

**STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

**CONTRACT FOR FIRE, RESCUE,
and EMS SERVICES**

THIS AGREEMENT, is made and entered into this the 1st day of July, 2026, by and between DURHAM COUNTY, hereinafter referred to as the “County”, and Moriah Volunteer Fire and Rescue, hereinafter referred to as the “Fire Department”.

WITNESSETH:

THAT WHEREAS, N.C. Gen. Stat. §153A-233 provides that a county may contract for firefighting and prevention services with one or more incorporated volunteer fire departments, may prescribe the duties of the fire department, and may for these purposes appropriate funds not otherwise limited as to use by law; and

WHEREAS, N.C. Gen. Stat. §153A-149(c) provides that a county may levy property taxes to provide, rescue squads, fire protection services and fire prevention programs, and other emergency medical services; and

WHEREAS, pursuant to N.C. Gen. Stat. §153A-233 the County has established certain fire service districts as further defined on the Durham County Map of Fire Districts, which map is incorporated by reference; and

WHEREAS, the County levies and collects taxes in its Service Districts and is responsible for appropriating said funds for the use and benefit of the citizens in the Service Districts; and

WHEREAS, N.C. Gen. Stat. §153A-233 states that counties may provide for Fire protection by contracting with any incorporated nonprofit volunteer or municipal fire department; and

WHEREAS, the Fire Department is a North Carolina nonprofit corporation organized and authorized to furnish fire protection services and other services authorized by its charter; and

WHEREAS, the Fire Department agrees to contract with Durham County to provide fire protection and emergency services; and

WHEREAS, the County and Fire Department desire to enter into this Agreement for the Fire Department to furnish fire protection and emergency services for and within the Response District as further described herein (the “Services”).

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable considerations, the parties hereto contract and agree as follows:

SECTION 1. DEFINITIONS

Agreement: The “Agreement” shall mean this Agreement for Services, together with all exhibits, appendices and attachments each of which is incorporated herein as an integral part of this Agreement.

Annual Budget: The line-item budget for the operation of the Fire Department within Durham County prepared by the Fire Department and approved by the Board of County Commissioners, as described more fully in Section 3 of this Agreement.

Capital Expenditures or Capital Items: All expenditures for or purchases of building additions, alterations, repairs, or improvements and for purchases of additional or replacement furniture, machinery, vehicles or equipment, hardware, or software, where the cost of such expenditure is \$5,000 or more and/or the depreciable life of the applicable item is in excess of three (3) years.

Existing Debt shall be defined as any legally enforceable secured or unsecured obligation to pay money.

Fire Marshal: The person appointed by the Durham County Board of Commissioners as the Fire Marshal pursuant to N.C. Gen. Stat. 153A- 234, or their designee.

Fire Services: Fire protection, first responder and rescue services, and other fire protection-related services.

Fire Tax Funds: Funds generated from property tax levies levied in the Response District, pursuant to N.C.G.S. § 153A-307, for the purpose of funding Fire Services in the Response District.

First Responder Services: Emergency medical services provided by Emergency Medical Responders (EMR) or Emergency Medical Technicians (EMT) credentialed by the North Carolina Office of Emergency Medical Services.

Rescue Services: Vehicle extrication, high angle, confined space, land search and rescue response provided by fire service personnel.

Response District: The designated area in all or a part of the North Carolina Department of Insurance, Office of the State Fire Marshal County fire insurance district that the Fire Department is contracted to serve under this Agreement within Durham County.

SECTION 2. AMOUNT OF FIRE TAX FUNDS APPROPRIATED.

Durham County agrees to make Fire Tax Funds available to the Fire Department, from the proceeds of the tax levied in the applicable service district. The amount of such tax levy shall be determined by the Board of the County Commissioners from year to year. The County will collect the revenues from the tax as may be levied as provided by law. For each fiscal year, the Fire Tax Funds provided to the Fire Department shall be based on the needs projected in the annual budget request jointly submitted by the Fire Department and the County staff to the County Commissioners and as approved by and deemed necessary by the County Commissioners for furnishing fire protection and emergency services within the Response District.

Fire district taxes levied and collected by the County and paid to the Fire Department by the County shall be used solely for Fire Department operations, fire protection and emergency services necessary to meet the standards established by this Agreement. Any revenues collected annually in excess of the approved total appropriations to the Fire Department shall be maintained in the separate account or Special Revenue Fund established by the County.

SECTION 3. ANNUAL BUDGET AND USE OF FUNDS. The Fire Department shall use the funds paid under this Agreement in accordance with the Annual Budget. The Annual Budget for the operating expenses for services provided hereunder by the Fire Department shall be developed by the Fire Department in coordination with the Office of Emergency Services – Fire Marshal Division (OES-FMD). The Fire

Department shall prepare and submit a proposed Annual Budget to the OES-FMD for the following fiscal year no later than March 31 each year. The Annual Budget shall be prepared in a manner and detail consistent with County department budget requests and shall include in their annual budget submittal a listing of any Existing Debt, as well as a complete listing of salaries, by position classification with associated benefits. The modified budget form provided by the County shall incorporate a request for this information. Once the Fire Department and Fire Marshal have agreed on an Annual Budget recommendation, the proposed Annual Budget shall be submitted to the County Manager. The ultimate authority for approval of the Annual Budget shall rest with the Board of County Commissioners.

- A. The Annual Budget may be amended by the Fire Department Board of Directors within the approved total appropriations made available by this Agreement, provided that all appropriations must be used for furnishing services within the Response District, and amendments providing for any expenditure that establishes a new operating expense that will extend beyond the current fiscal year shall require the written consent of the County. Any amendment to the Annual Budget regardless of whether it extends beyond the current fiscal year shall be subject to the following provisions:
- B. The Fire Department is required to notify the County in writing within thirty (30) calendar days of the following changes:
 - 1. Changes in the board of directors, including positions of members;
 - 2. Changes in key personnel, including Chief, Chief Officers, and other offices of the department;
 - 3. Any modification in the use of County funds provided through this Agreement.
 - 4. Any change in accounting firm or bookkeeping service
- C. The Fire Department and the County agree that, in the event of a bona fide emergency, the Department may proceed with emergency purchases without seeking formal or informal bids as described herein.
- D. The Department agrees to give the County ten (10) business days advance notice in writing of any financial transaction which shall require the Department to create a security interest in favor of a third party in real or personal property wholly or partially acquired with General Funds. Security interest shall be defined as any agreement or act that gives the beneficiary of the security interest preferential rights in the disposition of the secured asset, including but not limited to a mortgage, charge, pledge, or lien.
- E. The Fire Department agrees that County funds shall not be requested or used to pay penalties or fines, including late payment charges and interest, without prior written approval of the Fire Marshal.

