

LEGISLATIVE FINANCIAL COMPLIANCE INSPECTION

Weirton Volunteer Fire Department #1 FOR THE THREE YEARS ENDING DECEMBER 31, 2010

REPORT OVERVIEW

- Non Allowable Items



WEST VIRGINIA LEGISLATIVE AUDITOR
POST AUDIT DIVISION



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WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

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December 4, 2012

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 conducted a compliance inspection and review of the financial transactions and records of the Weirton Volunteer Fire Department #1's state funds for the three calendar years ended December 31, 2010. We conducted our review and compliance inspection based on the criteria set forth by the Legislative Post Audit Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stacy L. Sneed".

Stacy L. Sneed, CPA, CICA, Director
Legislative Post Audit Division

SLS/NMH

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

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WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

EXECUTIVE SUMMARY

We were assigned to perform an examination of revenues and expenditures of the Weirton Volunteer Fire Department #1 for the calendar years ending 2008, 2009, and 2010. This examination is mandated by *West Virginia Code*, Chapter 12, Article 4, Section 14, as amended.

We noted the department submitted annual financial statements and bank statements for the years ended 2008, 2009, and 2010, in compliance with 12-4-14 of the West Virginia Code as amended.

After a review of the annual financial statements and bank statements for the years ending 2008, 2009, and 2010 we found:

FINDING 1 UNALLOWABLE:

The Weirton Volunteer Fire Department #1 made expenditures totaling \$24,094.80, after the department had its official certification as a fire department withdrawn, for the years 2008, 2009, and 2010 in the amounts of \$14,096.31, \$4,287.22, and \$5,711.27 respectively identified from state funds which were not allowed by Chapter 8, Article 15, Section 8b of the West Virginia Code, as amended.

These expenditures included items such as storage fees to North Weirton Storage, PO box rental for North Weirton Storage, license fee for Ohio Valley Rescue, checks to individuals for reimbursement for fuel and vehicle expenses, vehicle repairs, towing, vehicle cleaning, batteries, insurance, stamps, utilities, , snow removal, computer, mowing, business registration, fuel, batteries, carwash, clearing brush, stamps, toilet paper, paper towels, supplies and installation of door and sidelite unit, and office heater.

We also noted the corporation is using the building and other items purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources after the department had its official certification as a fire department withdrawn.

On December 7, 2007, during the regular business meeting of the State Fire Commission, the Weirton VFD #1 had its official certification as a fire department withdrawn. The State Fire Marshal sent the department a "cease and desist letter" dated December 20, 2007.

According to the Secretary of State's office the Weirton Volunteer Fire Department number 1, Inc. is currently a registered Corporation in good standing and has submitted the required annual reports for the years ending 2008, 2009, and 2010.

According to West Virginia Code 8-15-6, whenever the governing body shall ascertain that such company has failed, for three months successively, to consist of twenty effective members, or shall ascertain that it has failed for a like period of time to have and keep in good, serviceable condition an engine, hose or other proper equipment, such governing body shall declare such failure and by order dissolve the company.

According to West Virginia Code 8-15-7, corporations and the members thereof shall have all of the duties and obligations imposed upon unincorporated volunteer fire companies and the members thereof by the provisions of sections four and five of this article. The provisions of section six of this article shall be applicable to any such corporation, except that instead of entering an order of dissolution, the governing body shall enter an order directing the members of the corporation to take the necessary action under the general corporation laws of this state to bring about the dissolution of such corporation.

We noted the department is not in compliance with West Virginia Code and has not taken the necessary action under the general corporation laws of this state to bring about the dissolution of such corporation.

According to the WV Secretary of State's database, the officers of the Weirton Volunteer Fire Department #1 are also the officers of two non-profit corporations, Phoenix Society of West Virginia, Inc. and North Weirton Storage Rental, Inc. For Phoenix Society, the two Directors, President, Secretary, and Treasurer are all the same individuals who hold those positions in the fire department. In the case of North Weirton Storage Rental, the two Directors, President, and Treasurer are all the same as with the fire department. According to these records, Phoenix Society was originally Weirton Heights Volunteer Fire Department, Inc. The name was changed on October 19, 2007. We noted that the Corporation wrote twelve checks out of the department's State account to North Weirton Storage Rental totaling \$1,200.00 during 2008, ten checks totaling \$1,000.00 during 2009, and thirteen checks totaling \$1,300.00 during 2010.

We noted, if the State Fire Marshal issues a cease and desist order to a volunteer or part volunteer fire company or department to stop operations after the State Fire Commission has withdrawn certification pursuant to article three, chapter twenty-nine of the West Virginia code, there is no law requiring the volunteer or part volunteer fire company or department to transfer any unexpended, unencumbered monies which were allocated to the volunteer fire company or department from the Fire Protection Fund to the State Treasury.

