

# Jackson County, NC

## Forensic Investigative Services Concerning Glenville-Cashiers Rescue Squad, Inc.

**Prepared by:**

Roy Strickland CPA/CFF, CFE, MAFF  
Dixon Hughes Goodman LLP  
4350 Congress Street, Suite 900  
Charlotte, North Carolina 28209

**Dated:** November 20, 2019

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November 20, 2019

Heather C. Baker  
Jackson County Attorney  
401 Grindstaff Cove Rd, Suite A207  
Sylva, NC 28779

Re: Forensic Investigation Services for Jackson County, NC concerning Glenville-Cashiers Squad, Inc.

Dear Ms. Baker,

Dixon Hughes Goodman, LLP ("DHG") was engaged by you on behalf of Jackson County, NC ("Jackson County") to perform forensic investigative services related to potentially inappropriate transactions at Glenville-Cashiers Rescue Squad, Inc. (the "Rescue Squad"). This analysis was predicated on the discovery of an unauthorized transfer of funds in the amount of \$152,000 from the Rescue Squad's bank account to the bank account of Sullivan Custom Homes, Inc. ("SCH") by Mr. Brandy Sullivan ("Mr. Sullivan").

This report and the supporting exhibits contain sensitive information including bank account numbers and the names of individuals. If this report is provided to a third party, such as law enforcement or an insurance carrier, we request that you consider the need to redact this information.

As a result of the procedures detailed in this report, we have identified the inappropriate transfer of funds from the Rescue Squad's bank account to Mr. Sullivan's business, SCH. At this time, we have not identified any other items of concern.

## Background

The Glenville-Cashiers Rescue Squad is a non-profit organization that provides emergency rescue services in Jackson County, North Carolina. The Rescue Squad was founded in 1964.

Prior to this investigation, Mr. Sullivan served as the Chairman of the Board of Directors of the Rescue Squad. In addition, Mr. Sullivan is the owner of Sullivan Custom Homes, Inc., a limited liability construction and home building company that operates in the Jackson County area.

In early 2016, discussions began regarding construction of a new station house on property owned by the Rescue Squad on Highway 64 East in Cashiers, North Carolina (the "Project"). As a result of these discussions, a Building Committee consisting of members of the Board, including Mr. Sullivan, was established in February 2016.

### Transfer of Funds

The Rescue Squad began raising funds for construction, as well as considering contractor bids for the Project in early 2017. The Project's estimated costs were approximately \$1.8 million and thus required a contractor with an unlimited general contractor's license. The North Carolina general contractor statute sets out three levels of contractor licenses – limited, intermediate, and unlimited.<sup>1</sup> License holders are entitled to act as a general contractor on projects with the below noted project value and minimum working capital requirement:<sup>2</sup>

- Limited license holders – may act as the general contractor for any single project with a value of up to five hundred thousand dollars (\$500,000) with a minimum working capital requirement of \$17,000,
- Intermediate license holders – may act as the general contractor for any project with a value of up to one million dollars (\$1,000,000) with a minimum working capital requirement of \$75,000, and
- Unlimited license holders – may work on any single project without restrictions as to value with a minimum working capital requirement of \$150,000.

It is our understanding that Mr. Sullivan began positioning his company, SCH, to perform the contract work for the Project around this time. However, in early 2017, Mr. Sullivan did not have his unlimited license and lacked the necessary requirements to act as general contractor for the Project under North Carolina law.

On June 29, 2017, a transfer of funds in the amount of \$152,000 was made from the Rescue Squad's account [REDACTED] to SCH's business account [REDACTED]. [Exhibit 1] It is our understanding that Mr. Sullivan and the Secretary of the Rescue Squad's Board of Directors, Ms. Sandy Taylor ("Ms. Taylor"), visited [REDACTED] Bank to make the transfer.

On July 5, 2017, \$152,000 was transferred back to the Rescue Squad account [REDACTED] from SCH's account [REDACTED]. [Exhibit 2]

This transfer was discovered by Ms. Penny Medford ("Ms. Medford"), Bookkeeper for the Rescue Squad. It is our understanding that Ms. Medford approached Ms. Taylor about the transaction and Ms. Taylor informed Ms. Medford that the money was for Mr. Sullivan's contractor license and the funds would be back in the Rescue Squad's account on Wednesday, July 5, 2017.

While the funds were in SCH's account, Mr. Sullivan engaged a certified public accounting firm, Goldsmith Molis & Gray, PLLC, to audit the financial statements of SCH. [Exhibit 3] The audit of his financials was performed as of 6/30/2017 and includes the \$152,000 transfer of the Rescue Squad's funds. The audited financial statements reflected cash of \$157,903, total current assets of \$186,660, and total current liabilities of \$25,546; thus, reflecting a working capital of over \$150,000. In addition, the Balance Sheet included a long-term liability of a "Note Payable – Related Party" of \$152,000. A liability is deemed to be long-term if it will not be paid within a one-year period and is not included in the calculation of working

<sup>1</sup> North Carolina Licensing Board for General Contractors, Laws and Regulations. <https://nclbgc.org/>

<sup>2</sup> Working capital is calculated as current assets minus current liabilities.

capital. Mr. Sullivan has overstated SCH's working capital by including the transfer from the Rescue Squad in SCH's cash balance and inappropriately listing the corresponding loan as a long-term liability.

With an independent auditor's report reflecting over \$150,000 in working capital, SCH was eligible to apply for an unlimited general contractor license, and thus, eligible to perform the work for the Rescue Squad's project.

On July 19, 2017, Mr. Sullivan applied for an Increase in Limitation of the General Contractor's License. Included with his application was the independent auditor's report reflecting over \$150,000 in working capital. Mr. Sullivan's signed application was also notarized.

On August 2, 2017, SCH was approved for an Unlimited Contractor's License by the North Carolina Licensing Board for General Contractors. **[Exhibit 4]**

Mr. Sullivan personally benefitted from the transfer of funds because the overstatement of working capital, perpetuated by the \$152,000 transfer from the Rescue Squad's bank account, allowed SCH to qualify for an unlimited general contractor license.

#### **Unapproved Contract**

It is our understanding that Mr. Sullivan moved forward with construction on the Project without obtaining proper approval from the Board of Directors. Mr. Sullivan prepared a proposed contract that stated SCH would move forward with the Project for an amount of \$1,955,110.87. It is our understanding that Mr. Sullivan obtained the signatures of the Rescue Squad's Chief, Mr. Carl Stewart ("Mr. Stewart") and the Rescue Squad's Secretary, Ms. Taylor. The contract was signed on February 1, 2018. **[Exhibit 5]** It is our understanding that there is an issue of whether or not the contract was appropriately approved. We have not observed any evidence (i.e. board minute meetings) the contract was approved.

#### **Altering of Invoices**

Prior to the unauthorized transfer of funds, Mr. Sullivan was performing construction work for the Rescue Squad related to building out living quarters for a second 24/7 Emergency Medical Services crew during 2016. It is our understanding that Mr. Sullivan did not obtain any permits for this job, even though he billed the Rescue Squad for "permits and planning." Jackson County confirmed that no permits were pulled for the project, and an inspection indicated that there were significant safety and code violations.

