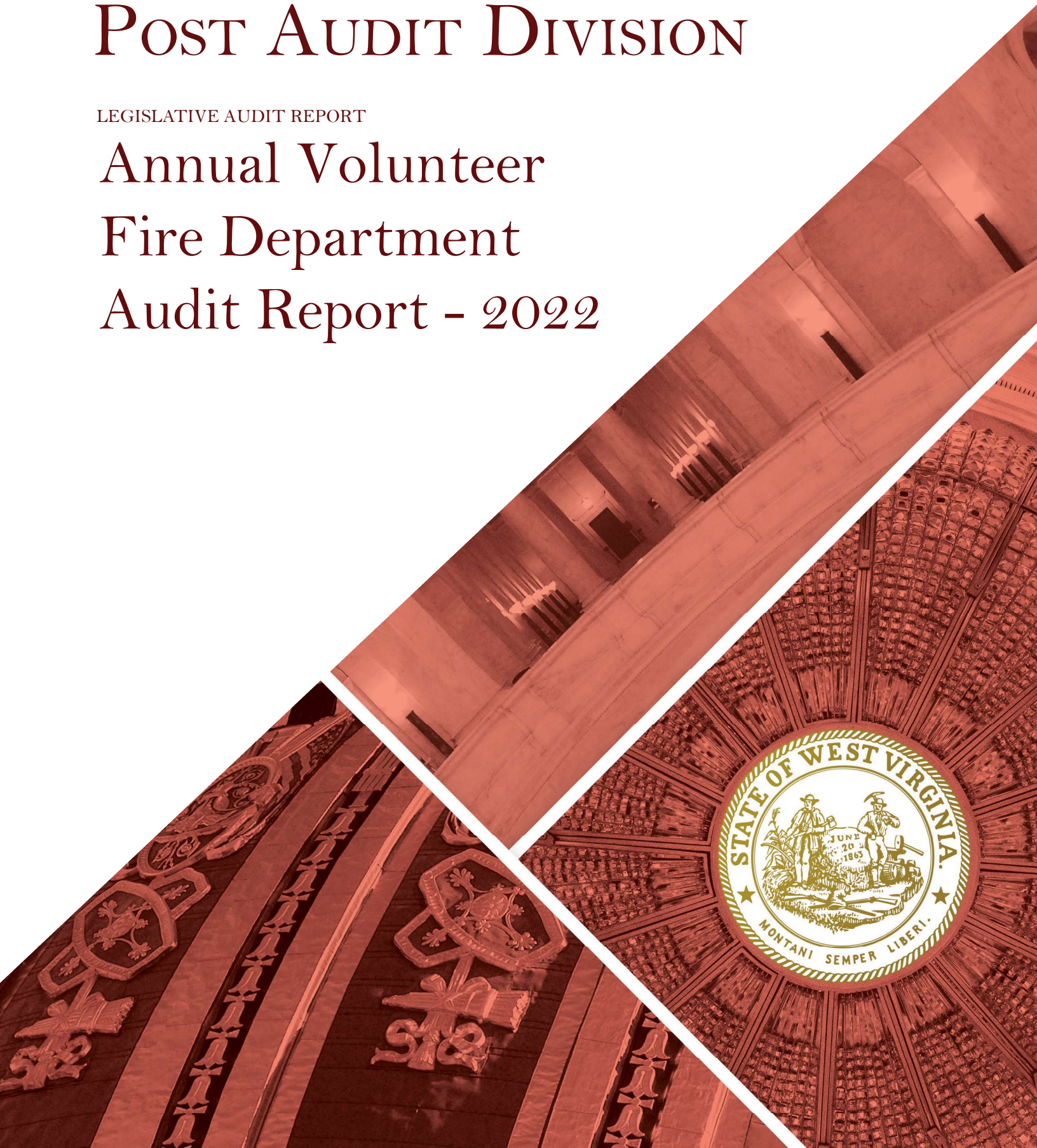


JOINT COMMITTEE ON GOVERNMENT AND FINANCE
WEST VIRGINIA OFFICE OF THE LEGISLATIVE AUDITOR

POST AUDIT DIVISION

LEGISLATIVE AUDIT REPORT

Annual Volunteer Fire Department Audit Report - 2022



JOINT COMMITTEE ON GOVERNMENT AND FINANCE
WEST VIRGINIA OFFICE OF THE LEGISLATIVE AUDITOR

POST AUDIT DIVISION

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Legislative Audit Report

January 8, 2023

Annual Volunteer Fire Department Audit Report - 2022

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State Funding of Volunteer and Part Volunteer Fire Departments