We also noted, if the State Fire Marshal issues a cease and desist order to a volunteer or part volunteer fire company or department to stop operations after the State Fire Commission has withdrawn certification pursuant to the provisions of article three, chapter twenty-nine of the West Virginia code, there is no law providing for the disposition of an item that was purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources.

RECOMMENDATIONS:

We recommend the Weirton VFD #1 transfer any remaining monies allocated from the Fire Protection Fund to the State Treasury. We further recommend the corporation reimburse the State Treasury for all expenditures made from monies allocated from the Fire Protection Fund after the department had its official certification as a fire department withdrawn, including \$24,094.80 for improper 2008, 2009, and 2010 expenditures made after the department was decertified.

We recommend the corporation comply with West Virginia Code Code 8-15-7 as amended; the governing body should enter an order directing the members of the corporation to take the necessary action under the general corporation laws of this state to bring about the dissolution of such corporation.

We recommend the legislature amend West Virginia Code to require a volunteer fire company or department to transfer any unexpended, unencumbered monies which were allocated to the volunteer fire company or department from the Fire Protection Fund to the State Treasury as soon as they have their official certification as a fire department withdrawn by the State Fire Marshal.

We further recommend the legislature amend West Virginia Code to provide for the disposition of any item that was purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources.

During the 2009 Legislative Session, H.B. 3158 contained provisions requiring the VFD to transfer any unexpended, unencumbered monies which were allocated to the VFD from the Fire Protection Fund to a special revenue account created in the State Treasury if the State Fire Marshal issues a cease and desist order. Additionally, it gave the State Fire Marshal several options to sell or transfer any items purchased by a decertified VFD if the State Fire Marshal issues a cease and desist order to a VFD to stop operations. This bill passed the House, however it did not pass the Senate.

Responses:

We spoke with the current treasurer of the Weirton Volunteer Fire Department #1 on December 7, 2012, and he agreed with all findings and recommendations.

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

INTRODUCTION

POST AUDIT AUTHORITY

The procedures were conducted pursuant to Chapter 12, Article 4, Section 14 of the West Virginia Code, which allows the Legislative Auditor to “assign an employee or employees to perform audits or reviews at the direction of the Legislative Auditor of the disbursement of state grant funds to volunteer fire departments.”

BACKGROUND

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 levied under Chapter 33, Article 3, Section 14d of the West Virginia Code, as amended in 2001, an additional premium tax equal to one percent of the taxable premiums collected for fire insurance and casualty insurance policies. Under this section of the Code, volunteer and part volunteer fire departments that are certified by the State Fire Marshal prior to each quarterly allocation are to receive 25 percent of the revenues generated by this premium tax.

In 1999, to provide additional revenue for the municipal fireman's pension and relief funds and for volunteer and part volunteer companies and departments, the West Virginia Legislature levied under the provisions of Chapter 33, Article 12c, Section 9 of the West Virginia Code, as amended, a tax equal to four percent of the gross premiums and fees on excess line policies. These moneys are to be distributed in accordance with the provision of Chapter 33, Article 3, Section 14d, as amended.

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 in 2001, a policy surcharge equal to one percent of the taxable premiums paid by policyholders of any fire insurance policy or casualty insurance policy. Under this section of the Code, 50 percent of the moneys collected are to be distributed to those volunteer and part volunteer fire departments and companies certified by the State Fire Marshal before each quarterly allocation.

Chapter 33, Article 3, Sections 14d and 33 provide that the volunteer fire departments receive 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. The moneys are to be distributed quarterly on the first day of the months of January, April, July and October of each year.

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

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 March 8, 2000, and again April 9, 2005.

Prior to the March 8, 2000 amendment, Chapter 8, Article 15, Section 8b did not allow Operating expenses as described in subsection (11) nor did the law prohibit the commingling of the funds with funds from other sources. Prior to the April 9, 2005 amendment, Chapter 8, Article 15, Section 8b did not allow Dues as described in subsection (12). On March 13, 2010, Chapter 8, Article 15, Section 8b was amended to include items (13) Workers' Compensation premiums, (14) Life insurance premiums to provide a benefit not to exceed \$20,000 for firefighter; and (15) Educational and training supplies and fire prevention promotional materials, not to exceed \$500 per year.

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 any person who receives State funds or grants in the amount of \$25,000 or more. The audit must be filed within two years of the end of the year in which the disbursement of the funds or grants occurred. The Legislature amended this section of the Code effective June 9, 1995, and again effective July 1, 2005 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 July 1, of each year. If the sworn statement of annual expenditures is not filed by the first day of July, the Legislative Auditor shall notify the State Treasurer who shall withhold any payment that would otherwise be distributed to the fire department.

