11,722	13,985
Total net assets	5,168,797	4,041,263
Total liabilities and net assets	$ 5,334,267	$ 4,193,444

Fire District Number Thirteen, Incorporated
Statement of Activities
Year Ended June 30, 2025 with Comparative Totals for 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues and other income:				
County tax assessment	$ 2,894,641	-	$ 2,894,641	$ 2,245,042
Supplemental fire protection	471,532	-	471,532	471,532
Casualty gain (insurance proceeds)	242,479	-	242,479	-
Contributed firefighting	15,709	-	15,709	7,876
Net investment income	222,849	-	222,849	238,859
Interest income	52,471	489	52,960	50,346
Donations and other income	2,634	-	2,634	7,683
Total support and revenues before net assets released from restriction	3,902,315	489	3,902,804	3,021,338
Net assets released from restrictions	2,752	(2,752)	-	-
Total support and revenues	3,905,067	(2,263)	3,902,804	3,021,338
Functional expenses:				
Program expenses - fire services				
Operating	2,350,714	-	2,350,714	2,132,143
Interest	429	-	429	131
Contributed firefighting	15,709	-	15,709	7,876
Miscellaneous expenses	2,750	-	2,750	1,281
Program expenses before depreciation and amortization	2,369,602	-	2,369,602	2,141,431
General administration	146,935	-	146,935	130,639
Total expenses before depreciation and amortization	2,516,537	-	2,516,537	2,272,070
Depreciation and amortization				
Fire services	253,558	-	253,558	251,471
General administration	5,175	-	5,175	5,519
Total depreciation and amortization	258,733	-	258,733	256,990
Total expenses	2,775,270	-	2,775,270	2,529,060
Changes in net assets	1,129,797	(2,263)	1,127,534	492,278
Net assets at beginning of year	4,027,278	13,985	4,041,263	3,548,985
Net assets at end of year	$ 5,157,075	11,722	$ 5,168,797	$ 4,041,263

See accompanying notes to financial statements

Fire District Number Thirteen, Incorporated
Statement of Functional Expenses
Year Ended June 30, 2025 with Comparative Totals for 2024

	Fire Services	General Administration	2025 Total	2024 Total
Personnel services:				
Salaries	$ 1,516,495	79,816	$ 1,596,311	$ 1,409,131
Insurance and medical cost	183,286	9,647	192,933	207,621
Retirement	264,305	13,911	278,216	229,681
Payroll taxes and expenses	113,121	5,954	119,075	105,821
Member and volunteer incentive	4,047	-	4,047	791
Contributed firefighting	15,709	-	15,709	7,876
Total personnel services	2,096,963	109,328	2,206,291	1,960,921
Response expenses:				
Wearing apparel	49,195	-	49,195	49,056
Fire fighting supplies	6,075	-	6,075	7,126
Medical supplies and services	26,346	-	26,346	27,355
Equipment repairs and maintenance	14,022	-	14,022	2,975
Conference and training	5,130	-	5,130	1,093
Vehicle repairs and maintenance	59,168	-	59,168	73,924
Total response expenses	159,936	-	159,936	161,529
Station expenses:				
Building maintenance and supplies	15,090	467	15,557	19,394
Office supplies	4,788	148	4,936	6,354
Postage and delivery	178	6	184	360
Utilities	20,797	643	21,440	23,089
Telephone and satellite	12,401	384	12,785	12,069
Cleaning	3,499	108	3,607	2,404
Lawn and ground maintenance	2,258	-	2,258	446
Total station expenses	59,011	1,756	60,767	64,116
Operating expenses:				
Dues and memberships	2,575	-	2,575	2,356
Books and subscriptions	-	-	-	1,081
Meals and provisions	3,427	3,427	6,854	5,556
Professional fees	21,984	21,984	43,968	44,235
Bank charges	-	106	106	128
Total operating expenses	27,986	25,517	53,503	53,356

(continued)

Fire District Number Thirteen, Incorporated
Statement of Functional Expenses
Year Ended June 30, 2025 with Comparative Totals for 2024

(continued)

	Fire Services	General Administration	2025 Total	2024 Total
Insurance:				
Auto	9,946	9,945	19,891	15,988
Liability, building	12,581	389	12,970	14,748
Total insurance	$ 22,527	10,334	$ 32,861	$ 30,736
Other expenses:				
Interest	$ 429	-	$ 429	$ 131
Depreciation and amortization	253,558	5,175	258,733	256,990
Miscellaneous expenses	2,750	-	2,750	1,281
Total other expenses	256,737	5,175	261,912	258,402
Total expenses	$ 2,623,160	152,110	$ 2,775,270	$ 2,529,060
	95%	5%	100%	

Fire District Number Thirteen, Incorporated
Statement of Cash Flows
Year Ended June 30, 2025 and 2024