Every year, the State distributes millions of dollars to hundreds of West Virginia volunteer and part volunteer fire departments (VFD) for the purpose of providing funding for firefighting equipment, training, and maintenance. Established by W.Va. Code §33-3-33 and collected by the Insurance Commission, one source of the money is a 0.55 percent surcharge imposed on fire and casualty insurance policies issued in West Virginia. Also, W.Va. Code §33-3-14d established an additional premium tax equal to one percent of taxable premiums on fire insurance, and casualty insurance policies to be collected by the Insurance Commission. Finally, W.Va. Code §29-3E-7 created a fireworks safety fee of 12 percent of all retail sales of consumer fireworks in the State. All money collected from the surcharge established in W.Va. Code §33-3-33, as well as 25 percent of the amount collected from the additional premium established in W.Va. Code §33-3-14d and 25 percent of the amount collected from the fireworks safety fee established in W.Va. Code §29-3E-7 comprises the Fire Protection Fund. The amount collected annually is subsequently distributed among qualifying departments through quarterly payments¹. These funds are to be used on specific items outlined in W.Va. Code §8-15-8b, such as protective equipment, rescue equipment, certain utilities for the fire stations, fire fighter training costs, insurance on buildings and automobiles, fuel, and workers' compensation premiums. Table 1 below shows the amounts distributed and the number of departments that benefited from these distributions over the last eight years.

Table 1 – Distribution of State Funds for Volunteer and Part Volunteer Fire Departments - 2015 to 2022					
Year of Distribution	Number of Departments	Received Full Distribution	Did Not Receive Full Distribution*	Received No Funding	Total Amount Distributed
2015	430	410	19	1	\$19,896,613.74
2016	431	402	29	0	\$20,198,716.58
2017	428	400	27	1	\$20,600,530.71
2018	428	421	7	0	\$22,453,199.93
2019	428	410	18	0	\$22,663,900.23
2020	427	421	5	1	\$22,561,109.69
2021	428	415	12	1	\$20,665,238.89
2022	428	420	7	1	\$23,761,842.66
<i>Data Obtained from W.Va. State Treasurer's Office website.</i>					
<i>*A VFD may lose its quarterly distribution if specific conditions are not met, such as not filing bank statements and check images for the previous calendar year for its state bank account(s) with the Legislative Auditor's Office, not cooperating with an audit, having monetary findings from an audit, being out of compliance with the State Fire Marshal, or being out of compliance with a DHHR grant.</i>					

In addition, it should be noted that the amount of each fire department's quarterly allotment distributed by the W.Va. State Treasurer's Office varies depending on whether the fire department is a fully-volunteer department or a part volunteer department. Further, the amount distributed to a part volunteer department varies based upon a calculation made by the State Treasurer's Office with information from the Municipal Pensions Oversight Board.

¹ Part volunteer fire departments, departments that are not entirely comprised of volunteer firefighters and have some members who are compensated for their service, receive a pro-rated portion of funds determined by the State Treasurer's Office based on information from the Municipal Pensions Oversight Board.

By February 1st, all departments are required to file copies of the bank statements, and check images for their state bank account(s) for the previous calendar year with the Legislative Auditor's Office. In December 2021, the Post Audit Division mailed a letter to each of the departments to remind them of the deadline and instructions on how to file the required documents.

The Legislative Auditor is granted the authority to withhold a department's state funding if the department fails to meet certain requirements stipulated in W.Va. Code. Scenarios that would cause a department to have its funding withheld include the following:

- If an audit of a department results in monetary findings, such as for expenditures not allowed by W.Va. Code §8-15-8b and/or expenditures not properly supported by a receipt or invoice;
- If a department fails to cooperate with an audit by not providing documents such as bank statements or invoices;
- If a department fails to respond to the Legislative Auditor's correspondence; and/or
- If a department does not file bank statements and check images for its state bank account(s) for the preceding year by April 1st.