SECTION 4. PAYMENTS TO FIRE DEPARTMENT. The County shall remit the funds, up to the approved amount in its annual budget, approved by the Board of Commissioners, to the Fire Department upon a written request for payment submitted by the Fire Department to the Fire Marshal on an as needed basis. If funds are available, payments shall be disbursed within 30 days of each request. Disbursements shall be made by direct deposit in an account designated by the Fire Department. Disbursements will be made provided that prior to and as a condition of payment, the Fire Department has (i) submitted such funding request to the OES-FMD in a line item budget format for the OES-FMD review and recommendation and (ii) the Fire Department is not in breach of any term or condition of this Agreement, or (iii) has not been placed on notice of a reduction in funding as permitted by this Agreement. The Fire Department shall provide any additional information requested by the OES-FMD in a timely manner.

SECTION 5. FISCAL RESPONSIBILITY. At a minimum, the Fire Departments shall have on hand, as of the end of the fiscal year, both available and Unrestricted Net Assets and Liquidity totaling at least 30 days of operating funds identified in their annual audited financial statements. Departments that do not meet this requirement shall submit a corrective action plan to the OES-FMD no later than February 15 in the year following the audit identifying the deficiency. The Fire Department's available and unrestricted net assets and liquidity will be measured by the June 30 (current year) financial audit results.

- A. At their discretion, the Fire Department may maintain an unrestricted fund balance (including any accumulated savings) between 30 and 60 days of operating funds to allow for flexibility in managing their operating funds. The Fire Department's unrestricted fund balance will be measured by the June 30 (current year) financial audit results.
- B. In the event the Fire Department has a fund balance exceeding 60 days of operating funds they are expected to use these resources for planned capital purchases, retiring debt, or one of the other uses set forth below. A plan for the use of excess funds shall be provided to the OES-FMD no later than February 15 of the year following the financial audit. The Plan will be used to develop the Fire Services Capital Improvement Plan (CIP). Accordingly, a department with unrestricted fund balance in excess of 60 days of operating funds must choose from one or more of the following uses for the excess funds:
 - 1. Retire existing debt,
 - 2. Finance apparatus, station improvements, or other capital needs that have been identified as priorities by the OES-FMD and County staff in the Long-Range Plan,
 - 3. Reserve funds for future capital projects that have been identified as priorities by the OES-FMD and County staff in the Long-Range Plan (funds must be reserved formally with the department's auditor; Annual financial statements must reflect all such reservations),
 - 4. Make emergency non-budgeted expenditures for unanticipated repair
 - 5. Another option approved by the Fire Marshal.
- C. The Fire Department shall notify the OES-FMD in writing of their intended use of excess funds. Should a Fire Department not choose from the options listed above, the OES-FMD will consider excess funds when determining the Fire Department's next Annual Budget.

SECTION 6. SERVICES FURNISHED BY COUNTY. The County shall furnish the following services to the contracting Fire Department for the term of this Agreement: 1) the OES-FMD will provide staff to consult with the Fire Department, 911, and the OES-FMD 2) as requested, fire investigation and emergency scene assistance services, community risk reduction, and 3) annual training on software used for incident reporting.

SECTION 7. SERVICES FURNISHED BY FIRE DEPARTMENT. The Fire Department shall furnish fire protection, rescue, community risk reduction, and first responder services as required under this Agreement including equipment, personnel, and mutual aid for those things necessary to accomplish the services in the Response District. The Services shall be in accordance with minimum standards set forth in this Agreement and all future amendments adopted in accordance with Section 28 of this Agreement. The Fire Department shall furnish said fire protection, community risk reduction, rescue, and first responder services without charge to all persons and property located in the Response District in an efficient and professional manner. This provision shall not prohibit the Fire Department from entering into contracts with the Federal, State or local governments, or utility companies for the provision of fire protection, rescue, and first responder services exceeding the scope of this Agreement for a fee.

SECTION 8. BOOKS AND RECORDS. The Fire Department agrees to keep and maintain, at its main station, separate and independent records, in accordance with generally accepted accounting principles, devoted exclusively to its operations in connection with this Agreement. Such records (including books, ledgers, journals, accounts invoices and any other supporting documentation) shall contain all entries reflecting the business operations of the Fire Department, which provides adequate documentation of all of its receipts and disbursements including, but not limited to, those related to the expenditure of Fire Tax Funds subject to this Agreement. The County or its authorized agent shall have the right to audit, inspect, examine and make copies of such records from time to time during the Term, upon reasonable notice to the Fire Department. The Fire Department will make the materials to be audited available within ten (10) business days following the request by the County. Fire Department shall keep all financial records on site for at least five (5) years. Further, the Fire department shall comply with the provisions of NC Gen. Stat. 55A-16-24 regarding financial statements for the public.

SECTION 9. MONTHLY REPORT. The Fire Department shall provide to its Board of Directors and the Fire Marshal a monthly financial report containing at a minimum a Trial Balance and a Profit and Loss statement.

- A. This monthly reporting requirement shall be deemed a material term of this Agreement and is due to the Fire Marshal one month after receiving the financial information from the County. Example: If the September financial date from the County is received by the Fire Department in October, then the report from the Fire Department is due to the Fire Marshal by the end of October.
- B. If the Fire Department fails to provide the reports required hereunder, the County will suspend all funds immediately until the report is delivered as set forth above, except that the Fire Marshal, in consultation with the County's Chief Financial Officer, may grant a reasonable submittal extension if the Department is unable to deliver the report for reasons beyond the control of the Fire Department.

SECTION 10. ANNUAL AUDIT. The County will perform an audit of the Fire Department, at the County's expense, by an independent CPA firm with an accompanying management letter prepared in accordance with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS) for the preceding fiscal year. Financial statement preparation is not a part of the audit process and is at the cost of the Fire Department. Financial statements include the statements, the notes to the statements and the supplementary schedules and statements. The Fire Department agrees to submit financial records and data enumerated in Appendix "A", to the audit firm no later than 4:00 PM on the last business day of September of the current fiscal year. Such financial records and data shall include the records and documents enumerated in Appendix "A", "Information for Annual Audit", attached hereto and incorporated herein, and shall be presented in the manner and condition described therein. The Fire Department shall provide the County a copy of its annual audit and accompanying management letter to the County no later than 5:00 PM on the last working day of December of the current fiscal year.