Chapter 12, Article 4, Section 14 as amended March 8, 2000, and again April 9, 2005 provides that the Legislative Auditor may perform random audits of the volunteer fire departments. This section also requires that the volunteer fire department shall cooperate with the Legislative Auditor's Office in performing their duties under this section. If the Legislative Auditor determines a volunteer fire department is not cooperating, the legislative auditor shall notify the State Treasurer who shall withhold payment of any amount that would otherwise be distributed to the department until such time that the Legislative Auditor informs the Treasurer that the fire department has cooperated as required by this section.

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

OFFICERS AND STAFF

Joe StankiewiczPresident
Pat LongTreasurer

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

SCOPE

We conducted an evaluation of the revenue and expenditure transactions, and other records of the Weirton Volunteer Fire Department #1's state accounts for the three years ending December 31, 2010. Our scope included determining instances of noncompliance with Chapter 8, Article 15, Section 8b of the West Virginia code, and other applicable laws and regulations. The Compliance inspection was conducted in accordance with criteria set forth by the Legislative Post Audit Division.

OBJECTIVES AND METHODOLOGIES

The objective of our report was to review expenditures from the Department's state fund to ensure all expenditures were allowable and supported, and to report any unlawful expenditures that we find. Additionally, we were to examine the spending unit's financial transactions and records to evaluate its compliance with applicable State laws, rules and regulations.

Our sample of Departments to test was randomly selected by district, after determining a population of all Departments for which a report has not been issued.

This communication is intended solely for the information and use of the Post Audits Subcommittee, the members of the WV Legislature, and the Volunteer Fire Department. However, once presented to the Post Audits Subcommittee, this report is a matter of public record and its distribution is not limited.

Our reports are designed to assist the Post Audits Subcommittee in exercising its legislative oversight function and to provide constructive recommendations for improving the operations of Volunteer Fire Departments. As a result, our reports generally do not address activities we reviewed that are functioning properly.

CONCLUSIONS

Based on the documentation provided, we determined that during 2008-2010, the department made \$24,094.80 in expenditures identified from state funds that were not allowed. It should be noted that these expenditures were deemed non allowable because the department had its official certification as a fire department withdrawn during the regular business meeting of the State Fire Commission on December 7, 2007. Furthermore, the State Fire Marshal sent a "cease and desist letter" dated December 20, 2007 to the department. Therefore, we recommend the department reimburse their state account \$24,094.80 and remit all state funds to the State Treasurer's Office.

EXIT CONFERENCE

We discussed this report with the current treasurer of the Weirton Volunteer Fire Department #1 on 12/7/2012. All findings and recommendations were reviewed and discussed. He agreed with all findings and recommendations.

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

FINDINGS

FINDING 1 UNALLOWABLE:

The Weirton Volunteer Fire Department #1 made \$24,094.80 in expenditures identified from state funds which were not allowed by Chapter 8, Article 15, Section 8 of the West Virginia Code, as amended. We also noted the department is using items purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources after the department had its official certification as a fire department withdrawn.

CONDITION:

On December 7, 2007, during the regular business meeting of the State Fire Commission, the Weirton VFD #1 had its official certification as a fire department withdrawn. Furthermore, the State Fire Marshal sent the department a “cease and desist letter” dated December 20, 2007.

In order to be eligible to receive revenues allocated from the municipal pensions and protection fund or the fire protection fund, each volunteer or part volunteer fire company or department must comply with all applicable federal and state laws.

The department is not in compliance with West Virginia code 8-15-7 and has not taken the necessary action under the general corporation laws of this state to bring about the dissolution of such corporation.

We noted the department is using the building and other items purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources after the department had its official certification as a fire department withdrawn.

During 2008, 2009, and 2010 the Weirton Volunteer Fire Department #1 made expenditures totaling \$14,096.31, \$4,287.22, and \$5,711.27 respectively from state funds that were not allowed by Chapter 8, Article 15, Sections 8b of the West Virginia Code, as amended.

We noted the following items that were purchased with State money that were not allowable under the West Virginia Code 8-15-8b:

2008 EXPENDITURES

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
EFT (127)	1/8/2008	Verizon	\$ 64.10	Telephone Bill
128	1/4/2008	Allegheny Power	83.61	Electric Bill
129	1/4/2008	Weirton Rental Center, Inc.	31.20	Snow Removal
130	1/9/2008	N. Weirton Storage	100.00	Storage
131	1/9/2008	IDD Computer Rep. & Sales	601.85	Computer
132	1/16/2008	Mountaineer Gas Co.	72.64	Gas Bill
133	1/16/2008	Paper & Press	274.78	Repair
134	1/16/2008	IDD Computer Sales	174.95	Computer/Hard Drive
135	1/16/2008	Gregg TiTi	120.00	Labor
EFT (136)	1/28/2008	Verizon	69.50	Telephone Bill
137	1/22/2008	AV Luttamus Comm.	291.10	Batteries
138	1/30/2008	Gregg TiTi	75.00	Labor/Repairs
EFT (139)	2/4/2008	Allegheny Power	42.51	Electric Bill
140	1/31/2008	RESEA 6	155.00	Education
EFT (141)	2/11/2008	Allegheny Power	26.02	Electric Bill
142	2/7/2008	North Weirton Storage	100.00	Storage
143	2/19/2008	RadioShack	104.88	6V Cig Pwr Adaptr.
144	2/19/2008	Mountaineer Gas Co.	307.22	Gas Bill
EFT (145)	3/4/2008	Allegheny Power	50.08	Electric Bill
EFT (146)	3/4/2008	Verizon	69.50	Telephone Bill
147	3/5/2008	North Weirton Storage	100.00	Storage
148	3/12/2008	Weirton Rental Center, Inc.	31.20	Snow Removal
149	3/12/2008	Mountaineer Gas Co.	166.47	Gas Bill
150	3/13/2008	Bryan Stankiewicz	70.84	Auto Supplies
151	3/13/2008	Pat Long	123.26	Fuel, Postage, Supplies
152 (EFT)	3/31/2008	Allegheny Power	42.25	Electric Bill
153	3/26/2008	City of Weirton	82.27	Sewer/Water/Garbage
154 (EFT)	3/31/2008	Verizon	69.50	Telephone Bill
155	3/31/2008	Any Occasion Florist	50.00	Flowers
156	4/4/2008	North Weirton Storage	100.00	Storage
EFT (157)	4/8/2008	Allegheny Power	23.98	Electric Bill
158	4/15/2008	Mountaineer Gas Co.	260.30	Gas Bill
EFT (159)	4/28/2008	Verizon	69.57	Telephone Bill
160	4/30/2008	Weirton Heights Auto	40.00	2 Bulbs

2008 EXPENDITURES

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
EFT (161)	5/5/2008	Allegheny Power	23.73	Electric Bill
162	5/8/2008	Pat Long	498.09	Ubolts, Sign/Chain, Paint
EFT (163)	5/13/2008	Allegheny Power	17.05	Electric Bill
164	5/13/2008	Nicks Auto Repair	57.92	Repair 1987 Ford
165	5/13/2008	North Weirton Storage	100.00	Storage
166	5/13/2008	Mountaineer Gas	2.27	Gas Bill
167	5/28/2008	Schreiber & Asso.	125.00	Accounting Fees
168	5/28/2008	City of Weirton	82.27	Sewer/Water/Garbage
EFT (169)	6/2/2008	Verizon	69.57	Telephone Bill
EFT (170)	6/2/2008	Allegheny Power	43.07	Electric Bill
171	6/4/2008	North Weirton Storage	100.00	Storage
172	6/10/2008	B. Stankiewicz	116.02	Fuel Purchases
173	6/10/2008	Mountaineer Gas Co.	96.11	Gas Bill
EFT (174)	6/16/2008	Allegheny Power	18.89	Electric Bill
EFT (175)	6/23/2008	Verizon	72.31	Telephone Bill
176	6/24/2008	Secretary of State WV	25.00	Dissolution Fee
177	6/24/2008	W.V. Dept of Revenue	125.00	Unknown
178	7/1/2008	Weirton Area Water	4,000.00	Back Water Estimate
EFT (179)	7/8/2008	Allegheny Power	11.96	Electric Bill
180	7/1/2008	North Weirton Storage	100.00	Storage
181	7/23/2008	WesBanco INS. Ser. INC	1,610.00	Insurance
182	7/23/2008	Nicks Auto Sales	90.00	Towing
184	7/23/2008	City of Weirton	87.88	Sewer/Water/Garbage
EFT (185)	7/29/2008	Allegheny Power	34.94	Electric Bill
186	7/25/2008	WV Tax Dept	50.00	Corp. fee "Ohio Valley Rescue"
187	7/24/2008	WV Tax Dept	50.00	License
188	8/5/2008	Bryan Stankiewicz	111.00	Fuel Purchases
189	8/6/2008	Tim Howard Auto Repair	750.95	Repairs to Truck 1
190	8/6/2008	North Weirton Storage	100.00	Storage
192	9/4/2008	North Weirton Storage	100.00	Storage
193	9/16/2008	Mountaineer Gas	18.90	Gas Bill
194	9/24/2008	City of Weirton	79.33	Sewer/Water/Garbage
EFT (195)	9/29/2008	Allegheny Power	66.03	Electric Bill
196	10/3/2008	North Weirton Storage	100.00	Storage
197	10/16/2008	Mountaineer Gas	55.71	Gas Bill
198	10/16/2008	Stratus Wave	165.74	Telephone