Additionally, the State Fire Marshal also has the authority to withhold a department's state funding if the department fails to meet the standards of the State Fire Marshal. Funds withheld from non-compliant VFDs are held in escrow.

After one year of non-compliance, a department forfeits one quarter of its funding for each quarter it remains non-compliant. For example, if a department became non-compliant due to not filing its bank statements and check images by April 1, 2021, and remained non-compliant for the entire year, it would lose its first quarterly distribution that was withheld from the April 1, 2021, funding on April 1, 2022. If the department was still non-compliant at the beginning of the next quarter, it would lose the next quarterly distribution that was withheld and so on, until it became compliant. Funds forfeited by non-compliant VFDs are paid by the State Treasurer into the Fire Service Equipment and Training Fund created in W.Va. Code §29-3-5f.

W.Va. Code §12-4-14b grants the Legislative Auditor the authority to conduct audits of the state funding received by VFDs. An audit determines if the department has maintained its state money in a separate account and has spent the money on allowable items. The audit is limited to a review of the bank account in which the department deposits its state funds, commonly referred to as the departments "state account." There are three typical findings that can result from the VFD audits:

- Unallowable Expenditures (when the money is spent on items not allowed by Code);
- Lack of Supporting Documentation (when the VFD has not provided a proper invoice, receipt, or other documentation to support its assertion that an expenditure is allowable and for the benefit of the department); and
- Commingled Funds (when the VFD has mixed state funds with funds from other sources such as by transferring funds from its state account to its non-state or "general" account, thereby making it difficult to trace the money).

When the Legislative Auditor determines a volunteer or part-volunteer company, or department has used formula distributions or equipment and training grant money for purposes not

authorized, the Legislative Auditor gives a written notice of non-compliance to the company or department. If a volunteer or part-volunteer fire company or department disagrees or disputes the finding, it can contest the finding by submitting a written objection within five working days. The department or company shall then have 60 days from the date of the Legislative Auditor's finding notification to provide any additional documentation for the Legislative Auditor to consider before finalizing the audit findings and withholding any funds due to non-compliance.

Objective

The objective of the audit of volunteer fire departments is to evaluate compliance with W.Va. Code §8-15-8b which states, in part:

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

*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.***

*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**². (Emphasis Added)*

Scope

Pursuant to the authority granted by W.Va. Code §12-4-14, the Legislative Auditor conducted a compliance audit for the following 86 volunteer and part volunteer fire departments in 2022:

- | | | |
|-----------------|---------------------|-----------------|
| • Alderson | • Flatwoods | • Kenova |
| • Ansted | • Community | • Keystone |
| • Bancroft | • Fork Ridge | • Kimball |
| • Benwood | • Frame | • Lake |
| • Bethany | • Grandview | • Lenore |
| • Blacksville | • Great Cacapon | • Lewisburg |
| • Brenton | • Green Sulphur | • Loup Creek |
| • Bruceton- | • District | • Lubeck |
| • Brandonville | • Green Valley | • Marlinton |
| • Capon Springs | • Harrisville | • Mathias Baker |
| • Capon Valley | • Hedgesville | • McMechen |
| • Cheat Lake | • Hillsboro | • Midway |
| • Chesapeake | • Hooverson | • Milton |
| • Diana | • Heights | • Mineral Wells |
| • Dunbar | • Huttonsville-Mill | • Montcalm |
| • Dunlow | • Creek | • Moorefield |
| • East Fork | • Junior | • Mt. Clare |
| • East Lynn | • Community | • New Creek |

² Subdivisions 1 through 15 can be found in Appendix A of this report.

- New Haven
- New Manchester
- New Martinsville
- Newburg
- Oakland District
- Oakvale
- Petersburg
- Pond Creek
- Pricetown
- Rainelle
- Ripley
- Rupert
- Selbyville
- Servia
- Shaver's Fork
- Sherrard
- Shinnston
- Short Gap
- Sistersville
- Smithburg
- South Berkeley
- South Morgan
- Stonewood
- Summers County
- Tri-Towns
- Triune-Halleck
- Upper Tract
- Vienna
- Wadestown
- War
- Wellsburg
- West Liberty
- Weston
- Whitmer
- Wilderness
- Wileyville
- Wiley Ford
- Winfield

Some audits were conducted for years prior to 2021, because they were holdovers from a prior sample selection but not completed during that year. Therefore, they were carried over and completed in 2022. Finally, a subset of the audits was conducted for multiple years due to assessed risk.