Mr. Sullivan was also responsible for engaging engineering firms for designing and planning related to the Project. On October 4, 2016, the Rescue Squad accepted a proposal from T.E. Allen Engineering, PC ("T.E. Allen") to design the initial structural, plumbing, mechanical, and electrical plans for the Project. As Chairman of the Board, Mr. Sullivan signed and accepted the bid on behalf of the Rescue Squad. Invoices from T.E. Allen were sent to Mr. Sullivan's attention at the Rescue Squad's business address on a periodic basis. It is our understanding that at some point during 2017, the business address for the Rescue Squad was changed to the address for SCH, and invoices began going directly to Mr. Sullivan prior to being issued to the Rescue Squad for payment. After Mr. Sullivan received the initial invoices from T.E. Allen a

"Management Fees" line item was added to the T.E. Allen invoice and re-issued to the Rescue Squad for payment at an inflated amount. [Exhibit 6] The invoices only included general descriptions of the work being performed and did not contain any estimates or costs.

In April of 2018, members of the Board began to question Mr. Sullivan's role in the Project. Members began requesting cost estimates and to view his project plans. It is our understanding that Mr. Sullivan became agitated with the inquiries and resigned as Chairman of the Board on April 12, 2018.

## Forensic Investigation

We were engaged by Jackson County, North Carolina to perform a forensic investigation of Glenville-Cashiers Rescue Squad. The Board of Commissioners of Jackson County entered into an agreement with the Rescue Squad beginning July 1, 2016 for ambulance services. In exchange for these services, Jackson County funds the Rescue Squad approximately \$1,010,000 a year, payable in equal monthly installments of approximately \$84,000 per month. [Exhibit 7] Given the nature of their relationship and the aforementioned events related to Mr. Sullivan and SCH, we were engaged to perform a high-level analysis of the bank statements, financial records, and general ledger transactions of the Glenville-Cashiers Rescue Squad for the period January 1, 2016 through December 31, 2018.

We determined the scope of our procedures through discussions with counsel, as well as with Don Adams, Chief Executive Officer of Jackson County, and Darlene Fox, Director of Jackson County's Finance Department.

We began our analysis by obtaining an electronic backup of the Rescue Squad's QuickBooks file. From the QuickBooks file, we were able to pull various detailed reports as needed. In addition, we also obtained and analyzed the following:

- Bank statements, check images and deposit slips for all Rescue Squad checking and savings accounts from 2016 through 2018,
- Payroll Summaries for 2016 through 2018,
- W-2's and W-3's for 2016 through 2018,
- Board Meeting Minutes for 2016 through 2018,
- All evidence as provided by Nat Turner, Board Member, CFO and Public Affairs Officer, which included the following: bank receipts of the transfer of funds, the bank statement of SCH as of 6/30/17, Mr. Sullivan's audited financial statement and report, Mr. Sullivan's application to the North Carolina Licensing Board for General Contractors, the Rescue Squad's complaint against SCH, and an excerpt from Mr. Sullivan's deposition.

We analyzed profit and loss statements of the Rescue Squad for the years 2016, 2017, and 2018. We compared balances of each income and expense line item and noted any variances that appeared inconsistent with prior years or unreasonable given our knowledge of general business operations. We performed the same year over year analysis for all Balance Sheet accounts.

We also analyzed the same profit and loss statements for the years 2016, 2017, and 2018 on a monthly basis. This allowed us to observe account variances at a closer level. We compared balances of each income and expense account on a month over month basis and noted any variances that appeared to be unreasonable or inconsistent with prior months. We performed the same month over month analysis for all balance sheet accounts.

Based on this analysis, we identified certain expense accounts that had large variances and/or inconsistent activity on a monthly and/or annual basis and analyzed these specific accounts at the transactional level. The accounts analyzed at a transactional level were as follows:

- New Building 2016,
- New EMS Building off 64,
- Depreciation Expense,
- Miscellaneous Supplies,
- Gifts,
- Payroll,
- Postage,
- Rescue Other Expense, and
- Rescue Rooms and Accommodation.

Analyzing these specific expense accounts at the transaction level allowed us to understand the variances. We evaluated any transactions or adjustments that appeared inappropriate or inconsistent with prior periods. We provided the transaction detail of these accounts to Jackson County for review to ascertain the appropriateness of the expenses. Based on our understanding of the Rescue Squad's business operations, internal review by the Rescue Squad, and conversations with Jackson County, all transactions appeared appropriate and reasonable.

Next, we performed an analysis of vendors for the period 2016 through 2018. We identified the following top vendors over the three-year period:

<u>Vendor</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Sullivan Custom Homes LLC	9,497.79	49,049.33	239,984.06	298,531.18
Blue Cross Blue Shield of NC	67,829.16	101,346.33	106,164.57	275,340.06
Key Risk Insurance	-	35,175.00	25,445.00	60,620.00
Cashiers Insurance Co	30,219.50	12,780.00	13,076.00	56,075.50
WEX Bank-3538	14,963.52	14,943.37	19,373.08	49,279.97

The Rescue Squad paid SCH approximately \$298,531 during the three-year period. It is our understanding that there are issues related to the accuracy and appropriateness of these invoices and the related work. We did not review the invoices for appropriateness or evaluate the work completed per the invoices. Based on our analysis, we have not identified any unusual vendor payments other than SCH.

We performed an analysis of payroll expenses for the period to compare compensation amongst employees for reasonableness. The names of these employees and related payroll amounts were provided to Jackson County for internal review.

We were provided with a package of evidence related to the transactions with Mr. Sullivan and SCH. The package included bank receipts of the transfer of funds, which showed \$152,000 was transferred from the Rescue Squad's account [REDACTED] to the business account of SCH [REDACTED] on 6/29/2017. The funds were then transferred back to the Rescue Squad's account on 7/5/2017. [Exhibit 8]

We observed SCH's bank statement from [REDACTED] Bank for account ending [REDACTED] as of 6/30/2017, and noted the balance was \$159,458.72 [Exhibit 1]

We reviewed the independent auditor's report and balance sheet of SCH as of 6/30/2017 from Goldsmith Molis & Gray, PLLC. We noted the balance sheet reflected cash of \$157,903 and total current assets of \$186,660. Total current liabilities were \$25,546, resulting in total working capital of \$161,114. We also observed a long-term note payable to related party for \$152,000. [Exhibit 3] The notes to the financial statements included the following statement about the Note Payable:

*"In June 2017, the Company received a loan from its member totaling \$152,000. The loan is unsecured and accrues interest at 5.0% per annum, with the entire principal balance plus accrued interest due on December 31, 2018. The balance owed to the member at June 30, 2017 was \$152,000."*

As previously mentioned, Mr. Sullivan's inappropriate classification of the \$152,000 as a long-term liability overstates SCH's working capital. This misstatement inappropriately allowed SCH to qualify for an unlimited general contractor license.