2008 EXPENDITURES

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
199	11/4/2008	North Weirton Storage	100.00	Storage
200	11/12/2008	Stratus Wave	42.72	Telephone Bill
201	11/19/2008	Postmaster	106.00	PO Box Rent
202	11/26/2008	City of Weirton	82.27	Sewer/Water/Garbage
203	12/2/2008	North Weirton Storage	100.00	Storage
204	12/10/2008	Stratus Wave	42.72	Telephone Bill
205	12/17/2008	Pat Long	88.00	Postage stamps, gas, supplies
206	12/17/2008	Mountaineer Gas	<u>336.28</u>	Gas Bill
		TOTAL	<u>\$14,096.31</u>	

2009 EXPENDITURES

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
208	1/7/2009	North Weirton Storage	\$ 100.00	Storage
209	1/14/2009	Mountaineer Gas	115.68	Gas Bill
210	1/14/2009	StratusWave	42.72	Telephone Bill
EFT (211)	2/2/2009	Allegheny Power	48.79	Electric Bill
212	2/3/2009	City of Weirton	82.27	Sewer/Water/Garbage
213	2/3/2009	North Weirton Storage	100.00	Storage
214	2/10/2009	Mountaineer Gas Co.	490.44	Gas Bill
215	2/10/2009	Stratus Wave	42.72	Telephone Bill
EFT (216)	3/16/2009	Allegheny Power	27.20	Electric Bill
217	3/10/2009	Stratus Wave	42.72	Telephone Bill
218	3/10/2009	North Weirton Storage	100.00	Storage
FEE	3/17/2009	Check Book Fee	20.75	Check Fee
219	3/17/2009	Mountaineer Gas	25.73	Gas Bill
EFT (220)	4/6/2009	Allegheny Power	30.48	Electric Bill
221	3/25/2009	City of Weirton	70.84	Sewer/Water/Garbage
222	4/7/2009	North Weirton Storage	100.00	Storage
223	4/7/2009	Stratus Wave	42.72	Telephone Bill
224	4/17/2009	Mountaineer Gas	235.60	Gas Bill
EFT (225)	5/5/2009	Allegheny Power	18.56	Electric Bill
226	5/5/2009	North Weirton Storage	100.00	Storage
227	5/12/2009	Stratus Wave	42.72	Telephone Bill
228	5/26/2009	Schreiber And Associates	125.00	Accounting Fees
EFT (229)	6/1/2009	Allegheny Power	20.99	Electric Bill
230	5/26/2009	City of Weirton	82.27	Sewer/Water/Garbage
231	6/2/2009	North Weirton Storage	100.00	Storage
232	6/10/2009	Stratus Wave	42.72	Telephone Bill
233		No check information		No check information
234		No check information		No check information
235		No check information		No check information
236		No check information		No check information
237		No check information		No check information
EFT (238)	7/31/2009	Allegheny Power	18.18	Electric Bill
239	7/29/2009	City of Weirton	90.88	Sewer/Water/Garbage
240	8/11/2009	Stratus Wave	42.72	Telephone Bill
241	8/11/2009	North Weirton Storage	100.00	Storage
242	8/18/2009	Ferguson Tire Service	344.08	Repairs to 1997 GMC 3500 4X4
243	8/19/2009	Jaaag Tire	12.66	WV State Inspection

2009 EXPENDITURES

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
EFT (244)	8/31/2009	Allegheny Power	18.38	Electric Bill
245	9/1/2009	North Weirton Storage	100.00	Storage
246	9/9/2009	Stratus Wave	42.72	Telephone Bill
247	9/9/2009	Joe Stankiewicz	16.93	Lights for Truck & Trailer
248	9/22/2009	Pat Long	141.00	Gas and Postage
EFT (249)	9/28/2009	Allegheny Power	16.81	Electric Bill
250	9/22/2009	City of Weirton	91.37	Sewer/Water/Garbage
252	10/6/2009	Brian Stankiewicz	40.00	Mowing
253	10/6/2009	North Weirton Storage	100.00	Storage
254	10/13/2009	AV Lauttamus Comm.	16.00	Antenna
255	10/13/2009	Stratus Wave Comm.	42.72	Telephone Bill
256	10/13/2009	Mountaineer Gas Co.	49.41	Gas Bill
257	11/3/2009	North Weirton Storage	100.00	Storage
EFT (258)	11/9/2009	Allegheny Power	51.27	Electric Bill
259	11/10/2009	Stratus Wave	42.72	Telephone Bill
260	11/24/2009	Weirton Rental Center, Inc	99.16	Repairs to Chipper Shredder
261	11/24/2009	Postmaster	110.00	Post Office Box
EFT (262)	11/30/2009	Allegheny Power	25.54	Electric Bill
263	12/8/2009	City of Weirton	66.05	Sewer/Utility Tax/Water
264	12/8/2009	Mountaineer Gas Co.	172.82	Gas Bill
265	12/8/2009	Stratus Wave	42.67	Telephone Bill
EFT (266)	1/5/2010	Allegheny Power	<u>42.21</u>	Electric Bill
		TOTAL	<u>\$4,287.22</u>	