	2025	2024
Operating activities:		
Change in net assets	$ 1,127,534	$ 492,278
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	258,733	256,990
Net realized (gain) loss on investments	(64,935)	(103,852)
Net unrealized (gain) loss on investments	(142,061)	(107,550)
(Increase) decrease in related assets:		
Receivables	(182,338)	676
Prepaid expenses	(1,678)	(1,024)
Firemen's Relief Fund	2,263	(519)
Increase (decrease) in related liabilities:		
Accounts payable	1,037	(5,013)
Accrued expenses	12,252	1,355
Net cash provided by operating activities	1,010,807	533,341
Investing activities:		
Purchases of marketable securities	(519,772)	(981,008)
Proceeds from sale of marketable securities	560,346	588,064
Purchase of property and equipment	(442,167)	(174,628)
Net cash used in investing activities	(401,593)	(567,572)
Net increase (decrease) in cash	609,214	(34,231)
Cash at beginning of year	63,502	97,733
Cash at end of year	$ 672,716	$ 63,502
Supplemental Disclosure:		
Cash paid for interest	$ 429	$ 131

Fire District Number Thirteen, Incorporated
Supplementary Data
Year Ended June 30, 2025 and 2024
(See Auditor's Report)

Schedule of Actual vs. Budgeted Expenditures	2025		2024	
	Actual Total	Budgeted (Unaudited)	Actual Total	Budgeted (Unaudited)
Personnel services:				
Salaries	$ 1,596,311	$ 1,724,958	$ 1,409,131	$ 1,563,528
Retirement	275,876	320,842	226,981	281,289
Payroll taxes and expenses	119,075	131,959	105,821	120,553
Insurance and medical costs	192,933	223,000	207,621	227,680
NC Firemen's Pension Fund	2,340	5,250	2,700	6,125
Member and volunteer incentive	4,047	12,000	791	8,400
Total personnel services	2,190,582	2,418,009	1,953,045	2,207,575
Response expenditures:				
Wearing apparel	49,195	56,350	49,056	41,250
Fire suppression supplies	4,133	17,360	6,654	13,050
Public fire education	1,942	3,500	472	1,500
Medical supplies	13,907	4,800	13,912	6,180
Medical services	12,439	16,800	13,443	10,800
Tools and maintenance supplies (non-vehicular)	4,149	1,700	161	2,000
Equipment repairs and maintenance	9,873	6,850	2,814	7,070
Training and conferences	5,130	14,100	1,093	13,000
Fleet maintenance	59,168	91,900	73,924	85,350
Total response expenses	159,936	213,360	161,529	180,200
Fire station expenses:				
Building maintenance and supplies	15,557	23,060	19,394	26,400
Office supplies	4,936	9,500	6,354	6,400
Postage and delivery	184	500	360	480
Utilities	21,440	31,700	23,089	29,400
Telephone and satellite	12,785	15,900	12,069	13,750
Cleaning	3,607	4,200	2,404	3,900
Lawn and ground maintenance	2,258	3,900	446	3,200
Total fire station expenses	60,767	88,760	64,116	83,530
Other operating expenses:				
Dues and memberships	2,575	2,600	2,356	2,550
Books and subscriptions	-	1,100	1,081	-
Meals and provisions	6,854	6,840	5,556	5,300
Professional fees	43,968	46,700	44,235	46,350
Bank service fees	106	-	128	-
Advertising	-	-	-	120
Total operating expenses	53,503	57,240	53,356	54,320
Insurance:				
Auto	19,891	16,000	15,988	15,136
Liability, building	12,970	16,150	14,748	15,286
Total insurance	32,861	32,150	30,736	30,422
Total expenses	2,497,649	2,809,519	2,262,782	2,556,047
Capital expenditures:				
Property and equipment (excluding fire trucks)	322,212	1,046,400	174,628	408,984
Debt service:	-	-	-	-
Total expenditures	$ 2,819,861	$ 3,855,919	$ 2,437,410	$ 2,965,031

See accompanying notes to financial statements

Fire District Number Thirteen, Incorporated
Notes to Financial Statements
June 30, 2025

1. **Nature of Operations**

Fire District Number Thirteen, Incorporated (the "District") is a nonprofit North Carolina corporation organized in 1950. Its purpose is to provide fire protection, medical response and public fire education programs to residents and commuters of the Fire District Number Thirteen primarily in Guilford County, based on contracts with Guilford County ("County") and the City of Greensboro ("City"). The District owns and operates three stations.

2. **Significant Accounting Policies**

a. **Method of Accounting** – The District uses the accrual method of accounting whereby revenues are recorded when earned and expenses are recorded as incurred.

b. **Comparative Financial Information** – The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Department's audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

c. **Financial Statement Presentation** – The District reports information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions – depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when the restrictions end or are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Grants and donations received with donor restrictions that are satisfied in the same year as received are classified as net assets without donor restrictions in the statements of activities.

d. **Revenue Recognition and Receivables** – The District recognizes revenue in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers.

