

STATE OF WEST VIRGINIA

AUDIT REPORT OF

MASONTOWN VOLUNTEER FIRE DEPARTMENT DISBURSEMENT AUDIT

For The Period

MAY 17, 1995 - DECEMBER 16, 1996



OFFICE OF THE LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305-0619

MASONTOWN VOLUNTEER FIRE DEPARTMENT

DISBURSEMENT AUDIT

FOR THE PERIOD

MAY 17, 1995 - DECEMBER 16, 1996

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

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CHARLESTON, WEST VIRGINIA 25305

The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 12, Article 4, Section 14, as amended, we have audited the disbursements of the Masontown Volunteer Fire Department.

Our audit covers the period May 17, 1995 through December 16, 1996. The results of the audit are set forth on the following pages of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Theford L. Shanklin".

Theford L. Shanklin, CPA, Director
Legislative Post Audit Division

TLS/gkc

MASONTOWN VOLUNTEER FIRE DEPARTMENT

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MASONTOWN VOLUNTEER FIRE DEPARTMENT

EXIT CONFERENCE

We held an exit conference on Thursday, May 14, 1998 by telephone with the Fire Chief of the Masontown Volunteer Fire Department and the Report was discussed.

MASONTOWN VOLUNTEER FIRE DEPARTMENT

INTRODUCTION

To provide additional revenue for the municipal firemen's pension and relief funds and for volunteer and part volunteer companies and departments, the West Virginia Legislature, in 1981, levied under Chapter 33, Article 3, Section 14d of the West Virginia Code, as amended, an additional premium tax equal to one percent of the gross direct premiums collected for fire insurance and casualty insurance policies. Under this section of the Code, volunteer and part volunteer fire departments are to receive 25 percent of the revenues generated by this premium tax.

In 1992, the West Virginia Legislature again provided additional revenue for the volunteer and part volunteer fire departments by authorizing, under Chapter 33, Article 3, Section 33 of the West Virginia Code, as amended, a policy surcharge equal to one percent of the gross direct premium paid by policyholders of any fire and casualty insurance policy. Under this section of the Code, 50 percent of the moneys collected are to be distributed on an equal share basis to those volunteer and part volunteer fire departments and companies certified annually to the State

Treasurer's Office by the State Fire Marshal. Part volunteer fire departments receive a reduced amount based on the ratio of full-time paid fire firefighters who are members of the municipal firemen's pension system to the total number of the members of the fire department.

During fiscal year 1995, the State Treasurer, under the provisions of Chapter 8, Article 15, Sections 8-a and 8-b, of the West Virginia Code, as amended, allocated and distributed \$21,704.38 to approximately 415 eligible volunteer and part volunteer fire departments and companies in West Virginia. Under the same sections of the Code, the State Treasurer allocated and distributed \$23,443.89 to eligible volunteer and part volunteer fire departments and companies in West Virginia during fiscal year 1996.

To receive the additional revenues, the volunteer and part volunteer fire companies and departments must comply with the following provisions of Chapter 8, Article 15, Section 8a of the West Virginia Code, as amended:

"(a) Submit and maintain current submission of fire loss data to the state fire marshal, including verification, by notarized statement, if no fire loss has occurred;

- (b) Complete or be in the process of receiving firefighters training, including section one of the West Virginia university fire service extension or its equivalent. Such fire company or department must have at least ten members certified as having completed such training or if a volunteer fire company or department has twenty or fewer members, fifty percent of the active volunteer members must have completed such training; and
- (c) Comply with all applicable federal and state laws."

The Legislature placed restrictions on the use of these additional revenues by the volunteer fire departments under Chapter 8, Article 15, Section 8b of the West Virginia Code, as amended, which states:

"Revenues allocated to volunteer and part volunteer fire companies and departments may be expended only for the items listed in subdivisions (a) through (j) of this section. Such expenditures may be made for the following:

- (a) Personal protective equipment, including protective head gear, bunker coats, pants, boots, combination of bunker pants and boots, coats and gloves;
- (b) Equipment for compliance with the national fire protection standard or automotive fire apparatus, NFPA-1901;
- (c) Compliance with insurance service office recommendations relating to fire departments;
- (d) Rescue equipment, communications equipment and ambulance equipment: *Provided*, That no moneys received from the municipal pensions and protection fund or the fire protection fund may be used for equipment for

personal vehicles owned or operated by volunteer fire company or department members;

