

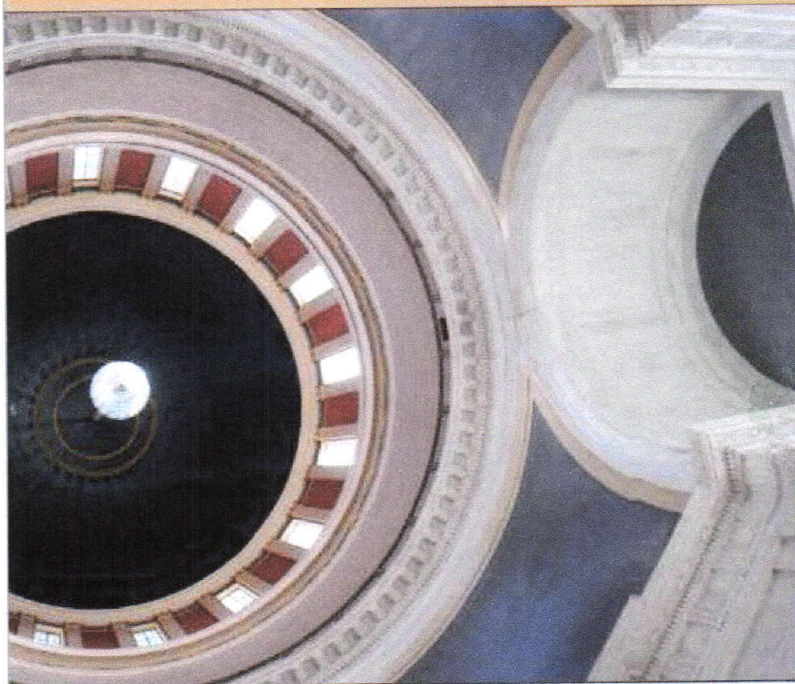
# LEGISLATIVE FINANCIAL COMPLIANCE INSPECTION

## COAL CITY VOLUNTEER FIRE DEPARTMENT

FOR THE YEAR ENDING DECEMBER 31, 2011

### REPORT OVERVIEW

- Lack of Support
- Unallowable
- Unauthorized Payments
- Material Weakness In Internal Control



WEST VIRGINIA LEGISLATIVE AUDITOR  
**POST AUDIT DIVISION**



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### WEST VIRGINIA LEGISLATIVE AUDITOR LEGISLATIVE POST AUDIT DIVISION

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**WEST VIRGINIA LEGISLATURE**  
*Joint Committee on Government and Finance*

Stacy L. Sneed, CPA, CICA, Director  
Legislative Post Audit Division  
Building 1, Room W-329  
1900 Kanawha Blvd., E.  
Charleston, West Virginia 25305-0610



Area Code (304)  
Phone: 347-4880  
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June 27, 2013

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 Coal City Volunteer Fire Department's state funds for the fiscal year ended December 31, 2011. 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 blue ink, appearing to read "Stacy L. Sneed".

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

SLS/rwa

**COAL CITY VOLUNTEER FIRE DEPARTMENT**  
**January 1, 2011 - December 31, 2011**

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**COAL CITY VOLUNTEER FIRE DEPARTMENT**  
**January 1, 2011 - December 31, 2011**

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**EXECUTIVE SUMMARY**

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**FINDING 1 LACK OF SUPPORT:**

Based on our review, the Coal City Volunteer Fire Department lacked proper supporting documentation for expenditures totaling \$5,556.98.

**Recommendation:**

We recommend the Department maintain proper documentation for all expenditures and reimburse their state account \$5,556.98 for expenditures that lacked proper support. We further recommend the Department establish an audit committee to review all Department expenditures for proper documentation and authorization.

**FINDING 2 UNALLOWABLE:**

The Coal City Volunteer Fire Department made \$1,287.83 in expenditures identified from state funds that were not allowed by Chapter 8, Article 15, Section 8(b) of the West Virginia Code, as amended.

**Recommendation:**

We recommend all revenues allocated to the Fire Department only be used for expenditures, as authorized by Chapter 8-15-8(b) of the West Virginia Code, as amended. We further recommend the Department reimburse their state account \$1,287.83 for items that were unallowable.