The District has separate contracts with each jurisdiction it services. These contracts require the District to provide a series of substantially the same services throughout the term of the contract and may be cancelled by either party with proper notice as defined in each contract. The annual revenue stated in the contract is established at the beginning of each fiscal year and revenue is recognized by the District on a monthly basis as the services are provided.

Receivables include the final amounts due from the County for the fiscal years ended June 30, 2025 and 2024, respectively. As all receivables were received post year end, no allowance for uncollectible receivables was considered necessary. The county receivable as of June 30, 2025 was $27,648.

e. **Cash** – Cash and cash equivalents include cash in checking and savings accounts and any money market accounts utilized by the District. For purposes of the statement of cash flows, the District considers all unrestricted highly liquid investments with an original maturity of three months of less to be cash equivalents.

f. **Marketable Securities** – Marketable securities are reported at their fair value in the statements of financial position. Marketable securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the fair value of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position. Realized and unrealized gains and losses on marketable securities are reported in the statements of activities, net of investment fees.

g. **Supplies** – Supplies consist primarily of gasoline, propane fuel and fire suppression chemicals and are stated at cost.

h. **Property and Equipment** – Property and equipment are stated at cost or fair market value at the date purchased or donated, respectively. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Excluding land, generally, lives range from 5 to 20 years for trucks and equipment and 40 years for building and improvements. All replacements, maintenance and repairs, and minor renewals and betterments less than $2,500 are expensed. Major renewals and betterments are charged to property and equipment. Upon disposition or retirement of an asset, the cost and accumulated depreciation is removed from the accounts and any gain or loss is reflected in the statements of activities.

i. **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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

j. **Functional Allocation of Expenses** – Fire services and general administration costs are reported on a functional basis in the statements of activities. Accordingly, costs have been allocated among fire services and general administration based on estimated employee time and effort. Expenses associated with occupying and maintaining the buildings are allocated based on square footage.

k. **Compensated Absences** – Full-time employees accumulate paid personal time off (“PTO”) generally dependent on length of service. Upon retirement or approved resignation, employees receive a payment equal to the unused portion of their PTO. PTO may not be carried over to the next calendar year after it is earned; any unused portion of PTO is forfeited. Sick time, which is not payable upon termination of employment, may be carried over.

l. **Income Taxes** – The Department is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4) and is not a private foundation under Section 170(b)(1)(A)(vi). The Department is also exempt from state income tax and, therefore, no provision for income tax has been made in the accompanying statement of activities. The Department's Federal Return of Organization Exempt From Income Tax (Form 990) for 2023 - 2025 are subject to examination by the IRS, generally for three years after they were filed.

The Department accounts for income taxes in accordance with ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination.

The Department has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740. Accordingly, the provisions of ASC 740 did not have any impact on the accompanying financial statements.

Fire District Number Thirteen, Incorporated
Notes to Financial Statements
June 30, 2025

3. Liquidity and Availability of Financial Assets

Financial assets are considered unavailable when illiquid or not convertible to cash within one year, are perpetual endowments, or because the governing board have set aside the funds for specific contingency reserve. Board designations can be drawn upon with Board approval. The statements of financial position reflect assets without donor restrictions and those with donor restrictions. The only funds not available in the next twelve months for unrestricted operations or restricted purpose expenses is the Fireman’s Relief Fund.

The following lists components of the Department's current available financial assets:

Financial assets at June 30,	2025	2024
Operating cash	$ 672,716	$ 63,502
Fireman's relief fund	11,722	13,985
Cash available at year end	684,438	77,487
Receivables and refundable sales tax	405,127	222,789
Marketable securities	3,191,710	3,025,288
Total financial assets available within one year	4,281,275	3,325,564
Less: cash restricted for use	(11,722)	(13,985)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,269,553	$ 3,311,579

4. Concentration of Credit Risk

The District’s deposits in certain financial institutions may, at times, exceed the maximum amounts insured by the Federal Deposit Insurance Corporation (FDIC). Management has determined that the credit risk associated with these excess deposits is minimal. The District’s operational account utilizes an automatic sweep into a Truist investment account, which is not FDIC insured, therefore, the full balance of $628,812 held in this account is uninsured.

5. Fair Value Measurements

The District utilizes fair value measurements to record certain assets and liabilities and to determine fair value disclosures. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date. Professional standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable and Level 3 inputs have the lowest priority and are unobservable inputs of market activity.

The District’s marketable securities are valued using Level 1 inputs, which are quoted market prices within active markets.