We analyzed Mr. Sullivan's Application for Increase in Limitation to the North Carolina Licensing Board for General Contractors, signed and dated by a notary on July 19, 2017. [Exhibit 4] We also reviewed evidence of approval of SCH's Unlimited Limitation License by the NC Licensing Board. It is our understanding that Mr. Sullivan submitted the audited financial statements, reflecting the \$152,000 of Rescue Funds, along with his application, in order to obtain the unlimited contractor license.

We also read an excerpt from the May 22, 2019 deposition of Mr. Sullivan. [Exhibit 9] Mr. Sullivan was questioned about the funds in the SCH account as of 6/30/2017. During the deposition, Mr. Sullivan admitted that the cash on the balance sheet submitted along with his application for an unlimited license included the \$152,000 from the Rescue Squad.

## Conclusion

During the period January 1, 2016 through December 31, 2018, the Rescue Squad paid SCH approximately \$298,531 for miscellaneous construction services. It is our understanding that there are concerns related to the validity of these invoices and fees.

Additionally, Mr. Sullivan inappropriately requested Ms. Taylor transfer \$152,000 from the Rescue Squad's account to SCH's account on June 29, 2017. This transfer resulted in an inappropriate loan from the Rescue Squad to SCH until the funds were returned on July 5, 2017. This transfer of funds was reported in SCH's June 30, 2017 audited financial statements as cash and accounted for a majority of SCH's working capital. The liability for the funds were inappropriately recorded as a long-term liability as the funds were returned six days after the initial transfer. The additional cash balance and incorrectly listing the corresponding liability as a long-term liability allowed SCH to obtain the unlimited general contractor license. Mr. Sullivan personally benefitted from SCH obtaining this license.

It would be highly unusual for a non-profit organization to loan an individual funds and even more so abnormal for the individual to be the Chairman of the Board.

Based on our procedures and internal analysis by Jackson County, we did not identify any items of concern other than the issues surrounding Mr. Sullivan and SCH.

## Summary and Description of Exhibits

The following evidence and observations are documented in this report:

<b>Exhibit 1</b>	[REDACTED]	June 30, 2017 with transfer slip
<b>Exhibit 2</b>	[REDACTED]	July 21, 2017 with transfer slip
<b>Exhibit 3</b>		Independent Auditors' Report for Sullivan Custom Homes, LLC, dated July 13, 2017
<b>Exhibit 4</b>		Approval of Application for Increase in Limitation with Application
<b>Exhibit 5</b>		Contract between Sullivan Custom Homes, LLC and Glenville-Cashiers Rescue Squad, Inc., dated February 1, 2018
<b>Exhibit 6</b>		T.E. Allen Engineering, PC and Sullivan Custom Homes, LLC Invoices
<b>Exhibit 7</b>		Agreement for Ambulance Services Contract between Jackson County, North Carolina and Glenville-Cashiers Rescue Squad, Inc., dated July 1, 2016
<b>Exhibit 8</b>		Transfer Slips
<b>Exhibit 9</b>		Excerpt from Mr. Sullivan's deposition on May 22, 2019

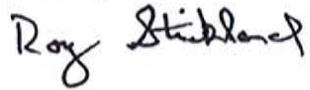
## Restrictions

This report is intended solely for the use of Jackson County, NC and should not be used for any other purpose without our prior written permission for each occasion.

We did not interview Mr. Brandy Sullivan or any other employee of the Rescue Squad.

The validity of this report is predicated on the extent to which full, honest, and complete disclosure was made by all parties. In the event additional documents or new information are made available to us after the date of this report, we respectfully reserve the right to amend this report as appropriate.

Sincerely,

A handwritten signature in black ink that reads "Roy Strickland". The signature is written in a cursive style with a large, stylized "R" and "S".

Roy Strickland, CPA/CFF, CFE, MAFF

PBC

PO BOX 1489  
CASHIERS NC 20717

000 00006 01 PAGE: 1  
ACCOUNT: 06/30/2017  
DOCUMENT: 50

TELEPHONE: 800-822-2651

MILLIVAN CUSTOM HOMES LLC  
PO BOX 1506  
CASHIERS NC 28717

30  
6  
51

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BUSINESS VALUE ACCOUNT

		LAST STATEMENT 05/31/17	41,797.53
MINIMUM BALANCE	.00	12 CREDITS	181,810.52
AVG AVAILABLE BALANCE	22,152.65	BY DEBIT	64,249.33
AVERAGE BALANCE	22,948.32	THIS STATEMENT 06/30/17	353,438.72

↑  
1

----- DEPOSITS -----

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	06/06	1,283.50		06/14	1,690.71		06/27	538.94
	06/08	332.10		06/19	15,002.61		06/29	152,000.00
	06/14	1,665.00		06/20	3,428.75			

H-T

----- OTHER CREDITS -----

DESCRIPTION	DATE	AMOUNT
219586 DPA PSE RETURN 06/06 21:09 RBT 8UB000 00663	06/07	.62
EasySavings BY		
ADVANCE FROM BUSINESS OVERDRAFT LOAN	06/12	940.39
Transfer from	06/13	1,000.00
Transfer from	06/29	9,000.00

----- CHECKS -----

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
*08/23		500.00	3924	06/09	650.00	3930*	06/02	1,147.50
3915*	06/02	588.00	3925	06/09	11,750.00	3932	06/01	3,200.00
3920	06/07	321.31	3926	06/06	45.37	3933	06/14	126.00
3921	06/12	2,230.00	3927	06/06	909.66	3934	06/12	210.00
3922	06/07	763.50	3928	06/09	2,323.00	3935	06/12	423.62
3923	06/01	2,400.00	3929	06/05	260.48	3936	06/12	115.02

\*\*\* CONTINUED \*\*\*

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July 5, 2017  
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in



This is your receipt.  
All items credited subject to payment.  
Thank you for your business.

111 22 07/05/17 10432  
DDA to DDA Transfer  
From Acct: [REDACTED] \$152,000.00  
To Acct: [REDACTED] \$152,000.00

WASH /



This is your receipt.  
All items credited subject to payment.  
Thank you for your business.