- A. Alternatively, the Fire Department may request to have their own annual audit performed by a certified public accounting (CPA) firm with an accompanying management letter prepared in accordance with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS) for the preceding fiscal year. If the Fire Department wishes to provide their own audit, they must advise the County CFO, copying the County Fire Marshal in writing, no later than April 30th of the current year. The Fire Department shall provide the County a copy of its annual audit and accompanying management letter to the County no later than 5:00 PM on the last working day of December of the current fiscal year.

1. The County shall be provided the auditor's report and any auditor communications, and the Fire Department authorizes the audit firm to be able to communicate with the County regarding any questions the County may have regarding the audit and any associated work papers or communications. The audit performed shall include all items required per the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Not-For-Profit Entities, Subtopic 205, *Presentation of Financial Statements*. In addition to the required statements per FASB ASC Topic 958 Subtopic 205, the audit shall also include:
 - a) Other supplementary information:
 - 1) Statement of Functional Expenses
 - 2) Statement of Activities and Changes in Net Assets – Firefighting and EMS Services, (if there is an Agreement for Paramedic Coverage between the VFD and the County)
 - 3) Statement of Activities and Changes in Net Assets – Budget and Actual
 - b) Other non-GAAP supplementary information:
 - 1) Balance Sheet
 - 2) Statement of Revenues, Expenses and Changes in Fund Balances
 - 3) Statement of Revenues, Expenses and Changes in Fund Balances—Budget and Actual
 - 4) Statement of Revenues, Expenses and Changes in Fund Balances—Fire and EMS Services (e.g., one column representing Fire Program Services and one column representing EMS Program Services (if there is an Agreement for Paramedic Coverage between the VFD and the County)
 - c) Additional schedules in the notes to the financial statements:
 - 1) Schedule of capital asset activity for the fiscal year to include beginning balances, increases, decreases and ending balances by asset type
 - 2) Schedule of long-term debt activity by type of debt to include beginning balances, increases, decreases and ending balances
- B. If the Fire Department elects to assume responsibility for its own audit, the financial records and data enumerated in Appendix "A" shall be presented to the Fire Department's auditor and the Fire Marshal in the manner and condition described therein.
- C. A one-month extension of the December deadline may be requested by the Fire Department upon not less than 60 days written request to the County CFO with copy to the Fire Marshal. The annual audit conducted by the Fire Department shall be provided to the County at no cost no later than January 30 of the then current fiscal year.
- D. In the event that the audit or management letter reveals any reportable and/or material issue(s) with regard to compliance with generally accepted accounting principles, or any material weaknesses or significant deficiencies, the Fire Department shall provide a written statement to the County that contains an explanation of each such issue and an action plan (with implementation timetable) for resolving each such issue, weakness and/or deficiency, and shall provide periodic reports to the County on progress made in resolution of each issue, weakness and/or deficiency. If resolution of such issues, weaknesses or deficiencies requires professional advice on the part of that Fire Department's (or County's) auditor, the Fire Department shall bear the cost of such advice.
- E. Should the Fire Department fail to submit its audit report to the County within the above time period, the County will suspend all funds immediately until the audit is delivered as set forth above,

except that the County's Chief Financial Officer may grant a reasonable submittal extension if the Department is unable to deliver the audit for reasons beyond the control of the Fire Department or the Fire Department's auditor.

- F. The Fire Department agrees that if its financial records are judged to be un-auditable for purposes of audit or establishment of a budget by the County's Chief Financial Officer or the independent audit firm, or if a regular or special audit by a Certified Public Accountant reveals competent evidence of reckless or willful financial mismanagement practices or intentional or criminal wrongdoing, the Fire Department's Board of Directors will be notified by the County. At that time, the County and Board of Directors may jointly name a trustee who will assume responsibility for management and financial decision-making for the Fire Department until such time as the County and Fire Department's Board of Directors agree that the Fire Department's finances have been stabilized to the extent required to satisfy the financial management provisions of this contract.
- G. So long as the Fire Department submits all items described in Appendix A by the respective deadlines, the auditor shall be required to submit its report to the Fire Department no later than December 15th of the current fiscal year, or – if December 15th is not a Fire Department business day - the following soonest Fire Department business day. So long as the Fire Department submits all items described in Appendix A by the respective deadlines, no further costs or efforts shall be incurred by the Fire Department due to auditor delay.

SECTION 11. MEETINGS and PUBLIC RECORDS. Because of the Fire Department's extensive reliance on public funds for its operations, the public has a continuing interest in the Fire Department's decision-making processes and decisions regarding the spending of those funds. The Fire Department agrees to the provisions of this Section, acknowledging that such provisions are required by this Agreement notwithstanding that such provisions are not required by statute.

- A. To ensure the ability of the public to review the Fire Department's decision-making processes and spending decisions, the Fire Department agrees to (i) provide the Fire Marshal prior notice of its Board of Directors meetings, corporation meetings, and (ii) take minutes of all meetings that would enable a person not in attendance to have a reasonable understanding of what happened, and to provide copies of the approved meeting minutes to the Fire Marshal by the time of the Fire Department Board of Directors' next meeting following approval of the minutes.
- B. All records, reports, contracts, documents agreements, audits, correspondence or the like provided to the County pursuant to as in result of this Agreement shall be deemed a Public Record under N.C. Gen. Stat. 132-1, subject to any applicable exception to the Public Records Act as provided by law.

SECTION 12. INSURANCE AND INDEMNIFICATION. The Fire Department shall obtain and keep in force during the term of this Agreement and any subsequent renewals of this Agreement the following minimum insurance coverage, annually providing the County Risk Manager with a certificate of insurance and any endorsements upon request. All required insurance shall be procured from insurance companies licensed to do business in North Carolina with a Best's Insurance Guide Rating of A- and a financial size category of no less than VII or the Volunteer Safety Workers' Compensation Fund owned and operated by the State of North Carolina.