The following table sets forth all Level 1 inputs, within the fair value hierarchy, the District's assets at fair value:

June 30,	2025	2024
Assets:		
Marketable securities:		
Cash held for investment and CDs	$ 943,964	$ 993,004
Mutual funds	115,719	116,859
Equities	1,306,260	1,222,912
Exchange traded funds	825,767	692,513
	$ 3,191,710	$ 3,025,288

6. **Investment in Marketable Securities**

The following schedule summarizes marketable securities at fair market values in the statements of financial position:

June 30,	2025	2024
Marketable securities, at cost	$ 2,795,792	$ 2,769,294
Accumulated unrealized gain	395,918	255,994
Marketable securities at fair market value	$ 3,191,710	$ 3,025,288

The following schedule summarizes net investment income (losses) in the statements of activities:

	2025	2024
Interest	$ 52,959	$ 50,346
Dividends	41,973	50,392
Net realized gain	64,935	103,852
Net unrealized gain (loss)	142,061	107,550
Investment fee expense	(26,120)	(22,935)
Total net investment income (losses)	$ 275,808	$ 289,205

Investment revenues are reported net of related external and direct investment fee expense in the statements of activities.

7. **Contracts with Customers**

Revenues from the County are included in county tax assessment while revenues from the City are included in supplemental fire protection in the accompanying statements of activities. The stated expiration dates and cancellation notification periods for each contract are as follows:

Jurisdiction	Expiration	Cancellation Notice
Guilford County	June 30, 2026	90 Days
City of Greensboro	June 30, 2028	N/A

Fire District Number Thirteen, Incorporated
Notes to Financial Statements
June 30, 2025

8. Contingencies and Concentrations

The Department is dependent on Guilford County for its funding. There are no indications of plans to eliminate or reduce this funding. The Department received $2,894,641 (74%) and $2,245,042 (74%), of its revenue and support from the Guilford County fire district tax during the years ended June 30, 2025 and 2024, respectively.

9. Contributed Firefighting

The District uses trained volunteer firefighters to supplement its paid employees. In 2025 and 2024, unpaid volunteers contributed approximately 827 and 415 voluntary hours, respectively, to help the District in the fulfillment of its responsibilities. The estimated value of these contributed services is shown in the statements of activities as revenues and program expenses from contributed firefighting.

The value of the other volunteer time spent has not been included in the above calculation as it is not susceptible to objective valuation.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

At June 30	2025	2024
North Carolina State Firefighter's Association approved uses of relief funds	$ 11,722	$ 13,985

11. Retirement Plans

The District participates in the North Carolina Local Government Employees' Retirement System ("System"). Coverage is mandatory for full time employees with one year or more of service. Employees must contribute 6% of compensation, as defined by the System. The District contributed 14.4% and 13.6% of the full-time employees’ salary during 2025 and 2024, respectively.

An individual qualifies for a vested deferred benefit at age 60 or after five years of credible service. Unreduced benefits are available upon 30 years of credible service or at age 65 with five years of service. Benefit payments are based upon the average annual compensation in the 48 consecutive months of membership service which produces the highest average, adjusted by a statutory percentage, a total year- of-service factor, and an age service factor if the individual is not eligible for unreduced benefits.

Due to the nature of the System, whose attributes are established by legislation of the North Carolina General Assembly, information is not available with respect to present value of vested and nonvested accumulated plan benefits, net assets available for benefits and assumed rates of return used in determining the actuarial present values.

The District also participates in a state-run defined contribution pension plan system that covers all firefighters with 20 years of creditable service. Participants are eligible to receive $175 per month beginning at age 55. The District contributes $10 per month per participant.

The District made contributions to the above plans of $209,127 and $181,332 for 2025 and 2024, respectively.

In addition, the District has a 401(k) Contributory Savings Plan ("Plan") which covers substantially all employees. The Plan allows for voluntary employee contributions up to 14% of their annual gross salary or the Federal effective deferral limit adjusted annually. For 2025 and 2024, the District made discretionary matching contributions of 5% of the compensation of participating employees, amounting to $69,089 and $48,348, respectively.

12. Reclassifications

Certain amounts in the June 30, 2024 financial statement presentation have been reclassified to conform with the June 30, 2025 financial statement presentation.

13. Subsequent Events

The District has evaluated subsequent events through December 18, 2025, the date which the financial statements were available to be issued.

Subsequent to the fiscal year end, the District entered into two secured loan agreements. These transactions represent nonrecognized subsequent events, as the related collateral assets were owned by the District as of year-end.

The first loan agreement provides for borrowings of up to $1,000,000 and is secured by the fire station located at 6912 Spencer Dixon Road. The second loan agreement provides for borrowings of up to $260,000 and is secured by a District-owned pumper truck. The proceeds are intended to be used for the renovation and addition to the fire station at 4629 Hicone Road.