111 22 06/29/17 RESO 14113  
DDA to DDA  
From Acct: [REDACTED] \$152,000.00  
To Acct: [REDACTED] \$152,000.00

TRANSFER TO PEARMON'S Acct  
FOR NEW BUDG - TRANSFERRED  
BACK-NUMBER

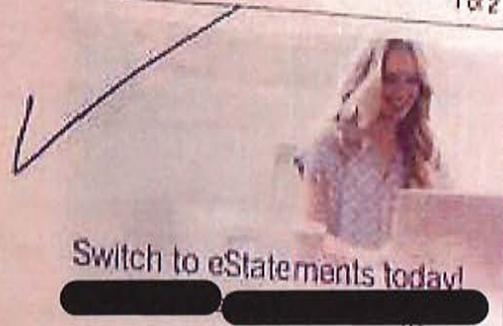
June 29, 2017  
Transfer out



PO BOX [REDACTED] NC 28717  
TELEPHONE [REDACTED] (111)

Statement Date 07/21/2017  
Balance 154,553.09  
Enclosures 2  
Page 1 of 2

993 1 AV D:070  
GLENNVILLE CASHIERS RESCUE SQUAD INC  
PO BOX 919  
DASHIERS NC 28717-0919



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**BUSINESS IMMA ACCOUNT** [REDACTED]

LAST STATEMENT 06/20/17 154,524.81  
2 CREDITS 152,020.48  
1 DEBITS 152,000.00  
THIS STATEMENT 07/21/17 154,553.09

**DEPOSITS**

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	07/05	152,000.00						

**OTHER CREDITS**

DESCRIPTION	DATE	AMOUNT
INTEREST AT .240000 %	06/30	28.48

**CHECKS**

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
	06/29	152,000.00						

**INTEREST**

AVERAGE LEDGER BALANCE:	125,124.54	INTEREST EARNED:	28.48
AVERAGE AVAILABLE BALANCE:	125,124.54	DAYS IN PERIOD:	31
INTEREST PAID THIS PERIOD:	28.48	ANNUAL PERCENTAGE YIELD EARNED:	.24%
INTEREST PAID 2017:	182.83		

**DAILY BALANCE**

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
06/29	2,524.81	06/30	2,553.09	07/05	154,553.09

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111 28 07/05/17 10102  
00A to 00A  
From Acct [REDACTED] \$152,000.00  
To Acct [REDACTED] \$152,000.00

WASH /



This is your receipt.  
All items credited subject to payment.  
Thank you for your business.

111 28 06/29/17 RES014113  
00A to 00A Transfer  
From Acct [REDACTED] \$152,000.00  
To Acct [REDACTED] \$152,000.00

TRANSFER TO PERMANY'S ACCT  
FOR NEW BUDG - TRANSFERRED  
BACK-NUMBER

June 29, 2017  
Transfer out  
←



**Goldsmith Molis & Gray, PLLC**  
Certified Public Accountants

32 Orange Street  
Asheville, NC 28801  
tel. 828.281.3161  
fax 828.281.3164

### **INDEPENDENT AUDITORS' REPORT**

To the Member of  
Sullivan Custom Homes, LLC  
Cashiers, North Carolina

We have audited the accompanying balance sheet of Sullivan Custom Homes, LLC (a North Carolina limited liability company) as of June 30, 2017, and the related notes.

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

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

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

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 balance sheet referred to above presents fairly, in all material respects, the financial position of Sullivan Custom Homes, LLC as of June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

*Goldsmith Molis & Gray, PLLC*

Goldsmith Molis & Gray, PLLC  
Asheville, North Carolina  
July 13, 2017

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**Sullivan Custom Homes, LLC**  
**Balance Sheet**  
**June 30, 2017**

**Assets**

Current assets:

Cash	\$ 157,903
Contracts receivable	28,526
Prepaid expenses	231
Costs and estimated earnings in excess of billings	-
Total current assets	<u>186,660</u>

Property and equipment, net

-

Total assets

\$ 186,660

**Liabilities and Member's Equity**

Current liabilities:

Accounts payable and accrued expenses	\$ 25,092
Billings in excess of costs and estimated earnings	454
Total current liabilities	<u>25,546</u>

Long-term liabilities:

Note payable- related party	<u>152,000</u>
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Total liabilities

177,546

Member's equity

9,114

Total liabilities and member's equity

\$ 186,660

The accompanying notes are an integral part of this financial statement.

**Sullivan Custom Homes, LLC**  
Notes to the Financial Statement  
June 30, 2017

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies**

**Nature of Operations**

Sullivan Custom Homes, LLC (the "Company") is a general contractor operating primarily in Western North Carolina. The work is performed under fixed fee and cost-plus fee arrangements. Contracts vary in length, but typically last less than a year.

**Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, if any. Actual results could vary from the estimates that were used.

**Cash**

The Company maintains its cash in one bank deposit account. This account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, the bank account may exceed federally insured limits. The Company has not experienced any losses on such accounts.

**Fair Value of Financial Instruments**

The Company discloses for each class of financial instruments the methods, and when a valuation technique is used, the significant assumptions applied in determining the fair values of financial assets and liabilities. If there is a change in the valuation technique, then the Company discloses both the change and the reasons for the change.

The Company estimates that the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying Balance Sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies.

The Company's financial instruments consist primarily of cash, contracts receivable, prepaid expenses, accounts payable and accrued expenses and long-term debt.

**Revenue and Cost Recognition**

The Company recognizes revenues from fixed-price construction contracts on the percentage-of-completion method, measured by the percentage of cost incurred to date as compared to the estimated total cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

**Sullivan Custom Homes, LLC**  
Notes to the Financial Statement  
June 30, 2017

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies - continued**

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation.

Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in estimated job profitability resulting from job performance, job conditions, contract penalty provisions, claims, change orders, and settlements, are accounted for as changes in estimates in the current period.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

The percentage-of-completion method requires that indirect costs be allocated to job costs. The Company allocates indirect costs based on direct labor dollars and total costs.

**Receivables and Credit Policies**

Contracts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Customers are not charged interest for late payments. Notes receivable, if any, are stated at the principal amount due and are generally not collateralized.

Contracts receivable are stated at the amount billed to the customer. Customer account balances with invoices dated over 90 days past due are considered delinquent.

Payments received on accounts receivable are relieved from the accounts receivable aging based on the specific invoices on the customer's remittance advice.

Receivables are stated at the amount management expects to collect from outstanding balances. Management individually reviews all accounts receivable balances over 90 days past due and based on an assessment of current creditworthiness, estimates the portion, if any that is not expected to be collected. An allowance for doubtful accounts is provided for the estimated losses that may be incurred due to uncollectible receivables.

**Sullivan Custom Homes, LLC**  
Notes to the Financial Statement  
June 30, 2017

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies - continued**

**Income Taxes**

The Company has been organized in the state of North Carolina as a single-member limited liability company. A single-member limited liability company is treated as a disregarded entity for income tax purposes and is not subject to income taxes. The taxable income or loss of the Company is included in the individual income tax returns of its member. Consequently, no provision for income taxes is required in the accompanying financial statements.

FASB ASC 740, "Accounting for Uncertainty in Income Taxes", and clarified the accounting for the recognition and measurement of uncertainties in income taxes recognized in an entity's financial statements and prescribes a threshold of more-likely-than-not for recognition of tax positions taken or expected to be taken in a tax return. The Company's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions and other evidence.

As of June 30, 2017, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. In evaluating the Company's tax provisions and accruals, future taxable income, the reversal of temporary differences, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

**Note 2 – Contracts Receivable**

Contracts receivable at June 30, 2017 are described as follows:

Accounts receivable – contracts	\$ 28,526
Retainage receivable	<u>          -</u>
Total contracts receivable	<u>\$ 28,526</u>

The Company uses the allowance method to account for uncollectible accounts. At June 30, 2017, no allowance was recorded as it is management's opinion that all remaining receivables will be collected within the next twelve months.