- A. The following coverages shall be maintained continuously during the term of this agreement:

1. Worker's Compensation: Coverage A – Statutory – State of North Carolina. Coverage B – Employers Liability - \$100,000 each claim. The Fire Department shall participate in the North Carolina Volunteer Safety Worker's Compensation Fund.
 2. Comprehensive General Liability, Including Medical Malpractice and Errors and Omissions: Coverage with minimum limits of \$1,000,000.00 per occurrence combined single limit for bodily injury liability and property damage liability.
 3. Business Auto Policy: Coverage with minimum limits of \$2,000,000.00 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include owned vehicles, hired and non-owned vehicles and employee non-ownership.
 4. Management Liability/Directors and Officers Liability: Coverage with minimum limits of \$1,000,000.00 per claim and \$2,000,000.00 aggregate.
 5. Umbrella/Excess Liability: Coverage with limits of \$5,000,000.00. Coverage shall excess the underlying auto liability, employers' liability, general liability including Medical Malpractice and Errors and Omissions liability. The umbrella or excess policy must be follow-form over all underlying policies and include a follow-form endorsement confirming that the umbrella or excess policy provides coverage consistent with the underlying policies. It shall not contain any exclusions that would limit coverage for emergency services, mutual aid, volunteer personnel, or cross-jurisdictional operations. The policy shall not include any 'drop-down deductibles' or self-insured retentions unless approved in writing by the County Risk Manager. There shall not be any "drop down deductibles" in areas where underlying coverage is not required but the Umbrella Policy provides coverage.
 6. Fidelity Bonds: A blanket fidelity bond shall be purchased in the amount of not less than \$100,000.00.
- B. The Fire Department shall indemnify, defend, and hold harmless Durham County, its officers, officials, agents, and employees from and against any and all claims, liabilities,, losses, and expenses including reasonable attorney's fees, court costs, and other costs incurred by Durham County arising out of or resulting from the negligence or willful misconduct of the Fire Department, its agents, or employees; provided that such liability arises out of acts for which any defense of governmental, statutory, or common law immunity is not available.

The obligation to defend shall apply regardless of whether the claim is ultimately determined to be without merit, provided that the claim arises from the alleged negligence or willful misconduct of the Fire Department.

Nothing in this section shall not be construed as a waiver of any applicable defense of governmental, statutory, or common law immunity, and shall not prevent the Fire Department from asserting any such defense. If a court of competent jurisdiction determines that no such immunity applies, then the indemnity and defense obligation provided for herein shall apply in full. Notwithstanding the foregoing, nothing contained in this Section shall be deemed to constitute a waiver of the sovereign immunity of the County, which immunity is hereby reserved to the County.

SECTION 13. STANDARDS OF PERFORMANCE. The Fire Department shall furnish fire protection, rescue, and first responder services in a professional, efficient, and effective manner, in particular so as to meet the requirements of and comply with rules and regulations of the North Carolina Department of Insurance, Insurance Services Office, Inc., and other pertinent federal, state and County laws, regulations and standards and this Agreement. The Fire Department agrees to participate jointly with the County in the implementation and ongoing review of countywide fire service system performance standards through the OES-FMD including (but not limited to) staffing, turnout time, response time, fire and emergency-event

outcomes, customer satisfaction and dissatisfaction, documentation consistency and compliance with standard operating procedures.

13.1 INSURANCE SERVICES OFFICE RATING: The Fire Department shall maintain its current rating, or better, with the North Carolina Department of Insurance and Insurance Services Office, Inc., (“ISO”) but in no event lower than that a 9S rating in any portion of the Response District. The Fire Department shall continuously comply with all applicable laws, ordinances, and regulations. The bylaws of the Fire Department shall have reasonable provisions enabling citizens of the District to participate in the affairs of the Fire Department, as determined necessary by the Fire Department Board of Directors. Cases in which the Fire Department loses or receives a reduced rating will be examined by the OES-FMD. The OES-FMD shall make recommendations for corrective action.

- A. In the event that the Fire Department’s ISO rating falls, or is currently below a Class 6 public protection classification for fire insurance grading purposes, the Fire Department shall prepare and submit to the County a plan to obtain a minimum of a Class 6 public protection classification no later than September 30 of the current year, which identifies the specific action steps to be taken to pursue and attain a Class 6 rating, including a projected timeline and costs associated, if any. If the Department has a public protection classification equal to or better than a Class 6, the Fire Department is not required to downgrade to a Class 6 and shall use its best efforts to maintain the lower-class rating.
- B. The Fire Department agrees to implement said plan after its completion subject to availability of funds as approved in its Annual Budget.

13.2 MINIMUM STAFFING ON DUTY: Fire Department shall use its best efforts to maintain at the Fire Department’s main station and substations a minimum staff on duty 24/7, which will consist of the following staffing for the Department’s primary/main station: three (3). At each main station a fire officer/EMT or EMR, Fire Driver/EMT or EMR, and Firefighter/EMT or EMR shall be designated. The County encourages adequate staffing at district substations. Staffing can be accomplished with full-time, part-time or scheduled volunteer staffing.

13.3 RESPONSE TIME: RESPONSE time is dependent on travel distance and turnout time. Response and Turnout time guidance for Volunteer Fire Departments is provided in NFPA 1720 section 4.3. Turnout time is measured beginning with dispatch time (alarm received at the fire department) as reported in the CAD Event Report and ending when the unit checks enroute (wheels rolling). Where staffed stations are provided, turnout time should be less than 90 seconds, 90 percent of the time for fire/rescue calls. An overall response time (dispatch to on-scene) of 14 minutes, 90 percent of the time is the benchmark for rural and remote area response. Fire departments who are not meeting response time goals will be required to work collaboratively with the OES-FMD in order to develop strategies to meet their turnout and response time goals.

13.4 STAFFING ON SCENE: The Fire Department shall have an adopted standard operating guideline that addresses the appropriate number of firefighters needed on all types of fire calls according to their ISO rating. This guideline shall ensure that the Department shall meet the minimum personnel and apparatus to maintain an ISO rating of a 9s. Which will include a minimum of four (4) personnel, including an Engine and a Tanker from the primary fire department. A current, valid copy of the Fire Department’s guideline shall be kept on file with the OES-FMD.

13.5 AUTOMATIC AID AGREEMENTS: The Fire Department shall provide automatic aid service for all structure fire calls (1 tanker or pumper/tanker and two firefighters or other arrangement as agreed upon with the neighboring fire departments and approved by the County) to any neighboring fire

department providing services to Durham County residents. The Fire Department shall participate in countywide automatic aid through the quickest unit response program. Units will be dispatched based on quickest response as configured in computer aided dispatch system. The OES-FMD will facilitate the requirements of this section.

13.6 TRAINING: The Fire Department shall have an adopted guideline that addresses appropriate initial training of firefighters and continuing education of firefighters that meets or exceeds all state requirements. The initial training shall include at a minimum: Hazardous materials responder – operations plus, incident command system, HIPAA and blood borne pathogens. A current, valid copy of the Fire Department’s training guidelines shall be kept on file with the OES-FMD. The Fire Department agrees to the following minimum training standards:

- A. Conduct or participate in a minimum of one (1) live fire training exercise annually utilizing a training facility or an acquired structure, if available, that has met all the live burn requirements set forth by NFPA 1403 and Office of the State Fire Marshal.
- B. Participation in (1) Automatic Aid training quarterly as required by the Office of State Fire Marshal to meet ISO requirements. No member shall engage in structural firefighting without having first completed the Essentials of Firefighting course, or equivalent course as determined by the Department’s chief officer.
- C. Each fire department shall conduct an After-Action Review for the following incidents: fatal fires, fires involving more than \$250,000 property loss, fires involving civilian injury requiring hospitalization for more than 23 hours, fires involving firefighter injury requiring hospitalization for more than 23 hours, and any other incident as determined by the Department. After-Action Reviews will be facilitated by a qualified fire service member that has completed a post-incident review or After-Action training program or the OES-FMD will facilitate the After-Action Review if requested to do so by the Fire Department.