2010 EXPENDITURES

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
267	1/5/2010	North Weirton Storage	\$ 100.00	Storage
268	1/5/2010	North Weirton Storage	100.00	Storage
269	1/12/2010	Stratus Wave	42.67	Telephone Bill
EFT (271)	2/1/2010	Allegheny Power	36.15	Electric Bill
272	2/2/2010	City of Weirton	66.05	Sewer/Utility Tax/Water
273	2/16/2010	Mountaineer Gas	138.12	Gas Bill
274	2/16/2010	North Weirton Storage	100.00	Storage
275	2/16/2010	Stratus Wave	42.67	Telephone Bill
EFT (276)	3/8/2010	Allegheny Power	36.93	Electric Bill
277	3/2/2010	North Weirton Storage	100.00	Storage
278	3/9/2010	W.V. Secretary of State	25.00	Business Regristration
279	3/9/2010	Stratus Wave	42.67	Telephone Bill
280	3/16/2010	Mountaineer Gas	90.73	Gas Bill
281	3/23/2010	Bryan Stankiewicz	176.67	Fuel, 2 Truck Batteries
EFT (282)	4/5/2010	Allegheny Power	32.39	Electric Bill
283	3/30/2010	City of Weirton	66.05	Sewer/Utility Tax/Water
284	4/6/2010	North Weirton Storage	100.00	Storage
285	4/13/2010	Stratus Wave	42.67	Telephone Bill
286	4/13/2010	Mountaineer Gas	58.23	Gas Bill
EFT (287)	5/3/2010	Allegheny Power	62.61	Electric Bill
288	5/4/2010	North Weirton Storage	100.00	Storage
289	5/11/2010	Stratus Wave	42.67	Telephone Bill
290	5/11/2010	Mountaineer Gas	47.77	Gas Bill
291	5/11/2010	Jeff Huff	50.00	Cleaned Brush & Cut Grass
292	5/21/2010	Family Fun Recreational	290.00	Repairs
EFT (293)	6/1/2010	Allegheny Power	26.07	Electric Bill
294	5/25/2010	City of Weirton	61.28	Sewer/Utility Tax/Water
296	6/8/2010	North Weirton Storage	100.00	Storage
297	6/8/2010	Stratus Wave	42.67	Telephone Bill
298	6/8/2010	Pat Long	114.91	Stamps, Fuel, supplies
EFT (299)	7/2/2010	Allegheny Power	65.96	Electric Bill
300	6/29/2010	Mountaineer Gas Co.	47.85	Gas Bill
301	6/29/2010	All American System Services & Sales	243.05	Service Test, Refills
302	7/6/2010	North Weirton Storage	100.00	Storage
303	7/13/2010	Bryan Stankiewicz	40.00	Mowing hillside

<u>2010 EXPENDITURES</u>				
<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
304	7/20/2010	Mountaineer Gas Co.	26.33	Gas Bill
305	7/27/2010	City of Weirton	72.90	Sewer/Utility Tax/Water
EFT (306)	7/30/2010	Allegheny Power	19.77	Electric Bill
307	8/3/2010	North Weirton Storage	100.00	Storage
308	8/10/2010	All Glass Center, LLC	1,579.40	Install Door and sidelite unit
309	8/10/2010	Mountaineer Gas	37.10	Gas Bill
EFT (310)	8/27/2010	Allegheny Power	53.79	Electric Bill
311	9/7/2010	North Weirton Storage	100.00	Storage
312	9/14/2010	Mountaineer Gas	15.56	Gas Bill
313	9/28/2010	City of Weirton	72.90	Sewer/Utility Tax/Water
EFT (314)	10/1/2010	Allegheny Power	42.03	Electric Bill
315	10/5/2010	North Weirton Storage	100.00	Storage
316	10/12/2010	Mountaineer Gas	37.10	Gas Bill
317	11/2/2010	North Weirton Storage	100.00	Storage
EFT (318)	11/5/2010	Allegheny Power	37.47	Electric Bill
319	11/16/2010	Mountaineer Gas	26.33	Gas Bill
EFT (320)	11/29/2010	Allegheny Power	40.56	Electric Bill
321	11/30/2010	City of Weirton	72.90	Sewer/Utility Tax/Water
322	12/7/2010	North Weirton Storage	100.00	Storage
323	12/14/2010	Mountaineer Gas Co.	131.34	Gas Bill
324	12/21/2010	Pat Long	<u>113.95</u>	Inspection, fuel,Office Heater
		TOTAL	<u>\$5,711.27</u>	

CRITERION:

Chapter 8, Article 15, Section 8(a) of the West Virginia Code, as amended, states in part:

Eligibility for allocation from municipal pensions and protection fund and the fire protection fund.