**Sullivan Custom Homes, LLC**  
Notes to the Financial Statement  
June 30, 2017

**Note 3 – Contracts in Progress**

Costs, estimated earnings, and billings on uncompleted contracts are described as follows:

<u>For the Period Ended June 30</u>	<u>2017</u>
Costs incurred on uncompleted contracts	\$ 3,225
Estimated earnings	<u>560</u>
Total costs and estimated profit on uncompleted contracts	3,785
Billings to date	<u>4,239</u>
Net over billings on uncompleted contracts	<u>\$ (454)</u>

The net under billing on uncompleted contracts are included in the accompanying balance sheet under the following captions.

<u>For the Period Ended June 30</u>	<u>2017</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ -
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(454)</u>
Net over billings on uncompleted contracts	<u>\$ (454)</u>

**Note 4 – Note Payable- Related Party**

In June 2017, the Company received a loan from its member totaling \$152,000. The loan is unsecured and accrues interest at 5.0% per annum, with the entire principal balance plus accrued interest due on December 31, 2018. The balance owed to the member at June 30, 2017 was \$152,000.

**Sullivan Custom Homes, LLC**  
Notes to the Financial Statement  
June 30, 2017

**Note 5 – Backlog**

Backlog represents the amount of revenue the Company expects to realize from work to be performed on uncompleted contracts in progress at period-end and from contractual agreements on which work has not yet begun. Backlog at June 30, 2017 totaled \$63,842.

**Note 6 – Concentrations and Commitments**

Accounts receivable at June 30, 2017 includes approximately \$24,000 or 84.6% due from three customers.

Accounts payable at June 30, 2017 includes approximately \$11,500 or 54.3% due to two vendors.

The Company extends a one-year warranty on its construction work when requested by a customer or when required by a contract. In such cases, subcontractors used by the Company provide the same warranty on their work.

**Note 7 – Subsequent Events**

The Company evaluated the effect that all subsequent events would have on the financial statements through July 13, 2017, which is the date the financial statements were available to be issued.



North Carolina  
Licensing Board for General Contractors

August 2, 2017

Sullivan Custom Homes, LLC  
PO Box 1506  
Cashiers, NC 28717-1506

License No: 75728  
Limitation: Unlimited  
Classification: Building  
Sir/Madam:

Your application for increase in limitation of licensure has been considered by the North Carolina Licensing Board for General Contractors. As of the date of this letter, the Board has granted the increase in limitation for your license as referenced above.

Chapter 87, Article 1 of the North Carolina General Statutes provides that you may now begin operating as a general contractor in this state with the new limitation. Please be advised, under North Carolina law, general contractors licenses may not be transferred to any other person, firm or corporation.

This license expires on December 31, 2017. A renewal application will be mailed to you. The renewal application must be completed and returned to this office accompanied by the appropriate fee in order for your general contractors license to remain active for the next calendar year.

An amended certificate will be mailed to you in the near future.

Sincerely,

A handwritten signature in cursive script that reads "C. Frank Wilson".

Licensing

CFW/pst

August 2

CCX F 900907

North Carolina Licensing Board

EXHIBIT A \$125

For

RECEIVED

General Contractors 2017 JUL 24 AM 7 34

Application For Increase In Limitation

BOARD FOR GENERAL CONTRACTORS

Name of Applicant Sullivan Custom Homes, LLC (exact name of license as issued by the Board)

Mailing Address P.O. Box 1506

City Cashiers State NC Zip 28717 County Jackson

Telephone [redacted] License Number 75728

Requested Limitation Intermediate [ ] Unlimited [X]

E-mail Address SullivanCustomHomes@gmail.com

Applicants for increase in limitation must complete this form. Applications for increase in limitations must be accompanied by an audited financial statement with an unqualified opinion, a classified balance sheet and notes to the financial statement prepared by a Certified Public Accountant or by an independent accountant who is engaged in the public practice of accountancy (See 21 NCAC 12.0204 (a-g) for eligibility requirements and 12.0504). The audited financial statement cannot be older than twelve (12) months from the date of receipt of the application for increase.

Questions 1-6 must be answered "YES" or "NO." If any are answered "YES," all supporting documents and exhibits must be attached.

- 1. Have there been any changes in the style, name, personnel, ownership, composition or nature of your business...
2. Have you declared or been placed in bankruptcy, receivership, or other insolvency...
3. Is the licensee or any principal shareholder or officer under investigation...
4. Have there been any liens, lawsuits, judgments, or lis pendens filed against the licensee...
5. Have you any other contingent or unpaid liabilities that are not fully disclosed...
6. Has the licensee, owner, any principal, officer, or qualifier had a conviction for a misdemeanor relating to contracting...

Information on this application must be typewritten or completed in black ink.

### Certification Signatures

It is required that all individuals who successfully completed the examination(s) sign the certification. If the license was granted based on the waiver of an exam, the individual(s) who completed the exam in SC/TN, or the NASCLA Accredited Building exam must sign the certification. The increase application will be returned if not properly signed. If the licensee is the same as the qualifying individual, the certification must still be signed.

I certify under oath or by affirmation, that I am employed by the applicant.

Signature Brandy Sullivan SS# \_\_\_\_\_

Signature \_\_\_\_\_ SS# \_\_\_\_\_

### Applicant Signatures

The application must be signed by the individual, sole proprietor, all partners, LLC members or corporate officers. I duly certify under oath or by affirmation, the truth, completeness and accuracy of all statements and answers to all questions and all attachments in this application. I understand that giving false evidence to the Board under oath is a misdemeanor under N.C.G.S. §87-13 punishable by a fine and/or imprisonment.

Print Name (officer, members, owner or partner) Brandy Sullivan (owner) X Signature Brandy Sullivan

Print Name (officer, members, owner or partner) \_\_\_\_\_ X Signature \_\_\_\_\_

All applicant and certification signatures must be notarized in this space.

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Sworn to and subscribed before me this the 19<sup>th</sup> day of July, 20 17

Notary Public: Heather Satterwhite  
Typed/Printed Name of Notary: Heather Satterwhite

My Commission Expires: 3-28-22



CONTRACT AGREEMENT

CONTRACTOR'S NAME: **Sullivan Custom Homes, LLC**  
ADDRESS: **PO Box 1579 Cashiers, NC 28717**  
PHONE: **[REDACTED]**

DATE: February 01, 2018

OWNER'S NAME: **Glenville-Cashiers Rescue Squad, Inc.**  
ADDRESS: **PO Box 919, Cashiers NC 28717**

PROJECT ADDRESS: **Hwy 64 East**

**I. PARTIES**

This contract (hereinafter referred to as "Agreement") is made and entered into on this **1st** day of February, 2018, by and between, **Glenville-Cashiers Rescue Squad, Inc.** (hereinafter referred to as "Owner"); and **Sullivan Custom Homes, LLC**, (hereinafter referred to as "Contractor"). In consideration of the mutual promises contained herein, Contractor agrees to perform the following work: Construct Deck addition as discussed and a drawn, drawing is attached.

**II. GENERAL SCOPE OF WORK DESCRIPTION**

**The builder will supply all material and Labor needed to complete the above project, builder will construct the above work in a manner to pass all building codes in the state of North Carolina.**

The Contractor will construct the New EMS-Rescue Squad per the plans provided by Client.