13.7 MINIMUM APPARATUS: Fire Department shall have the minimum apparatus required to maintain their current ISO rating. The NFPA has established a uniform fire apparatus replacement schedule to ensure that all future purchases are compliant with standards and existing vehicles are reviewed on a regular basis. To the extent possible, equipment, discharges, and hose connections will be standardized across the county in order to minimize or eliminate the need for adaptors.

13.8 DISPATCHING PROTOCOLS: The OES-FMD in conjunction with the County Fire Chiefs, 911 Staff and EMS will coordinate, develop and implement 911 dispatch protocols utilizing national standards for first responder services **(EMD)** and fire response **(EFD)**. These dispatch protocols will be reviewed on an annual basis and will be consistent across all County tax/insurance districts. Any changes will be jointly approved by the OES-FMD and Durham 911.

13.9 INVENTORY: The County will request the year-end fixed asset listing from the audit firm during the audit process.

13.10 PUBLIC FIRE EDUCATION: The Fire Department shall develop a plan for providing public fire education for: 1) children, 2) businesses, and 3) homes within their Service Area. The Fire Department’s plan shall be revised annually and submitted to the OES-FMD, for review, at the beginning of each County fiscal year (July).

13.11 PRE-FIRE INCIDENT SURVEYS: The Fire Department shall meet the requirements of the Office of State Fire Marshal’s Office regarding pre-fire incident surveys and updating them annually

for all commercial buildings within the Service Area. Facilities, which should be given priority, are buildings with high hazards, institutionalized and assembly occupancies. Upon request, the OES-FMD may assist the Fire Department in developing pre-fire incident surveys for buildings within the OES-FMD fire code enforcement service area.

13.12 INCIDENT REPORTS: The Fire Department shall designate a ‘Data Manager’ (contact person) who will be responsible for all data entered in the reporting system and is available to review entries for quality and accuracy purposes.

The Fire Department shall complete a fire and EMS medical incident report in the County's fire incident reporting system, using a common data dictionary to be determined by the County immediately following a fire incident, or as soon thereafter as possible. Fire incident records shall be at all times accessible to the OES-FMD or designee and EMS medical reports shall be available to the OES - EMS Chief Paramedic or designee.

13.13 FIRE INVESTIGATIONS: The Fire Department officer in charge at all fire scenes shall attempt to determine the origin and cause of every fire. When the officer in charge cannot determine the origin and cause OR if the cause is suspected to be incendiary in nature, the officer in charge shall request a representative from the OES-FMD to assist. The Fire Department shall provide whatever assistance is needed by the OES-FMD staff at the fire scene.

13.14 FIRE HYDRANTS/DRY HYDRANTS AND FILL POINTS: The Fire Department shall have an adopted guideline that addresses fire hydrant testing and maintenance. A current valid copy of the Fire Department guideline shall be kept on file with the OES-FMD. The Fire Department shall ensure that every wet and dry fire hydrant in their Service Area is flushed and checked for accessibility, functionality, visibility, and operation at least annually. Records of fire hydrant tests and maintenance conducted by the Fire Department shall be available for review by the OES-FMD.

13.15 FIRST RESPONDER SERVICES: For EMS calls, County contracted Fire Departments will coordinate with surrounding agencies to respond in each fire district with the “Closest Unit” dispatch. Under this concept, the “Closest Unit” will respond regardless of the primary response district. The Fire Department agrees to engage in ongoing discussions with the County and the County EMS Medical Director regarding the appropriate response protocols for fire departments.

- A. The Fire Department shall designate an officer as EMS coordinator, who shall be responsible for compliance with all relevant aspects of North Carolina General Statutes, North Carolina Administrative Code, and Durham County EMS System policies, procedures, and protocols.
- B. The Fire Department shall maintain such records of all affiliated EMS personnel as are required by the North Carolina Office of Emergency Medical Services “Credentialing Information System” (CIS).
- C. The Fire Department shall provide an approved EMS in-service continuing education program, in accordance with the Durham County EMS System educational plan, supervised by an individual credentialed at least as a North Carolina “EMS Level I” instructor, sufficient to maintain the credentials of members at the program level, in accordance with the rules of the North Carolina Office of Emergency Medical Services. All EMS in-service continuing education shall be provided by instructors holding appropriate credentials for the subject matter being taught.
- D. The Fire Department shall document all EMS training in the County data system, using a common data dictionary to be developed by the County. EMS training records shall be at all times accessible

to the County EMS Director or designee. The Durham County EMS System shall have access to the data base without cost to the EMS System.

- E. The County EMS Medical Director shall serve as the medical director for all fire departments in the County. All clinical care provided by the fire department shall comply with the current annual Durham County EMS System protocols as promulgated by the Medical Director.
- F. The Fire Department shall participate in the Durham County EMS System quality-improvement process, and shall provide such inputs (records, personal accounts, interviews, etc.) as the quality improvement process shall require.

13.16 EMERGENCY DISASTER RESPONSE: The Fire Department shall follow the Durham City/County Emergency Operations Plan and all applicable annexes/appendices.

13.17 DISPOSING OF EQUIPMENT: Notwithstanding any provision to the contrary, the Fire Department shall offer equipment purchased with Durham County funds, which is titled to the Fire Department, which they have deemed necessary or desirous to sell first to Durham County prior to offering it for sale to outside agencies. Funds used by the County to purchase equipment under this section shall be paid directly to the Fire Department if a written plan for use of the funds is approved by the Fire Marshal. Otherwise, the funds will be placed in the Fire Tax District Special Revenue Fund.

13.18 PERSONNEL: The Fire Department agrees to adopt and to initiate compliance with, and enforcement of personnel rules for compensated and volunteer members that are in compliance with FLSA and any other applicable federal or state law, and not substantially and materially different from, or inconsistent with model rules developed through the OES-FMD within 30 (thirty) days of the OES-FMD approval of such model rules.