**FINDING 3 UNAUTHORIZED PAYMENTS:**

The Coal City Volunteer Fire Department made \$536.64 in expenditures identified from state funds which were not authorized by the Department.

**Recommendation:**

We recommend the Department establish an independent audit committee to review all department expenditures for proper authorization and documentation. We further recommend the Department engage an independent CPA to provide an audit of all Department records.

**FINDING 4 MATERIAL WEAKNESS IN INTERNAL CONTROL:**

The Board of Governors failed to initiate and maintain proper internal controls necessary to help protect Department assets from possible fraud, waste, and abuse.

**Recommendation:**

We recommend the Department establish an independent audit committee to review all Department expenditures for proper authorization and documentation. Check signers should review underlying

documentation before signing checks. The Department should obtain payment histories for AEP and Suddenlink and all other utilities for the years 2010, 2011, and 2012 and compare payments made from their state account, general account and county account with payments recorded on payment histories. The Department should obtain documentation of original reimbursement for personal expenditures or obtain reimbursement for all identified unauthorized expenses and forward all suspected fraudulent transactions to the West Virginia State Police. We further recommend the Department engage an independent CPA to review all expenditures for proper authorization and documentation and perform an audit of the Department's records.

**Response:**

The department agreed with all findings and recommendations.



**COAL CITY VOLUNTEER FIRE DEPARTMENT**  
**January 1, 2011 - December 31, 2011**

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**INTRODUCTION**

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**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.



COAL CITY VOLUNTEER FIRE DEPARTMENT  
January 1, 2011 - December 31, 2011

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OFFICERS AND STAFF

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Keithrell Mark Stiefer, Jr.....Fire Chief  
James Howell.....President  
Zach Honaker .....Vice President  
Melissa Stiefer..... Secretary/Treasurer  
Delano Thompson .....Community Board Member  
Dusty Keen .....Community Board Member  
Zack Robinson. .... Fill in Board Member  
Devin Coalson..... Board Member  
Dustin Boggs..... Board Member

**COAL CITY VOLUNTEER FIRE DEPARTMENT**  
**January 1, 2011 - December 31, 2011**

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**SCOPE**

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We conducted an evaluation of the revenue and expenditure transactions, and other records of the Coal City Volunteer Fire Department's state accounts for the year ending December 31, 2011. 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.

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**OBJECTIVES AND METHODOLOGIES**

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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. Our sample also included specific departments selected for audit at the request of the Fire Marshal or by Legislative Post Audit.

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.

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**CONCLUSIONS**

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Based on our review, we determined the Department lacked proper support for expenditures totaling \$5,556.98, made \$1,287.83 in expenditures identified from state funds that were not allowed by Chapter 8, Article 15, Section 8(b) of the West Virginia Code, as amended and made \$536.64 in expenditures that were not authorized by the Department. We further noted the department lacked the proper internal controls necessary to prevent loss due to error or fraud.

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**EXIT CONFERENCE**

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We discussed this report with the Treasurer of the Coal City Volunteer Fire Department on 7/09/2013. All findings and recommendations were reviewed and discussed. The department agreed with all findings and recommendations.

**COAL CITY VOLUNTEER FIRE DEPARTMENT**  
**January 1, 2011 - December 31, 2011**

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**FINDINGS**

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**FINDING 1 LACK OF SUPPORT:**

**CONDITION:**

Based on the documentation provided to us, the Coal City Volunteer Fire Department lacked proper supporting documentation for expenditures totaling \$5,556.98. We noted the Fire Department could not provide proper documentation for the following expenditures:

<u>CHECK</u>	<u>CHECK</u>	<u>PAYEE</u>	<u>Amount</u>	<u>Lack of Support</u>
EFT	1/27/2011	ONECALL NOW	\$195.50	Invoice
805	1/31/2011	Sissonville VFD	175.00	Invoice
810	2/15/2011	J & J Kountry Korner	302.50	Invoice - Fuel
812	2/16/2011	Sissonville VFD	155.00	Invoice
815	3/21/2011	Dollar General	26.61	Invoice
824	5/4/2011	RESA-1	230.00	invoice
828	5/16/2011	J & J Kountry Korner	49.01	Gallons - Fuel
835	6/7/2011	J & J Kountry Korner	698.81	Invoice Fuel
851	8/8/2011	J & J Kountry Korner	796.08	Invoice Fuel
857	9/13/2011	J & J Kountry Korner	534.55	Invoice Fuel
860	10/11/2011	J & J Kountry Korner	736.52	Invoice Fuel
868	11/1/2011	J & J Kountry Korner	572.51	Invoice Fuel
873	11/28/2011	Witmer Public Safety Group	72.60	Invoice
877	12/10/2011	J & J Kountry Korner	752.49	Invoice Fuel
EFT 879	12/8/2011	Sam's Club	<u>259.80</u>	Invoice
Total			\$5,556.98	

As noted above the Department made \$4,442.47 in fuel purchases that were not properly documented.

