

*Original*

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

***McMECHEN VOLUNTEER FIRE DEPARTMENT***

***DISBURSEMENT AUDIT***

***FOR THE YEARS ENDED***

***DECEMBER 31, 1998, 1997 AND 1996***



OFFICE OF THE LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305-0610

**MCMECHEN VOLUNTEER FIRE DEPARTMENT**

**DISBURSEMENT AUDIT**

**FOR THE YEARS ENDED**

**DECEMBER 31, 1998, 1997 and 1996**

WEST VIRGINIA LEGISLATURE  
*Joint Committee on Government and Finance*

Theford L. Shanklin, CPA, Director  
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CHARLESTON, WEST VIRGINIA 25305-0610

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 McMechen Volunteer Fire Department.

Our audit covered the years ended December 31, 1998, 1997 and 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/cal

**MCMECHEN VOLUNTEER FIRE DEPARTMENT**

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**MCMECHEN VOLUNTEER FIRE DEPARTMENT**

**EXIT CONFERENCE**

We held an exit conference on August 6, 1999 with the current Fire Chief of the McMechen Volunteer Fire Department and the Report was reviewed and discussed.

## **MCMECHEN 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 were to be distributed to those volunteer and part volunteer fire departments and companies certified annually to the State Treasurer's Office by the State Fire Marshal.

Chapter 33, Article 3, Sections 14d and 33 provided that the volunteer fire departments received distributions on an equal share basis and part volunteer fire departments received a reduced amount based on the ratio of full-time paid firefighters who are

members of the municipal firemen's pension system to the total number of the members of the fire department and the distributions were received by the first day of September of each year.

During the 1997 Legislative Session, the Legislature amended the provisions of Chapter 33, Article 3, Sections 14d and 33 of the West Virginia Code. The amendment provides volunteer and part volunteer fire departments and companies are to be certified as eligible by the State Fire Marshal prior to receiving each quarterly distribution on the first day of January, April, July, and October of each year beginning on January 1, 1998. As before, volunteer fire departments receive the distributions on an equal share basis and part volunteer fire departments receive a reduced amount based on the ratio of full-time paid firefighters who are members of the municipal firemen's pension system to the total number of the members of the fire department.

To receive these funds, 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.

## MCMECHEN VOLUNTEER FIRE DEPARTMENT

### GENERAL REMARKS

#### Introduction

We have completed a disbursement audit of the McMechen Volunteer Fire Department. The audit covered the years ended December 31, 1998, 1997, and 1996.

#### Disbursement Statement

During our audit of the McMechen Volunteer Fire Department annual statements of expenditure for the years ended December 31, 1998, 1997, and 1996, we noted a disbursement of \$18.00 that we believe to be questionable. During year ended December 31, 1998 a transfer was made from the State fund account to another account to cover a check written to a flower shop which is not an allowable disbursement under Chapter 8, Article 15, Section 8b of the West Virginia Code, as amended.

**MCMECHEN VOLUNTEER FIRE DEPARTMENT**

**STATEMENT OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>MCMECHEN</u> <u>VFD</u>	<u>AUDIT</u>	<u>DIFFERENCES</u>
Chapter 8, Article 15, Section 8b(a)	\$ 0.00	\$ 0.00	\$ 0.00
Chapter 8, Article 15, Section 8b(b)	22,050.74	22,050.74	0.00
Chapter 8, Article 15, Section 8b(c)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b(d)	2,955.00	2,955.00	0.00
Chapter 8, Article 15, Section 8b(e)	130.20	130.20	0.00
Chapter 8, Article 15, Section 8b(f)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b(g)	18.00	0.00	18.00
Chapter 8, Article 15, Section 8b(h)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b(i)	75.00	75.00	0.00
Chapter 8, Article 15, Section 8b(j)	<u>1,977.00</u>	<u>1,977.00</u>	<u>0.00</u>
Total Disbursements For The Year Ended December 31, 1998	<u>\$27,205.94</u>	<u>\$27,187.94</u>	<u>\$18.00</u>

**MCMECHEN VOLUNTEER FIRE DEPARTMENT**

**STATEMENT OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 1997**

	<b>MCMECHEN VFD</b>	<b>AUDIT</b>	<b><u>DIFFERENCES</u></b>
Chapter 8, Article 15, Section 8b(a)	\$ 0.00	\$ 0.00	\$0 00
Chapter 8, Article 15, Section 8b(b)	24,714.15	24,714.15	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)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b(g)	0.00	0.00	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>
Total Disbursements For The Year Ended December 31, 1997	<u>\$24,714.15</u>	<u>\$24,714.15</u>	<u>\$0.00</u>

**MCMECHEN VOLUNTEER FIRE DEPARTMENT**

**STATEMENT OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 1996**

	<b>MCMECHEN VFD</b>	<b>AUDIT</b>	<b><u>DIFFERENCES</u></b>
Chapter 8, Article 15, Section 8b(a)	\$ 0.00	\$ 0.00	\$ 0.00
Chapter 8, Article 15, Section 8b(b)	46,950.74	46,950.74	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)	0.00	0.00	0.00
Chapter 8, Article 15, Section 8b(g)	0.00	0.00	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>
 Total Disbursements For The Year Ended December 31, 1996	 <u>\$46,950.74</u>	 <u>\$46,950.74</u>	 <u>\$ 0.00</u>
 <b>Total Disbursements For The Years Ended December 31, 1998, 1997 and 1996</b>	 <u>\$98,870.83</u>	 <u>\$98,852.83</u>	 <u>\$18.00</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 13<sup>th</sup> day of December,  
1999.



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 McMechen Volunteer Fire Department; Governor; Attorney General; State Auditor; State Fire Marshal; Prosecuting Attorney, Marshall County; and County Clerk, Marshall County.