13.19 CRIMINAL HISTORY CHECK: N.C. Gen. Stat. § 143B-943, Section 3 of Session Law 2022-8 requires a criminal history record check for all applicants for paid or volunteer positions with a fire department:

- A. Fire marshals and fire chiefs are required to obtain a criminal history record check of any person who applies for a paid or volunteer position with their fire department. This includes junior firefighters.
- B. Counties shall ensure that any county, city or other unit of government, or incorporated fire department with whom the county contracts for fire-prevention services shall obtain a criminal history record check of any applicant.
- C. An applicant is prohibited from serving in a position with a fire department if the applicant has a conviction of arson or another felony involving burning or setting fire under Articles 15, 22 or any other article of Chapter 14 of the General Statutes.
- D. Applicants must also be asked and must disclose if they have any pending felony charges involving burning or setting fire.
- E. A fire department shall deny an applicant and may dismiss a current member if they refuse to consent to a criminal history record check.
- F. A fire department is NOT required to conduct a criminal history record check for current members; it MAY do so if they so choose.

- G. The Department agrees that it will work with the Fire Marshal to establish and implement a driver's license policy that requires Fire Department members to notify the Fire Department Chief (or designee) of violations that result in civil or criminal charges or revocation of the license.

13.20 ADMINISTRATIVE AND OPERATIONAL PROCEDURES: The Fire Department agrees to participate jointly with the County in development and implementation of countywide fire service standard administrative and operational procedures through the OES-FMD. Nothing in this Section shall prohibit the Department from establishing or maintaining its own standard administrative and operational procedures provided they are not in conflict with County-wide procedures as described herein, or the County from issuance of County-wide emergency procedures in event of a declared disaster or emergency.

Intentionally Omitted.**13.22 HEALTH AND SAFETY:** The Fire Department shall be responsible for initiating, maintaining and supervising all safety precautions and programs. The Fire Department shall comply with all North Carolina OSHA regulations as they apply to volunteer fire departments. All Fire Department personnel shall receive appropriate training before engaging in any emergency duties to ensure that they can work safely and effectively at incident scenes. All personnel shall use and maintain safety equipment in accordance with departmental regulations. Each emergency responder must either receive a vaccination for Hepatitis or file an approved waiver form as required by OSHA.

SECTION 14. ACQUISITION and LEASE OF PERSONAL PROPERTY& EQUIPMENT. Upon dissolution or liquidation of the Fire Department or termination of this contract all rights, title and interest to all assets purchased by the Fire Department after July 1 of the current fiscal year with County General Funds shall be returned to the County within 30 days, at no cost, unless otherwise agreed to by the Fire Department and County Manager, with the understanding that the equipment conveyed to the County will be used to continue to provide fire protection services in the Response District.

SECTION 15. FIRE SERVICE CAPITAL IMPROVEMENT PROGRAM (CIP). The County will develop a formal consolidated Fire Service Capital Improvement Program ("Fire Service CIP" or "CIP"). The Fire Service CIP will: enable Fire Departments and the County to anticipate and budget for major fire service capital expenditures, enable (based on the projected cost of those expenditures) the Fire Department and the County to determine financing/payment options that are sensitive to the capital needs and the tax and/or cost to the citizens of each fire tax district; facilitate joint purchasing of significant equipment (e.g. Fire Apparatus, SCBA, Radios, Turnout Gear, new or relocated fire stations, renovation to existing fire stations); require the development of vehicle standards that emphasize vehicle and firefighter safety as well as functionality and maintenance costs through the County, utilize an updated vehicle and equipment replacement schedule to determine the appropriate date of retirement and/or replacement of essential apparatus; assure that apparatus purchased with County tax dollars is secured with a funding agreement that stipulates that the equipment will be returned to the County at no cost if the Fire Department dissolves or is liquidated or if the contract is terminated. The preparation of the CIP will involve and be a joint effort of the OES-FMD, the Chief Officers of each Fire Department and the County's Budget and Finance Offices. All requests for the purchase of Capital Items shall be submitted to the OES-FMD for inclusion in the Fire Service CIP.

SECTION 16. NON-COMPLIANCE BY FIRE DEPARTMENT. If the County has a reasonable belief that the Fire Department has violated any provision of this Agreement, the County will provide the Fire Department written notice of the possible noncompliance and initiate an audit (performance or financial as applicable) to verify compliance. If the County determines that the Fire Department has failed to render the fire protection and services as provided in this Agreement or has otherwise operated in a manner that violates the provisions of this Agreement, then the County shall give the Fire Department sixty (60) days

advance written notice that the funds allocated are subject to suspension and shall additionally provide a list of the improvements needed for compliance. If during the said sixty (60) day period, the Fire Department makes improvements satisfactory to the County, no suspension shall occur. During the sixty (60) day period, the Fire Department is not relieved of their responsibility to provide services in a manner otherwise consistent with the terms of this Agreement. If after the sixty (60) period, the Fire Department has failed to make satisfactory improvements to comply with this Agreement, then the County may (i) suspend any or all payments due to the Fire Department or (ii) terminate the Agreement. In the event of a suspension of funds, the Fire Department shall use its net assets/fund balance to continue providing the services until the violation is cured. In the event of termination, no further payments shall be made to the Fire Department and all assets and equipment purchased with County General Funds shall be conveyed back to the County pursuant to Section 23 herein.

SECTION 17. AUTHORITY TO MAINTAIN DELIVERY OF SERVICES. In the event that the Fire Department's Board of Directors determines that the Fire Department is unable to reliably deliver the services described herein, for reasons including, but not limited to, resignation or withdrawal of volunteer, part-time or full-time members or other withdrawal or loss of ability to deliver services, the Fire Department's Board of Directors shall immediately so notify the County, at which time the Fire Department authorizes the County or its agents to suspend the monthly payment to the Fire Department and to use such Department facilities and equipment as are necessary to maintain the delivery of fire services in the Fire Department's primary Response District (to the extent the Fire Department exercises operational control and/or ownership interest over such facilities and equipment) either through County forces or by contract with another fire department, so that an interruption of the Fire Department's ability to deliver fire services will not interfere with the standards of fire protection service provided for in this Agreement.

During the time that the Fire Department is unable to provide services, the Board of Directors of the Fire Department shall cooperate with the OES-FMD. The OES-FMD shall determine if the Fire Department is able to resume delivery of reliable service. If the Fire Department is unable to resume services, or the County does not renew the Fire Department's contract, then the parties shall distribute the equipment and facilities in the manner set forth in Section 23.