Methodology

Post Audit management examined data from previous audits and identified potential indicators for a high-risk of non-compliance. The generalized categories associated with a high assessed level of risk include:

1. Departments that had not had an audit;
2. Departments that had not had a recent audit;
3. Departments that had an audit with large discrepancies; and
4. The Department was delinquent in financial filings.

Additionally, we considered other factors such as communication of possible concerns from members of the Legislature and the general public. The VFD Auditor begins with the department with the highest assessed level of risk and proceeds down the list completing as many departments as possible. Then the risk assessment is updated, and the process begins again with a new list in January of the next year. Any audits that remain incomplete from the preceding year are completed prior to beginning audits from the new list.

Summary of 2022 VFD Audits

Of the 86 volunteer and part volunteer fire departments that were audited, 50 were not in compliance with W.Va. Code. Table 2 groups these 50 non-compliant departments into categories of findings.

Table 2 – Type of Finding(s) Noted for Non-Compliant Fire Departments	
Type of Finding	Number of Departments
Commingled Funds Only	10
Commingled Funds and Unallowable Expenditures	10
Commingled Funds and Unsupported Expenditures	2
Commingled Funds, Unallowable Expenditures, and Unsupported Expenditures	11
Unallowable Expenditures Only	10
Unsupported Expenditures Only	0
Unallowable Expenditures and Unsupported Expenditures	7
Total	<u>50</u>
<i>Data obtained from Legislative Auditor's analysis.</i>	

The table on the next page illustrates the amounts audited for each department. Previous reports are available at http://www.legis.state.W.Va.us/Joint/postaudit/vfd_audits.cfm.

A summary of VFDs in compliance with W.Va. Code §8-15-8b is on page six. Beginning on page 43, the results of the audits of the 50 VFDs found to be in non-compliance are summarized, including the findings and recommendations.

Volunteer Fire Departments in Compliance with W.Va. Code

The following VFDs were audited for compliance with W.Va. Code §8-15-8b and had no findings to report. Table 3 below notes the department, county in which the department is located, and the total funds audited.

Table 3 – Volunteer Fire Departments in Compliance with W.Va. Code		
Department	County	Total Funds Audited
Ansted	Fayette	\$82,001.64
Bethany	Brooke	\$252,057.65
Blacksville	Monongalia	\$118,724.05
Bruceton-Brandonville	Preston	\$84,760.17
Capon Springs	Hampshire	\$64,456.25
Capon Valley	Hardy	\$81,620.83
Chesapeake	Kanawha	\$10,085.86
Dunbar	Kanawha	\$48,911.20
Great Cacapon	Morgan	\$81,297.10
Harrisville	Ritchie	\$93,838.10
Hedgesville	Berkeley	\$151,591.92
Hooverson Heights	Brooke	\$51,476.11
Huttonsville-Mill Creek	Randolph	\$79,466.01
Kenova	Wayne	\$68,752.99
Lewisburg	Greenbrier	\$124,849.02
Lubeck	Wood	\$82,734.52
Mathias Baker	Hardy	\$62,174.71
New Manchester	Hancock	\$147,899.84
New Martinsville	Wetzel	\$85,803.45
Petersburg	Grant	\$77,589.72
Pond Creek	Wood	\$193,168.98
Pricetown	Lewis	\$64,014.38
Ripley	Jackson	\$138,004.91
Shaver's Fork	Pocahontas	\$138,393.46
Sherrard	Marshall	\$151,628.05
Shinnston	Harrison	\$103,108.41
Short Gap	Mineral	\$65,491.63
South Berkeley	Berkeley	\$102,558.09
Stonewood	Harrison	\$77,507.13
Tri-Towns	Mineral	\$53,992.92
Vienna	Wood	\$295,589.73
Wellsburg	Brooke	\$169,394.56
West Liberty	Ohio	\$65,136.11
Weston	Lewis	\$165,373.17
Whitmer	Randolph	\$77,537.42
Wileyville	Wetzel	\$114,928.62
Total:		<u>\$3,825,918.71</u>

The results of the completed audits have been discussed with each respective department. The following report sections detail the results for each department audited found to be in compliance as listed in Table 3.