(Additional Scope of Work page(s) attached: \_\_\_ Yes \_\_\_ No)

**LUMP SUM PRICE FOR ALL WORK ABOVE: \$1,955,100.87**

**III. GENERAL CONDITIONS FOR THE AGREEMENT ABOVE**

**A. EXCLUSIONS**

The following areas are not covered in this contract and are the responsibility of the owners.

**1. PROJECT SPECIFIC EXCLUSIONS: N/A**

**2. STANDARD EXCLUSIONS:** Unless specifically included in the "General Scope of Work" section above, this Agreement does *not* include *labor or materials* for the following work: Plans, engineering fees, or governmental permits and fees of any kind. Testing, removal and disposal of any materials containing asbestos (or any other hazardous material as defined by the EPA). Custom milling of any wood for use in project. Moving Owner's property around the site. Labor or materials required to repair or replace any Owner-supplied materials. Repair of concealed underground utilities not located on prints or physically staked out by Owner which are damaged during construction. Surveying that may be required to establish accurate property boundaries for setback purposes (fences and old stakes may not be located on actual property lines). Final construction cleaning (Contractor will leave site in "broom swept" condition). Landscaping and irrigation work of any kind. Temporary sanitation, power, or fencing. Removal of soils under house in order to obtain 18 inches (or code-required height) of clear space between bottom of joists and soil. Removal of filled ground or rock or any other materials not removable by ordinary hand tools (unless heavy equipment is specified in Scope of Work section above), correction of existing out-of-plumb or out-of-level conditions in existing structure. Correction of concealed substandard framing. Rerouting/removal of vents, pipes, ducts, structural members, wiring or conduits, steel mesh which may be discovered in the removal of walls or the cutting of openings in walls. Removal and replacement of existing rot or insect infestation. Failure of surrounding part of existing structure, despite Contractor's good faith efforts to minimize damage, such as plaster or drywall cracking and popped nails in adjacent rooms or blockage of pipes or plumbing fixtures caused by loosened rust within pipes; construction of a continuously level foundation around structure (if lot is sloped more than 6 inches from front to back or side to side, Contractor will step the foundation in accordance with the slope of the lot). Exact matching of existing finishes. Public or private utility connection fees. Repair of damage to roadways, driveways, or sidewalks that could occur when construction equipment and vehicles are being used in the normal course of construction.

**B. DATE OF WORK COMMENCEMENT AND SUBSTANTIAL COMPLETION**

Commence work: February 5th. Construction time through substantial completion: Approximately 13 to 16 Months, *not* including delays and adjustments for delays caused by: inclement weather, additional time required for Change Order work, and other delays unavoidable or beyond the control of the Contractor.

**C. CHANGE ORDERS: CONCEALED CONDITIONS AND ADDITIONAL WORK**

**1. CONCEALED CONDITIONS:** This Agreement is based solely on the observations Contractor was able to make with the grounds in its current condition at the time this Agreement was bid. If additional concealed conditions are discovered once work has commenced which were *not* visible at the time this proposal was bid, Contractor will stop work and point out these unforeseen concealed conditions to Owner so that Owner and Contractor can execute a Change Order for any Additional Work.

**2. DEVIATION FROM SCOPE OF WORK:** Any alteration or deviation from the Scope of Work referred to in this Agreement involving extra costs of materials or labor (including any overage on **ALLOWANCE** work and any changes in the Scope of Work required by governmental plan checkers or field building inspectors) will be executed upon a written Change Order issued by Contractor and should be signed by Contractor and Owner prior to the commencement of Additional Work by the Contractor.

Contractor to supervise, coordinate, and charge 15 % profit and overhead on Owner's separate Subcontractors who are working on site at same time as Contractor. Contractor's profit and overhead, and any supervisory labor will not be credited back to Owner with any deductive Change Orders (work deleted from Agreement by Owner).

#### **D. PAYMENT SCHEDULE AND PAYMENT TERMS**

##### **1. PAYMENT SCHEDULE:**

\***Ernest Money:** Due when Agreement is signed and returned to Contractor **\$61010.64** Ernest money is a percentage of the Monies owe to the Contractor and is non-refundable.

\*Progress payments will be made on a monthly basis, Contractor will provide each month an invoice

\*If the contractor completes a phase prior to the end of the month an invoice will be issued for that completed work.

\*Final Payment will be due at completion of project.

**2. PAYMENT OF CHANGE ORDERS:** Payment for each Change Order is due upon completion of Change Order work and submittal of invoice by Contractor. **A change order fee of \$100 per change order will be charged on each Change Order.**

**3. ADDITIONAL PAYMENTS FOR ALLOWANCE WORK AND RELATED CREDITS:**

Payment for work designated in the Agreement as **ALLOWANCE** work has been initially factored into the Lump Sum Price and Payment Schedule set forth in this Agreement. If the actual cost of the allowance work exceeds the line item allowance amount in the Agreement, the difference between the cost and the line item allowance amount stated in the Agreement will be written up by Contractor as a Change Order subject to Contractor's profit and overhead at the rate of 15 %.

If the cost of the allowance work is less than the allowance line item amount listed in the Agreement, a credit will be issued to Owner after all billings related to this particular line item allowance work have been received by Contractor. This credit will be applied toward the final payment owing under the Agreement. Contractor profit and overhead and any supervisory labor will not be credited back to Owner for allowance work.

**E. WARRANTY**

Contractor provides a limited warranty on all Contractor- and Subcontractor-supplied labor and materials used in this project for a period of one year following substantial completion of all work.

No warranty is provided by Contractor on any materials furnished by the Owner for installation. No warranty is provided on any existing materials that are moved and/or reinstalled by the Contractor within the dwelling (including any warranty that existing/used materials will not be damaged during the removal and reinstallation process). One year after substantial completion of the project, the Owner's sole remedy (for materials and labor) on all materials that are covered by a manufacturer's warranty is strictly with the manufacturer, not with the Contractor.

Repair of the following items is specifically excluded from Contractor's warranty: Damages resulting from lack of Owner maintenance; damages resulting from Owner abuse or ordinary wear and tear; deviations that arise such as the minor cracking of concrete, stucco and plaster; minor stress fractures in drywall due to the curing of lumber; warping and deflection of wood; shrinking/cracking of grouts and caulking; fading of paints and finishes exposed to sunlight.

**THE EXPRESS WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE. THIS LIMITED WARRANTY EXCLUDES CONSEQUENTIAL AND INCIDENTAL DAMAGES AND LIMITS THE DURATION OF IMPLIED WARRANTIES TO THE FULLEST EXTENT PERMISSIBLE UNDER STATE AND FEDERAL LAW.**

**F. WORK STOPPAGE, TERMINATION OF CONTRACT FOR DEFAULT, AND INTEREST**

Contractor shall have the right to stop all work on the project and keep the job idle if payments are not made to Contractor in accordance with the Payment Schedule in this Agreement, or if Owner repeatedly fails or refuses to furnish Contractor with access to the job site and/or product selections or information necessary for the advancement of Contractor's work. Simultaneous with stopping work on the project, the Contractor must give Owner written notice of the nature of Owner's default and must also give the Owner a 14-day period in which to cure this default.