SECTION 18. LIQUIDATION OR DISSOLUTION OF FIRE DEPARTMENT. In the event of liquidation or dissolution of the Fire Department, the Fire Department shall provide to the County as much notice as possible, but in no event less than 90 (ninety) calendar days of the Fire Department's intent to dissolve. All assets, facilities, and equipment that have been acquired using County funds, shall be returned to the County within 30 days, unless otherwise agreed to by the Fire Department and County Manager. All other equipment, facilities and assets will be distributed in accordance with the Fire Department's Charter or Articles of Incorporation and the North Carolina Non-Profit Corporation Act.

SECTION 19. MERGER. In the event of a merger between the Fire Department and another entity, all assets purchased by the Fire Department with non-County funds will remain the property of the Fire Department; and all assets purchased by the County for use by the Fire Department will be returned to the County within 30 days, unless otherwise agreed to by the Fire Department and County Manager.

SECTION 20. RELATIONSHIP OF PARTIES. Except for those employees that may be provided to the Fire Department pursuant to Section 13, the Fire Department, including any officer, employee, or agent of the Department is an independent contractor of the County and none of these shall be considered employees of the County. The relationship between the parties shall be limited to the performance of this Agreement in accordance with its terms. County and the Fire Department agree that the Fire Department shall operate and act as an independent contractor in accordance with the standards set forth herein, and the County shall not be responsible for any of the Fire Department's acts or omissions. No liability for benefits,

such as workers compensation, pension rights, or other provisions shall arise out of or accrue to any party, its officers, agents, or employees as a result of this Agreement or performance thereof.

SECTION 21. TERM OF AGREEMENT. The term of this Agreement shall begin as described on the first page of this Agreement and shall automatically renew each year thereafter for five (5) consecutive years based on the Durham County Board of County Commissioner budget approval for the Volunteer Fire Department, unless earlier terminated by either party in accordance with Section 23 of this agreement.

SECTION 22. NON-ASSIGNABILITY. This agreement may not be transferred, assigned, or subcontracted by the Fire Department without the written consent of the County.

SECTION 23. TERMINATION. This Agreement may be terminated by either party with or without cause upon advance written notice to the other party, served upon the other party by certified mail at least ninety (90) days prior to termination.

In the event of termination or expiration of the Agreement, all rights, title and interest to assets purchased with County general funds shall be returned to the County within 30 days, unless otherwise agreed to by the Fire Department and County Manager. Termination of this Agreement for any reason shall not form the basis of any claim for loss of anticipated profits by either party.

SECTION 24. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Agreement, the Fire Department shall recruit, hire, train and promote people in all jobs without regard to race, color, religion, national origin, sex, citizenship status, age, genetic information, marital status, disability (except where physical or mental abilities are a bone fide occupational requirement and the individual is not able to perform the essential functions of the position even with reasonable accommodations), or status as a veteran in accordance with applicable federal, state and local laws or other protected characteristic. The Fire Department shall ensure that all terms and conditions of employment, including but not limited to hiring placement, promotion, termination, layoff, transfer, leaves of absence, compensation and training will comply with EEO principles.

- A. The Fire Department shall post in conspicuous places, available to employees and applicants for employment, notices setting forth these EEO provisions. The Fire Department shall in all solicitations or advertisement for employees placed by or on behalf of the Fire Department, state that the Fire Department is an Equal Opportunity Employer.
- B. In the event of the Fire Department's noncompliance with these EEO provisions, the County may cancel, terminate, or suspend this Agreement, in whole or in part, and the County may declare the Fire Department ineligible for further County contracts.

SECTION 25. NO WAIVER. Failure of the County to enforce any of the provisions of this Agreement at any time, or to request performance by the Fire Department pursuant to any of the provisions of this Agreement at any time shall in no way be construed as a waiver of such provisions, nor in any way affect the validity of this Agreement, or any part thereof, or the right of the County to enforce each and every provision.

SECTION 26. DISPUTE RESOLUTION. In the event that there is disagreement between representatives of the County OES-FMD and the Fire Department as to the meaning and/or applicability of any section of the Agreement, the County and the Fire Department agree to select and share the cost (if any) of the services of a trained community mediator to mediate the disagreement prior to resorting to legal process. Furthermore, to prevent disputes and litigation, it is agreed by the parties that any claim or dispute between County and the Fire Department, arising from this Agreement, shall be sent to the Durham County

Manager who shall appoint a qualified mediator to address the issue. Such request shall be submitted to the County Manager in writing within ten (10) days of the claim or dispute. Upon receipt of a timely written claim, the Manager, or the County Manager's designee, shall notify the Mediator who will conduct a mediation and notify the Fire Department in writing of the decision within forty-five (45) calendar days from the date of the submission of the claim or dispute, unless the Mediator requires additional time to gather information or allow the parties to provide additional information. The Mediator's orders, decisions and decrees shall be non-binding. Mediation, pursuant to this provision, shall be a pre-condition to initiating litigation concerning the dispute. During the pendency of any dispute and after a determination thereof, parties to the dispute shall act in good faith to mitigate any potential damages including utilization of schedule changes and alternate means of providing services and/or materials. The costs of mediation shall be divided equally between parties to the dispute.

SECTION 27. AMENDMENTS. Any amendment to this Agreement shall be made in writing and signed by both parties with the same formality as this Agreement was executed in order to be effective.

SECTION 28. NO THIRD-PARTY BENEFICIARIES. This contract is not intended for the benefit of any third party. The rights and obligations contained herein belong exclusively to the parties hereto and shall not confer any rights or remedies upon any person or entity other than the parties hereto.

SECTION 29. ENTIRE AGREEMENT. The terms and provisions herein contained constitute the entire agreement by and between the County and the Fire Department and shall supersede all previous communications, representations, agreements, or contracts, either oral or written between the parties hereto with respect to the subject matter hereof; except, that this paragraph shall not be construed to supersede any existing and applicable Mutual Aid Agreements.

SECTION 30. NOTICES. All notices, reports, records, or other communications which are required or permitted to be given to the parties under the terms of this Agreement shall be sufficient in all respects if given in writing and delivered in person, by confirmed facsimile transmission, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the following address:

IF TO DURHAM COUNTY:

Durham County Manager
200 E. Main St., 3rd Floor
Durham, NC 27701

SECTION 31. GOVERNING LAW. This Agreement shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Agreement shall be brought in the General Court of Justice in the County of Durham and the State of North Carolina.

SECTION 32. SEVERABILITY. If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.

SECTION 33. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

SECTION 34. NO WAIVER OF SOVEREIGN IMMUNITY. The County and the Fire Department agree that nothing herein shall be construed to mandate purchase of insurance by the County pursuant to

N.C.G.S. 153A-435 or to in any other way waive the County's defense of sovereign or governmental immunity from any cause of action alleged or brought against the County for any reason if otherwise available as a matter of law.