(e) Capital improvements reasonably required for effective and efficient fire protection service and maintenance thereof;

(f) Retirement of debts;

(g) Payment of utility bills;

(h) Payment of the cost of immunizations, including any laboratory work incident thereto, for firefighters against hepatitis-b and other blood borne pathogens: *Provided*, That the vaccine shall be purchased through the state immunization program or from the lowest cost vendor available: *Provided*, however, That volunteer and part volunteer fire companies and departments shall seek to obtain no cost administration of the vaccinations through local boards of health: *Provided further*, That in the event any volunteer or part volunteer fire company or department is unable to obtain no cost administration of the vaccinations through a local board of health, the company or department shall seek to obtain the lowest cost available for the administration of the vaccinations from a licensed health care provider;

(i) Any filing fee required to be paid to the legislative auditor's office under section fourteen, [§12-4-14], article four, chapter twelve of this code relating to sworn statements of annual expenditures submitted by volunteer or part volunteer fire companies or departments that receive state funds or grants; and

(j) Property/casualty insurance premiums for protection and indemnification against loss or damage or liability."

Chapter 12, Article 4, Section 14 of the West Virginia Code, as amended, requires an audit at the cost of the grantee, by an independent certified public accountant, of corporations, associations or other organizations which receive State funds or grants in the amount of \$15,000 or more. The audit must be filed within two years of the disbursement of the funds or grants by the grantee. The Legislature amended this section of the Code effective June 9, 1995, providing an alternative to an audit for volunteer fire departments. In lieu of an audit, volunteer fire departments may file a sworn statement of annual expenditures to the Legislative Auditor's Office on or before February 14, of each year. The Legislative Auditor may perform random audits of the volunteer fire departments.

MASONTOWN VOLUNTEER FIRE DEPARTMENT

GENERAL REMARKS

Introduction

We have completed a disbursement audit of the Masontown Volunteer Fire Department. The audit covers the period May 17, 1995 through December 16, 1996.

Disbursement Statement

The Masontown Volunteer Fire Department filed an annual statement of disbursements for 1995 and 1996. For the two years that were filed and audited, we noted no instances of noncompliance with Chapter 8, Article 15, Section 8b of the West Virginia Code. The differences that occurred in 1996 were due to the listing of the disbursement of categories (g) and (j) on the financial statement in reverse order.

MASONTOWN VOLUNTEER FIRE DEPARTMENT

MAY 17, 1995 THRU DECEMBER 16, 1996

	MASONTOWN		
	<u>VFD</u>	<u>AUDIT</u>	<u>DIFFERENCE</u>
<u>1995</u>			
<u>Disbursements:</u>			
Chapter 8, Article 15, Section 8b (a)	\$ 0.00	\$ 0.00	\$ 0.00
Chapter 8, Article 15, Section 8b (b)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (c)	1,563.79	1,563.79	0.00
Chapter 8, Article 15, Section 8b (d)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (e)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (f)	18,200.00	18,200.00	0.00
Chapter 8, Article 15, Section 8b (g)	1,940.59	1,940.59	0.00
Chapter 8, Article 15, Section 8b (h)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (i)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (j)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	21,704.38	21,704.38	0.00
<u>1996</u>			
<u>Disbursements:</u>			
Chapter 8, Article 15, Section 8b (a)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (b)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (c)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (d)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (e)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (f)	18,200.00	18,200.00	0.00
Chapter 8, Article 15, Section 8b (g)	4,043.07	2,572.81	1,470.26
Chapter 8, Article 15, Section 8b (h)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (i)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b (j)	<u>1,200.82</u>	<u>2,671.08</u>	<u>(1,470.26)</u>
	<u>23,443.89</u>	<u>23,443.89</u>	<u>0.00</u>
 Total Disbursements	 <u>\$45,148.27</u>	 <u>\$45,148.27</u>	 <u>\$ 0.00</u>

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT,

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, do hereby certify that the report of the audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 12, Article 4, Section 14, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 17th day of May,
1998.



Thedford L. Shanklin, CPA, Director
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to Masontown Volunteer Fire Department; Governor; Attorney General; State Auditor; State Fire Marshal; Prosecuting Attorney, Mason County; and, County Clerk, Mason County.

