



**West Virginia Legislature**  
**Joint Committee on Government and Finance**  
*Legislative Post Audit Division*  
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**Mud River Volunteer Fire Department**  
**Lincoln County**  
**January 1, 2012 – December 31, 2012**

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## Introduction

Mud River Volunteer Fire Department in Lincoln County began 2012 with a balance of \$39,622.56 in its state account. During 2012 the Department received additional monies from the State in the amount of \$44,538.77. The use of these funds by volunteer fire departments is restricted by West Virginia Code §8-15-8b. The Department received additional state funding in the amounts of \$33,362.35 in 2013<sup>1</sup>, \$46,815.67 in 2014, \$47,613.31 in 2015, and \$48,687.15 in 2016.

## Objective

The objective of the audit of the Mud River Volunteer Fire Department was to evaluate compliance with West Virginia Code §8-15-8b. Our report is 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.

## Scope

The Legislative Auditor conducted an audit of the revenue and expenditure transactions of Mud River Volunteer Fire Department's state account for the year ending December 31, 2012. The scope included determining instances of noncompliance with West Virginia Code §8-15-8b. The audit was conducted pursuant to the authority provided by West Virginia Code §12-4-14.

## Conclusion

The Mud River Volunteer Fire Department expended state funds on promotional items in excess of the \$500.00 allowed under West Virginia Code §8-15-8b. The excess amount totaled \$3,464.54.<sup>2</sup>

## Recommendations

- 1. The Legislative Auditor recommends the Department cease the use of state funds for items not allowable per WV Code.*
- 2. The Legislative Auditor recommends the Department reimburse its state account in the amount of \$3,464.54.*

All findings and recommendations presented in this report have been reviewed and discussed with the Mud River Volunteer Fire Department. The Department was informed of the recommendation to reimburse its state account by a total of \$3,464.54.

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<sup>1</sup> Mud River VFD was not eligible for the January 2013 Quarterly State Distribution per the State Fire Marshal's Office, which reduced its 2013 payments by \$11,648.23.

<sup>2</sup> See Appendix for a Summary of Funds Reviewed.

## Finding

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### *FINDING 1: UNALLOWABLE EXPENDITURES OF \$3,464.54*

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**Condition:** The Mud River Volunteer Fire Department purchased promotional items in excess of the \$500.00 allowed per WV Code. The purchases exceeded the allowable amount by \$3,464.54

**Criteria:** **WV Code §8-15-8b, 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.**” (Emphasis Added)

**Cause:** The Department used state money for purposes other than those allowed by WV Code.

**Effect:** Use of state funding for unallowable purchases negates the purpose for which the money was given to the Department, leaving the Department vulnerable to not being able to purchase other items needed and allowed per WV Code.

**Recommendations:**

- 1. The Legislative Auditor recommends the Department cease the use of state funds for items not allowable per WV Code.**
- 2. The Legislative Auditor recommends the Department reimburse its state account in the amount of \$3,464.54.**

## Appendix

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### AUDIT SUMMARY: ACTIVITY FOR MUD RIVER VOLUNTEER FIRE DEPARTMENT

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State Funds Audited and Accounted For		
<b>State Account:</b>		
Beginning Account Balance (1/1/2012)	\$39,622.56	
2012 Deposits from State Treasurer	44,538.77	
Additional Deposit	<u>6,215.00</u>	
<b>Total Funds Audited:</b>		\$90,376.33
<b>Expenditures:</b>		
Purchases Adequately Accounted For	\$55,925.81	
Purchases Not Allowed ( <i>finding 1</i> )	<u>3,464.54</u>	
<b>Total Expenditures:</b>		<u>\$59,390.35</u>
<b>Balance Remaining in Account (12/31/2012):</b>		<u>\$30,985.98</u>