In order to be eligible to receive revenues allocated from the municipal pensions and protection fund or the fire protection fund, each volunteer or part volunteer fire company or department must meet the requirements listed in subdivisions (a) through (c) of this section.

Each volunteer or part volunteer fire company or department must:

(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.

Chapter 8, Article 15, Section 8(b) of the West Virginia Code, as amended, states in part:

“Authorized expenditures of revenues from the municipal pensions and protection fund and the fire protection fund.

Revenues allocated to volunteer and part volunteer fire companies and departments may be expended only for the items listed in subdivisions (1) through (15) of this section. Funds received from the state for volunteer and part volunteer fire companies and departments, pursuant to sections fourteen-d and thirty-three, article three, and section seven, article twelve-c, all of chapter thirty-three of this code, may not be commingled with funds received from any other source.”

According to West Virginia Code 8-15-7 as amended, which states:

§8-15-7. Incorporation of volunteer fire companies; duties and obligations; dissolution.

In lieu of forming a company as specified in section four of this article, interested persons may cause the incorporation of a volunteer fire company as a nonstock, nonprofit corporation under the general corporation laws of this state. The corporation and the members thereof shall have all of the duties and obligations imposed upon unincorporated volunteer fire companies and the members thereof by the provisions of sections four and five of this article. The provisions of section six of this article shall be applicable to any such corporation, except that instead of entering an order of dissolution, the governing body shall enter an order directing the members of the corporation to take the necessary action under the general corporation laws of this state to bring about the dissolution of such corporation. Upon the entry of any such order, it shall be the duty of the members of such corporation to comply therewith

CAUSE:

The corporation is spending state funds on unallowable expenditures after the department had its official certification as a fire department withdrawn. Currently, if the State Fire Marshal issues a cease and desist order to a volunteer or part volunteer fire company or department to stop operations after the State Fire Commission has withdrawn certification pursuant to article three, chapter twenty-nine of the West Virginia code, there is no law requiring the volunteer or part volunteer fire company or department to transfer any unexpended, unencumbered monies which were allocated to the volunteer

fire company or department from the Fire Protection Fund to the State Treasury.

If the State Fire Marshal issues a cease and desist order to a volunteer or part volunteer fire company or department to stop operations after the State Fire Commission has withdrawn certification pursuant to the provisions of article three, chapter twenty-nine of the West Virginia code, there is no law providing for the disposition of a an item that was purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources.

EFFECT:

The corporation is using monies and items purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources after the department had its official certification as a fire department withdrawn. Due to unallowable expenditures after the department's official certification as a fire department has been withdrawn, there may be less funding available for other departments for expenditures required for effective and efficient fire protection services.

RECOMMENDATION:

We recommend the Weirton VFD #1 transfer any remaining monies allocated from the Fire Protection Fund to the State Treasury. We further recommend the corporation reimburse the State Treasury for all expenditures made from monies allocated from the Fire Protection Fund after the department had its official certification as a fire department withdrawn, including \$24,094.80 for improper 2008, 2009, and 2010 expenditures made after the department was decertified.

We recommend the corporation comply with West Virginia Code Code 8-15-7 as amended; the governing body should enter an order directing the members of the corporation to take the necessary action under the general corporation laws of this state to bring about the dissolution of such corporation.

We recommend the legislature amend West Virginia Code to require a volunteer fire company or department to transfer any unexpended, unencumbered monies which were allocated to the volunteer fire company or department from the Fire Protection Fund to the State Treasury as soon as they have their official certification as a fire department withdrawn by the State Fire Marshal.

We further recommend the legislature amend West Virginia Code to provide for the disposition of a an item that was purchased with monies allocated from the Fire Protection Fund, or monies allocated from municipal, county or other sources.

During the 2009 Legislative Session, H.B. 3158 contained provisions requiring the VFD to transfer any unexpended, unencumbered monies which were allocated to the VFD from the Fire Protection Fund to a special revenue account created in the State Treasury if the State Fire Marshal issues a cease and desist order. Additionally, it gave the State Fire Marshal several options to sell or transfer any items purchased by a decertified VFD if the State Fire Marshal issues a cease and desist order to a VFD to stop operations. This bill passed the House, however it did not pass the Senate.