If work is stopped due to any of the above reasons (or for any other material breach of contract by Owner) for a period of 14 days, and the Owner has failed to take significant steps to cure his default, then Contractor may, without prejudicing any other remedies Contractor may have, give written notice of termination of the Agreement to Owner and demand payment for all completed work and materials ordered through the date of work stoppage, and any other loss sustained by Contractor, including Contractor's Profit and Overhead at the rate of 15% on the balance of the incomplete work under the Agreement. Thereafter, Contractor is relieved from all other contractual duties, including all Punch List and warranty work.

**G. DISPUTE RESOLUTION AND ATTORNEY'S FEES**

Any controversy or claim arising out of or related to this Agreement involving an amount of less than \$5,000 (or the maximum limit of the court) must be heard in the Small Claims Division of the Municipal Court in the county where the Contractor's office is located. Any controversy or claim arising out of or related to this Agreement which is over the dollar limit of the Small Claims Court must be settled by binding arbitration administered by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. Judgment upon the award may be entered in any Court having jurisdiction thereof.

The prevailing party in any legal proceeding related to this Agreement shall be entitled to payment of reasonable attorney's fees, costs, and expenses.

**H. EXPIRATION OF THIS AGREEMENT**

This Agreement will expire 30 days after the date at the top of page one of this Agreement if not first accepted in writing by Owner.

**I. ENTIRE AGREEMENT**

This Agreement represents and contains the entire agreement between the parties. Prior discussions or verbal representations by the parties that are not contained in this Agreement are not a part of this Agreement.

**J. INSURANCE**

Contractor will carry General Liability Insurance and Workers Comp Insurance for project. Owner will have to carry a Builders Risk Insurance Policy naming the Owner and Contractor.

**K. ADDITIONAL LEGAL NOTICES REQUIRED BY STATE OR FEDERAL LAW**

See page(s) attached: \_\_\_\_ Yes \_\_\_\_ No

**L. ADDITIONAL TERMS AND CONDITIONS**

See page(s) attached: \_\_\_\_ Yes \_\_\_\_ No

I have read and understood, and I agree to, all the terms and conditions contained in the Agreement above.

02-01-18 *Brady Sullivan*  
Date CONTRACTOR'S SIGNATURE

02-1-18 *Cody Stewart*  
Date Chiefs SIGNATURE

2-1-18 *Samson J. J. J.*  
Date Treasure/Board Member SIGNATURE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**T.E. ALLEN ENGINEERING, PC**  
**CONSULTING ENGINEER**

Post Office Box 103

Rosman, North Carolina 28772

Phone (828) 877-4883 Email: tcalleneng@comporium.net Mobile (828) 553-3004 Firm # C-1997

September 28, 2016

SUBJECT: Engineering Services to design Structural, Plumbing, Mechanical and Electrical Plans for New Station #2 Building (41'x96') – Glenville Cashiers Rescue Squad, Hwy 64 East, Cashiers, Jackson County, North Carolina, PIN 7572-51-1831 and PIN 7572-51-2888

Glenville Cashiers Rescue Squad  
ATTN: Brandy Sullivan  
P.O. Box 919  
Cashiers, NC 28717  
828-399-1510  
[sullivancustomhomes@gmail.com](mailto:sullivancustomhomes@gmail.com)

Dear Mr. Sullivan:

Thank you for the opportunity to submit a proposal for the engineering services to design the structural, plumbing, mechanical and electrical plans for New Station #2 Building – Glenville Cashiers Rescue Squad, Hwy 64 East, Cashiers, North Carolina. I understand that the new building is to be a two level structure and will include four (4) equipment bays, day room, offices, restrooms and sleeping areas. T.E. ALLEN ENGINEERING, PC proposes to provide the engineering design services to prepare plans and specifications for the proposed for the new work described above. Our deliverables will include full size (24"x36") signed & sealed engineering plans and specifications. This proposal may also serve as our letter-of- agreement if you wish to proceed with the work.

Due to various unknown conditions, it is not possible to know the exact cost for the required engineering services at this point. Therefore, I propose to provide the required engineering services to prepare engineering design at my standard hourly rates of \$150.00/hr., based on the actual design effort incurred. A retainer fee of \$7,500.00 is requested, to be used for the preliminary designed services. Once the preliminary engineering design is completed, an estimated range can be provided for the remaining design services needed to complete the final plans and specifications. Full payment for final plans is due upon delivery of the sealed engineering plans. The above mentioned hourly rate is applicable to both the preliminary and the final design.

Engineering Plans  
New Station #2 Building  
Glenville Cashiers Rescue Squad

Page 2  
Sep 28, 2016

This work does NOT include; permit application fees, civil site design, architectural plans, fire protection engineering, waterline extension design, on-site wastewater design, geotechnical engineering services, land surveying, inspections during construction, contract administration services, or design work beyond the footprint of the proposed building.

If you would like to proceed with this work, please sign and return one copy of this letter along with a check for the retainer fee. If you have any questions, please do not hesitate to contact me.

Sincerely,

*Terry Allen*

Terry E. Allen, P.E., M.S.E  
Consulting Engineer

BRANDY SULLIVAN and GLENVILLE CASHIERS RESCUE SQUAD hereby accept this proposal for engineering services and authorizes T.E. ALLEN ENGINEERING, PC to proceed with the work.

Accepted By: *Brandy Sullivan*

DATE: 10-4-16

Rescue Squad Inc.

3094

en, PE  
Reference  
9282016

Original Amt.  
7,500.00

Balance Due  
7,500.00

10/12/2016

Discount

Check Amount

Payment

7,500.00

7,500.00

PAYMENT  
RECORD

Rescu Rescue #2

7,500.00

# INVOICE

**TERRY E. ALLEN, PE**

**P.O. BOX 103**

**Rosman, NC 28772**

828-877-4883 Office

828-553-3004 Mobile

Email: tealleneng@comporium.net

INVOICE NO. 17-01-23-01

JANUARY 23, 2017

**TO: Glenville Cashiers Rescue Squad**

**ATTN: Brandy Sullivan**

**P.O. Box 1506**

**Cashiers, NC 28717**

sullivancustomhomes@gmail.com

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
	<p><b>ENGINEERING SERVICES:</b></p> <p>Engineering Services to design Structural, Plumbing, Mechanical and Electrical Plans for <u>NEW STATION #2 BUILDING</u> (41'x96') – Glenville Cashiers Rescue Squad, Hwy 64 East, Cashiers, Jackson County, North Carolina, PIN 7572-51-1831 and PIN 7572-51-2888; In accordance with our Proposal dated Sept 28, 2016</p> <p>Engineering Fee: 135 Hrs. @ \$150.00/hr.</p> <p>Less Previous Payments (Retainer Fee)</p>		<p>\$20,250.00</p> <p>&lt;\$7,500.00&gt;</p>
		SUBTOTAL	\$12,750.00
		SALES TAX	
		SHIPPING & HANDLING	
		<b>TOTAL DUE</b>	<b>\$12,750.00</b>

**Make all checks payable to: Terry E. Allen, PE**

If you have any questions concerning this invoice, call: Contact Terry Allen at 828.877.4883.