**CRITERIA:**

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.”

**CAUSE:**

The Board of Governors did not properly oversee the Department’s records to provide and maintain proper documentation for expenditures made from state funds.

**EFFECT:**

There is a greater risk for fraud and abuse when expenditures are not properly documented. Due to the lack of proper supporting documentation, we were unable to determine if these expenditures were allowable. Because the Department lacked proper documentation for fuel purchases we are unable to determine if all fuel purchases were used in Department vehicles.

**RECOMMENDATION:**

We recommend the Department maintain proper documentation for all expenditures and reimburse their state account \$5,556.98 for expenditures that lacked proper support. The Department should only purchase fuel for Department vehicles, as authorized by the Board of Governors, as well as maintain a fuel log to document fuel purchases for each vehicle. We further recommend the Department establish an audit committee to review all Department expenditures for proper documentation and authorization.

**FINDING 2 UNALLOWABLE:**

**CONDITION:**

The Coal City Volunteer Fire Department made \$1,287.83 in expenditures identified from state funds that were not allowed by Chapter 8, Article 15, Section 8(b) of the West Virginia Code, as amended.

We determined the following items were purchased with State money that was not allowable under the West Virginia Code:

<u>CHECK NO.</u>	<u>CHECK DATE</u>	<u>PAYEE</u>	<u>Amount</u>	<u>Description</u>
804	1/19/2010	Post Master	\$881.22	postage for fund raising
841	6/13/2011	Staples	12.00	sales tax
847	7/20/2011	Walmart	17.88	sales tax
859	10/5/2011	NAPA	1.53	sales tax
864	10/28/2011	WV Uniforms	367.83	dress uniforms
883	12/27/2011	Walmart	1.26	sales tax
884	12/27/2011	Walmart	<u>6.11</u>	sales tax
		Total	\$1,287.83	

**CRITERION:**

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.”

Publication TSD-320 of the West Virginia Tax Department, states in part:

“Certain nonprofit organizations purchasing tangible personal property or taxable services to be used or consumed in the organization’s nonprofit activities **are exempt** from payment of the consumer sales tax or use tax on those purchases.”

**CAUSE:**

The Department did not have sufficient knowledge of West Virginia Code 8-15-8(b) to determine allowable expenditures under the Code.

**EFFECT:**

Due to unallowable expenditures, the Department may have less funding available for expenditures required for effective and efficient fire protection services.

**RECOMMENDATION:**

We recommend all revenues allocated to the Fire Department only be used for expenditures, as authorized by Chapter 8-15-8(b) of the West Virginia Code, as amended. We further recommend the Department reimburse their state account \$1,287.83 for items that were unallowable.



**FINDING 3 UNAUTHORIZED PAYMENTS:**

**CONDITION:**

The Coal City Volunteer Fire Department made \$536.64 in expenditures identified from state funds which were not authorized by the Department. We identified the following payments made from the state account in 2011 that were not authorized by the Department:

<u>CHECK</u> <u>NO.</u>	<u>CHECK</u> <u>DATE</u>	<u>PAYEE</u>	<u>Amount</u>
830	5/27/2011	Suddenlink	\$165.16
EFT 831	6/3/2011	AEP	<u>371.48</u>
		Total	\$536.64

According to the Treasurer of the Coal City VFD, her personal Suddenlink and AEP bills were with the Department bills and were paid by the Department by mistake.

The treasurer stated she reimbursed the Department's general account in June 2011 for unauthorized payments from the state account. The Department could not provide a deposit slip or check showing reimbursement.