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

SUPPLEMENTAL INFORMATION
STATEMENT OF EXPENDITURES YEAR ENDED DECEMBER 31, 2008

<u>Authorizing W.Va Code</u>	<u>AUDIT</u>	<u>VFD</u>	<u>DIFFERENCES</u>	
Chapter 8, Article 15, Section 8b(1)	\$0.00	\$ 0.00	\$ 0.00	
Chapter 8, Article 15, Section 8b(2)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(3)	0.00	155.00	(155.00)	a
Chapter 8, Article 15, Section 8b(4)	0.00	395.98	(395.98)	a
Chapter 8, Article 15, Section 8b(5)	0.00	1,541.89	(1,541.89)	a
Chapter 8, Article 15, Section 8b(6)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(7)	0.00	6,967.98	(6,967.98)	a
Chapter 8, Article 15, Section 8b(8)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(9)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(10)	0.00	1,610.00	(1,610.00)	a
Chapter 8, Article 15, Section 8b(11)	0.00	3,194.17	(3,194.17)	a
Chapter 8, Article 15, Section 8b(12)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(13)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(14)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(15)	0.00	0.00	0.00	
Total Disbursements For Year Ended December 31, 2010	<u>\$0.00</u>	<u>\$13,865.02</u>	<u>(\$13,865.02)</u>	a

a = The VFD reported line item expenditures in this category, but we did not allow any 2008 expenditures because the VFD lost its official certification as a fire department in December 2007.

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

SUPPLEMENTAL INFORMATION
STATEMENT OF EXPENDITURES YEAR ENDED DECEMBER 31, 2009

<u>Authorizing W.Va Code</u>	<u>AUDIT</u>	<u>VFD</u>	<u>DIFFERENCES</u>	
Chapter 8, Article 15, Section 8b(1)	\$0.00	\$ 0.00	\$ 0.00	
Chapter 8, Article 15, Section 8b(2)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(3)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(4)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(5)	0.00	568.83	(568.83)	a
Chapter 8, Article 15, Section 8b(6)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(7)	0.00	2,429.04	(2,429.04)	a
Chapter 8, Article 15, Section 8b(8)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(9)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(10)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(11)	0.00	1,597.06	(1,597.06)	a
Chapter 8, Article 15, Section 8b(12)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(13)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(14)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(15)	0.00	0.00	0.00	
Total Disbursements For Year Ended December 31, 2010	<u>\$0.00</u>	<u>\$4,594.93</u>	<u>(\$4,594.93)</u>	a

The VFD reported line item expenditures in this category, but we did not allow any 2009 a = expenditures because the VFD lost its official certification as a fire department in December 2007.

WEIRTON VOLUNTEER FIRE DEPARTMENT #1
January 1, 2008 – December 31, 2010

SUPPLEMENTAL INFORMATION
STATEMENT OF EXPENDITURES YEAR ENDED DECEMBER 31, 2010

<u>Authorizing W.Va Code</u>	<u>AUDIT</u>	<u>VFD</u>	<u>DIFFERENCES</u>	
Chapter 8, Article 15, Section 8b(1)	\$0.00	\$ 0.00	\$ 0.00	
Chapter 8, Article 15, Section 8b(2)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(3)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(4)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(5)	0.00	2,298.78	(2,298.78)	a
Chapter 8, Article 15, Section 8b(6)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(7)	0.00	1,778.29	(1,778.29)	a
Chapter 8, Article 15, Section 8b(8)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(9)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(10)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(11)	0.00	1,634.20	(1,634.20)	a
Chapter 8, Article 15, Section 8b(12)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(13)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(14)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(15)	0.00	0.00	0.00	
Total Disbursements For Year Ended December 31, 2010	<u>\$0.00</u>	<u>\$5,711.27</u>	<u>(\$5,711.27)</u>	a

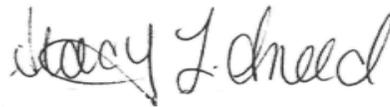
a = The VFD reported line item expenditures in this category, but we did not allow any 2010 expenditures because the VFD lost its official certification as a fire department in December 2007.

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Stacy L. Sneed, CPA, CICA, Director of the Legislative Post Audit Division, do hereby certify that the report appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 11th day of December 2012.



Stacy L. Sneed, CPA, CICA, Director
Legislative Post Audit Division

Notification of when the report was released and the location of the report on our website was sent to the Secretary of the Department of Administration to be filed as a public record. Report release notifications were also sent to the Governor; Attorney General; State Auditor; and State Fire Marshal. Copies forwarded to the Weirton Volunteer Fire Department #1; Prosecuting Attorney, Hancock County; County Clerk, Hancock County.