**Payable upon delivery of services.**

**THANK YOU FOR YOUR BUSINESS!**

# INVOICE

**TERRY E. ALLEN, PE**

**P.O. BOX 103**

**Rosman, NC 28772**

828-877-4883 Office

828-553-3004 Mobile

Email: tealleneng@comporium.net

**INVOICE NO. 17-10-17-01**

OCTOBER 17, 2017

**TO: Glenville Cashiers Rescue Squad**

**ATTN: Brandy Sullivan**

**P.O. Box 1506**

**Cashiers, NC 28717**

sullivancustomhomes@gmail.com

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
	<p><b>ENGINEERING SERVICES:</b></p> <p>Engineering Services to design Two Separate Buildings (Comment Center &amp; Crew Quarters) to include Structural, Plumbing, Mechanical and Electrical Plans for <u>NEW STATION #2 BUILDING</u> – Glenville Cashiers Rescue Squad, Hwy 64 East, Cashiers, Jackson County, North Carolina, PIN 7572-51-1831 and PIN 7572-51-2888; In accordance with our Proposal dated Sept 28, 2016</p> <p>Engineering Fee: 102.0 Hrs. @ \$150.00/hr.</p>		<p>\$15,300.00</p>
		SUBTOTAL	\$15,300.00
		SALES TAX	
		TOTAL DUE	<b>\$15,300.00</b>

**Make all checks payable to: Terry E. Allen, PE**

If you have any questions concerning this invoice, call: Contact Terry Allen at 828.877.4883.

**Payable upon delivery of services.**

**THANK YOU FOR YOUR BUSINESS!**

Sullivan Custom Homes

PO Box 1506  
Cashiers, NC 28717

Exhibit 6  
**Invoice**

Date	Invoice #
10/18/2017	274

Bill To
Rescue-EMS Building

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	Engineering Cost Management Fee <i>15%</i>	15,300.00 2,295.00	15,300.00 2,295.00
		<b>Total</b>	<b>\$17,595.00</b>

# INVOICE

**TERRY E. ALLEN, PE**  
**P.O. BOX 103**

**Rosman, NC 28772**

828-877-4883 Office  
 828-553-3004 Mobile  
 Email: tealleneng@comporium.net

**INVOICE NO. 17-12-29-01**

DECEMBER 29, 2017

**TO: Glenville Cashiers Rescue Squad**  
**ATTN: Brandy Sullivan**  
**P.O. Box 1506**  
**Cashiers, NC 28717**

sullivancustomhomes@gmail.com

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
	<p><b>ENGINEERING SERVICES:</b></p> <p>Engineering Services to design APPENDIX B for Two Separate Buildings (Comment Center &amp; Crew Quarters) for <u>NEW STATION #2 BUILDING</u> – Glenville Cashiers Rescue Squad, Hwy 64 East, Cashiers, Jackson County, North Carolina, PIN 7572-51-1831 and PIN 7572-51-2888; In accordance with our Proposal dated Sept 28, 2016</p> <p>Engineering Fee: 24.0 Hrs. @ \$150.00/hr.</p>		\$3,600.00
		SUBTOTAL	\$3,600.00
		SALES TAX	
		<b>TOTAL DUE</b>	<b>\$3,600.00</b>

**Make all checks payable to: Terry E. Allen, PE**  
 If you have any questions concerning this invoice, call: Contact Terry Allen at 828.877.4883.  
**Payable upon delivery of services.**

**THANK YOU FOR YOUR BUSINESS!**

Glenville-Cashiers Rescue Squad  
 PO BOX 919  
 NC 28717

Exhibit 6 **Bill**

Date	Ref. No.
12/29/2017	301

Vendor
Sullivan Custom Homes LLC PO Box 1506 Cashiers, NC 28717

**PAID**

Bill Due	01/08/2018
Terms	
Memo	

## Expenses

Account	Memo	Amount	Customer:Job	Class
NEW EMS Building off 64	Engineering services to design appendix B for 2 bldgs per bldg inspection office	4,140.00		Rescue Squad #2 New Site

Expense Total : 4,140.00

**Bill Total : \$4,140.00**

**NORTH CAROLINA  
JACKSON COUNTY**

**THIS AGREEMENT FOR AMBULANCE SERVICES** (this "Agreement") is made and entered into this 1<sup>st</sup> day of July, 2016, by and between **THE COUNTY OF JACKSON, NORTH CAROLINA**, a body politic and one of the one hundred counties of the State of North Carolina, recognized by N.C.G.S. 153A-10, hereinafter referred to as ("Jackson County") and **GLENVILLE-CASHIERS RESCUE SQUAD, INC.**, a non-profit corporation duly organized and existing under the laws of the State of North Carolina, and hereinafter referred to as ("Provider.")

**WITNESSETH:**

*WHEREAS*, Jackson County, pursuant to the authority granted to it by the laws of the State of North Carolina and in particular N.C.G.S. 153A-250, wishes to contract for the provision of ambulance services in Jackson County; and

*WHEREAS*, Jackson County, by and through its Board of Commissioners, has determined that it is in the best interests of the residents of Jackson County to contract with Provider for such ambulance services and subsidize such services as provided in this Agreement; and

*WHEREAS*, County desires to engage Provider to service as its sole and exclusive provider of ambulance services to the residents of southern Jackson County on the terms and conditions set for this Agreement;

*NOW, THEREFORE*, for and in consideration of the premises and the mutual benefits and obligations flowing between the parties as set forth below, the parties hereto do hereby contract and agree as follows:

**1. AMBULANCE SERVICES PROVIDED.**

- a. Jackson County does hereby authorize and contract with Provider to serve as the sole and exclusive provider of ambulance services to the public at large in southern Jackson County, in those areas designated by Section 2 below, as regulated by the North Carolina Department of Human Resources (the "Ambulance Services," described in more detail below). By its acceptance of this Agreement, Provider agrees that it will well and truly provide the Ambulance Services as regulated by the North Carolina Department of Human Resources ("NCDHR") to the public at large in the areas of Jackson County set forth below.
- b. During the Term of this Agreement, Provider agrees to provide to the public at large in Jackson County in the areas designated herein Ambulance Services, meaning 24-hour paramedic level ambulance service, 365 days a year, and 366 days in leap years, of such quality and nature as prescribed by applicable rules and regulations of the NCDHR.
- c. Provider further agrees at all times to maintain at least two (2) twenty-four hour ambulances in a ready state, as determined by Provider in accordance with any applicable laws, rules, and regulations, with sufficient staff to provide paramedic level of service. These two ambulances shall be stationed at the Glenville Rescue Squad with one ambulance moving to the Cashiers building when construction is complete. Provider also agrees to provide one (1) quick response vehicle in a ready state, as determined by