On 5/15/2013, the treasurer provided a copy of her personal check and a deposit slip for reimbursement to the state account, stating she could not find the deposit slip from June 2011 so she paid the Department again. On June 6, 2013, the treasurer reimbursed herself from the general account for the May 2013 reimbursement to the state account.

**CRITERIA:**

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.”

**CAUSE:**

The Department's Board of Governors failed to properly review, authorize, and approve Department expenditures. The Department lacked an independent audit committee to review Department records for proper authorization and documentation.

**EFFECT:**

There is a higher risk of fraud when the Board fails to properly review expenditures for proper authorization.

**RECOMMENDATION:**

We recommend the Department establish an independent audit committee to review all Department expenditures for proper authorization and documentation. Check signers should review underlying documentation before signing checks. The Department should obtain payment histories for AEP and Suddenlink and all other utilities for the years 2010, 2011, and 2012 and compare payments made from their state account, general account and county account with payments recorded on payment histories. The Department should obtain documentation of original reimbursement for personal expenditures or obtain reimbursement for all identified unauthorized expenses and forward all suspected fraudulent transactions to Trooper Stone of the West Virginia State Police. We further recommend the Department engage an independent CPA to review all expenditures for proper authorization and documentation and perform an audit of the Department's records.

#### **FINDING 4 MATERIAL WEAKNESS IN INTERNAL CONTROL:**

##### **CONDITION:**

The Board of Governors failed to initiate and maintain proper internal controls necessary to help protect Department assets from possible fraud, waste, and abuse. We reviewed the expenditures, and revenues of the Department's State account, used questionnaires, reviewed reports, and interviewed Department personnel to obtain an understanding of the internal controls respective to the scope of our examination.

We noted of the \$44,757.22 deposited from the State Treasurer, the Department made \$7,381.45 in expenditures, or 16 percent of deposits, that either lacked proper support or were unallowable or unauthorized.

It was noted in a report from the Commission on Special Investigations, on April 27, 2012, the former Chief of the Coal City VFD pled guilty to forgery for using VFD credit cards and checking account to make numerous personal purchases totaling over \$10,000.

The Board of Governors has failed to initiate and maintain the proper internal controls necessary to prevent possible **fraud from reoccurring**. The Board failed to maintain proper documentation and trace all transactions to the underlying documentation. The Board failed to verify all fuel charges were authorized by the Board, for Department use only and no funds were used to purchase fuel for personal use.

There is a lack of independence between the Fire Chief and Treasurer. We noted the Fire Chief and Treasurer are husband and wife. The Treasurer is also a member of the Board. We also noted the Treasurer has the authority to initiate and record purchases.

##### **CRITERION:**

One of the primary responsibilities of the Board of Governors is to make sure that proper internal controls are maintained in order to help protect department assets from fraud, waste, abuse, and possible misappropriation of funds.

Internal control is the process, affected by the entity's board of directors, management and other personnel, designed to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations.<sup>1</sup> Safeguarding assets against theft and unauthorized use, acquisition, or disposal is also part of internal control.

A fundamental concept of accounting policy and procedures recommend strict segregation of duties for those charged with receiving, recording, approval, and authorization of disbursements. Segregation of duties by persons responsible for recording, approving and authorizing disbursements is a basic and generally accepted internal control mechanism for the prevention of theft and fraud.

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<sup>1</sup> AIPCA White Paper "Understanding Internal Control and Internal Control Services"



Management is responsible for establishing and maintaining effective internal controls and must take into consideration the segregation of duties among individuals of an agency. Segregation of duties prescribes critical duties be separated between different individuals to ensure that no one person maintains enough responsibility for transactions so as to render the system ineffective at deterring, preventing, or monitoring possible abuse or errors. In a well designed internal control system, no one person is responsible for more than one of the following: 1) Custody of assets, 2) Approval of related transactions affecting those assets, and 3) Recording of related transactions. If proper segregation of duties cannot be performed, adequate monitoring of those individuals is a secondary control which can be put in place. These individuals are not adequately monitored.

**CAUSE:**

It appears the Board of Governors lacks the practical knowledge and independence to initiate and maintain proper internal controls necessary to prevent possible fraud from reoccurring.

The Department failed to maintain documentation for all expenditures. The Treasurer has the authority to make purchases or initiate transactions. The Treasurer is not independent of the officers. Check signers do not review underlying documentation before signing checks. The Board does not review underlying documentation. The Department failed to maintain proper documentation for fuel purchases including invoices, fuel logs, and Board minutes for approval of fuel charges used in personal vehicles.