SECTION 35. E-VERIFY. As a condition of payment for services rendered under this agreement, the Fire Department shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if the Fire Department provides the services to the County utilizing a subcontractor, the Fire Department shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes as well. Fire Department shall verify, by affidavit, compliance of the terms of this Section upon request by the County.

SECTION 36. CURE. No default by either party shall result in termination of the contract until the non-defaulting party notifies the defaulting party in writing of the default and allows thirty (30) days to cure any deficiency. If the default cannot be cured within thirty (30) days, but the defaulting party has begun work to cure any deficiencies within the thirty (30) day period after receiving written notice then the defaulting party has an additional fifteen (15) days or a total of forty-five (45) days to correct the deficiency before the non-defaulting party can exercise its rights to terminate.

IN TESTIMONY WHEREOF, the County has caused this instrument to be executed by the Durham County Manager, and the Fire Department has caused this instrument to be signed in its name by its President, attested by its Secretary, and its corporate seal hereto affixed, all by authorization of its Board of Directors duly given.

This the 1st day of July, 2026.

DURHAM COUNTY

BY: _____

Claudia Hager, Durham County Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

BY: _____

Crystally Wright, Durham County Chief Financial Officer

VOLUNTEER FIRE DEPARTMENT, INC.

BY: _____

President

BY: _____

Fire Chief

Witness:

Printed Name

Signature

APPENDIX “A” – INFORMATION FOR ANNUAL AUDIT

This listing represents information and data needed for presentation to the auditor by the last business day of September to support and ensure the timely delivery of the annual audit of the Fire Department in a manner consistent with Durham County’s audit requirements. If you believe that an item is not applicable to the department, the department must provide the auditor with a letter explaining why that item is not applicable and provide Durham County’s Chief Financial Officer with a copy of that letter. This list is not intended to be all inclusive and it is expected that other documents may be requested by the audit firm in support of their audit testing.

- Trial balance as of June 30th of each year, ready for fax submittal no later than close of business on the last day of September for the current year.
- Completed items per FASB ASC Topic 958, Subtopic 205 and other supplementary information per the contract (provided an accounting firm other than the audit firm is preparing the basic financial statements and accompanying supplementary information; if the audit firm is preparing this information, please disregard)
- Transaction detail by account for the **entire** fiscal year (July 1—June 30).
- Board-approved budget for the current fiscal year.
- Minutes from **ALL** meetings held by the Board of Directors during the fiscal year, including special, emergency and/or closed meetings.
- Names and addresses of the officers and members of the board of directors.
- Completed related-party questionnaires for **all** board members (ex officio included) (example attached).
- Written update of response(s) to the prior year management letter (including management’s progress-to-date for each item).
- Beginning Balance Analysis—Excel (or equivalent software) spreadsheet that documents beginning balances per the general ledger as of July 1 of each year and ending balances as of June 30 of the prior year, audited financial statements. (The purpose of this spreadsheet is to verify that the fire department started the current fiscal year with the ending balances from the prior year audit report.)
- Bank statements for all bank accounts as of June 30 of the current year.
- Bank reconciliations, which agree to the general ledger, for each cash account at June 30 of the current year.
- July and August bank statements (current year) for all accounts available for onsite test work.
- Certificate-of-deposit information, which includes renewal notices, copies of new CDs, redeemed CDs, and balances as of June 30 of the current year.

- June statement (current year) from investment brokers (all pages), documentation of all purchases, sales, re-invested dividends, interest/dividends paid during the current fiscal year, and balances for each fund as of June 30 of the current year.
- Fixed asset listing and depreciation schedule which agrees to the June 30 financial statements, fixed asset roll-forward schedule which documents the July 1 current year balance, current year additions, current year deletions, transfers between accounts, and June 30 ending balance, and documentation to support all current year fixed asset additions and disposals.
- Formal and informal bid records for applicable purchases of equipment, materials, services and building construction, maintenance and/or repair.
- Documentation to support prepaid insurance at June 30 of the current year.
- Quarterly payroll reports for the quarters ended September, December, March, and June. Payroll Summary at June 30 of the current year that agrees gross payroll per 941s with salaries and wages per general ledger.
- Documentation to support payroll tax liabilities at June 30 of the current year. This information should include July check copies or copies of quarterly payroll reports.
- Documentation to support accrued wages, accrued vacation, and accrued volunteer reimbursement at June 30 of the current year.
- Accounts payable listing at June 30 of the current year.
- Documentation to support note payable balances at June 30 of the current year. This information shall include copies of original or refinanced loan agreements, amortization schedule, listing of principal and interest payments for the current fiscal year, and commercial loan statements, which document the June 30 (current year) balance for each loan maintained by the Department.
- For purposes of fund-raising, all income and expense records with reconciliation to income and expenses recorded in general ledger as of June 30 of the current year.
- Copies of July-December previous year and January-June current year sales tax and fuel tax refund reports.

Related-Party Questionnaire

Date _____

Name and Address of Board Member _____

Dear Board Member:

In connection with an audit of our financial statements, please furnish answers to the following questions, sign your name, and return the questionnaire directly to me. The questionnaire is designed to obtain information about transactions between (fill in) Volunteer Fire Department and any related parties.

Related parties may include members of the governing board (such as the Board of Directors) and management and their immediate families; significant contributors; fundraising organizations; and certain other separate entities.

Please answer all questions. If the answer to any question is "yes" please provide a detailed explanation in the space provided.

Very truly yours,

(Name of the Chief or Treasurer)

1. Have you or any related party of yours had any material interest, direct or indirect, in any of the following transactions since July 1 of the previous year to which the Fire Department was, or is to be, a party?

	Yes	No
Sale, purchase, exchange or leasing property?	_____	_____
Receiving or furnishing of goods, services, or facilities?	_____	_____
Transfer or receipt of income or assets?	_____	_____
_____	_____	_____
_____	_____	_____

2. Have you or any related party of yours been indebted to the Fire Department at any time since July 1 of the previous year? Please exclude amounts due for ordinary travel reimbursements, per-call fees, etc.

Yes	_____	No	_____

3. Have you or any related party of yours had any material interest, direct or indirect, in any transactions since July 1 of the previous year, or in any pending or incomplete transactions, to which any pension, retirement, savings or similar plan provided by the Fire Department was, or is to be, a party? Do not include payments to a plan or payments by the plan made pursuant to the terms of the plan.

Yes _____ No _____

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature

Title

Date