**EFFECT:**

There is a greater risk of fraud when the Board of Governors fails to initiate and maintain proper internal controls. Due to the lack of proper internal controls, we were unable to determine the propriety of all expenditures.

**RECOMMENDATION:**

We recommend the Department initiate and maintain proper internal controls including maintaining an itemized invoice or receipt for all purchases. Check signers should review underlying documentation before signing checks, and fuel logs should be used for each vehicle to document fuel usage. The Department should also maintain minutes indicating the Board's approval for fuel purchases used in personal vehicles. We recommend the Treasurer be independent of the Officers and other Board members and not have the authority to make purchases or initiate transactions. We further recommend the Board of Governors establish an audit committee to review Department records for proper endorsement, documentation and accuracy. Members of the audit committee should be independent of the responsibilities of authorization and recording transactions. Once a month the committee should review selected expenditures and trace them to the underlying documentation. They should also review and compare account reconciliations and bank statements with the Department's financial statements. Any unlawful expenditure should be documented and reported to the Board. If the Board fails to take action, the membership should report any unlawful expenditure to authorities.

Segregation of duties requires that different individuals be assigned responsibility for different elements of related activities, particularly those involving authorization, custody, or recordkeeping. The treasurer or record keeper should not have the authority to authorize transactions. The treasurer should

be independent of all officers that have the responsibility of approving expenditures. All expenditures should be authorized by the membership and approved by the Board.

Since Volunteer Fire Departments receive public tax monies, department officials have a responsibility to the public to conduct the department's financial affairs in a businesslike manner, keeping an itemized invoice which provide a documented audit trail and can easily verify the propriety of all department transactions. The Board also has the responsibility for establishing procedures to insure the department maintains and reviews the underlying documentation of all expenditures.

**COAL CITY VOLUNTEER FIRE DEPARTMENT**  
**January 1, 2011 - December 31, 2011**

**SUPPLEMENTAL INFORMATION**  
**STATEMENT OF EXPENDITURES YEAR ENDED DECEMBER 31, 2011**

<u>Authorizing W.Va Code</u>	<u>AUDIT</u>	<u>VFD</u>	<u>DIFFERENCES</u>	
Chapter 8, Article 15, Section 8b(1)	\$776.24	\$555.75	\$220.49	b
Chapter 8, Article 15, Section 8b(2)	0.00	0.00	0.00	
Chapter 8, Article 15, Section 8b(3)	0.00	560.00	-560.00	c
Chapter 8, Article 15, Section 8b(4)	3,683.00	3,683.00	0.00	
Chapter 8, Article 15, Section 8b(5)	3,590.47	4,182.99	-592.52	d
Chapter 8, Article 15, Section 8b(6)	8,000.00	8,000.00	0.00	
Chapter 8, Article 15, Section 8b(7)	5,007.80	5,600.90	-593.10	e
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)	12,446.02	12,620.06	-174.04	f
Chapter 8, Article 15, Section 8b(11)	3,007.69	8,683.66	-5,675.97	g
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)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Total Disbursements For Year Ended December 31, 2011	\$36,511.22	\$43,886.36	-\$7,375.14	a

a = Total differences - audited vs. financial statement

Lack of support	-\$5,556.98
Unallowable	-1,287.83
Unauthorized	-536.64
Financial statement reported total disbursements of \$43,886.36, VFD ledger reported total disbursements of \$43,892.67. We are unable to determine this difference.	<u>6.31</u>

Total difference                      -\$7,375.14

**b, c, d, e, f, g** = Incorrect coding of line item plus items that lack support, are unallowable, are unauthorized and undetermined differences noted above.

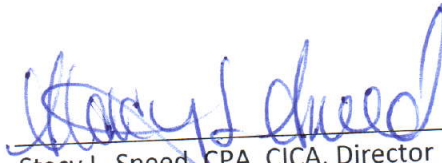


STATE OF WEST VIRGINIA

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 11<sup>th</sup> day of July 2013.

  
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; State Fire Marshal. Copies forwarded to the Coal City Volunteer Fire Department; Prosecuting Attorney, Raleigh County; County Clerk, Raleigh County.