ANSTED VOLUNTEER FIRE DEPARTMENT

Ansted VFD, in Fayette County, began 2021 with a balance of \$20,828.20 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$66.25 and allowable additional deposits of \$11,370.05. Therefore, the audited funds totaled \$82,001.64.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 4 – ANSTED VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$20,828.20	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$66.25	
Allowable Additional Deposits	\$11,370.05	
Total Funds Audited		\$82,001.64
State Account Expenditures		
Proper Expenditures	\$59,991.54	
Total Expenditures		<u>\$59,991.54</u>
Balance Remaining in State Account		<u>\$22,010.10</u>

The results presented in this report have been reviewed and discussed with the Ansted VFD.

BETHANY VOLUNTEER FIRE DEPARTMENT

Bethany VFD, in Brooke County, began 2021 with a balance of \$202,089.33 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$231.18. Therefore, the audited funds totaled \$252,057.65.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 5 – BETHANY VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$202,089.33	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$231.18	
Allowable Additional Deposits	\$0.00	
Unallowable Commingled Deposits	\$0.00	
Total Funds Audited		\$252,057.65
State Account Expenditures		
Total Expenditures		<u>\$0.00</u>
Balance Remaining in State Account		<u>\$252,057.65</u>

The results presented in this report have been reviewed and discussed with the Bethany VFD.

BLACKSVILLE VOLUNTEER FIRE DEPARTMENT

Blacksville VFD, in Monongalia County, began 2021 with a balance of \$56,177.92 in its state account. The Department received additional funds from the State in the amount of \$62,510.43 during 2021. There was interest earned on the account totaling \$35.70. Therefore, the audited funds totaled \$118,724.05.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 6 – BLACKSVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$56,177.92	
Quarterly Distribution from State Treasurer	\$62,510.43	
Interest Deposits	\$35.70	
Total Funds Audited		\$118,724.05
State Account Expenditures		
Proper Expenditures	\$82,415.57	
Total Expenditures		<u>\$82,415.57</u>
Balance Remaining in State Account		<u>\$36,308.48</u>

The results presented in this report have been reviewed and discussed with the Blacksville VFD.

BRUCETON-BRANDONVILLE VOLUNTEER FIRE DEPARTMENT

Bruceton-Brandonville VFD, in Preston County, began 2021 with a balance of \$35,023.03 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$84,760.17.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 7 – BRUCETON-BRANDONVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$35,023.03	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$84,760.17
State Account Expenditures		
Proper Expenditures	\$50,427.32	
Total Expenditures		<u>\$50,427.32</u>
Balance Remaining in State Account		<u>\$34,332.85</u>

The results presented in this report have been reviewed and discussed with the Bruceton-Brandonville VFD.

CAPON SPRINGS FIRE & RESCUE COMPANY

Capon Springs Fire & Rescue Company, in Hampshire County, began 2021 with a balance of \$14,719.11 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$64,456.25.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 8 – CAPON SPRINGS FIRE & RESCUE CO. State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$14,719.11	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$64,456.25
State Account Expenditures		
Proper Expenditures	\$42,628.09	
Total Expenditures		<u>\$42,628.09</u>
Balance Remaining in State Account		<u>\$21,828.16</u>

The results presented in this report have been reviewed and discussed with the Capon Springs Fire & Rescue Co.

CAPON VALLEY VOLUNTEER FIRE COMPANY

Capon Valley VFC, in Hardy County, began 2021 with a balance of \$31,810.49 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$73.20. Therefore, the audited funds totaled \$81,620.83.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 9 – CAPON VALLEY VFC State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$31,810.49	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$73.20	
Total Funds Audited		\$81,620.83
State Account Expenditures		
Proper Expenditures	\$16,633.97	
Total Expenditures		<u>\$16,633.97</u>
Balance Remaining in State Account		<u>\$64,986.86</u>

The results presented in this report have been reviewed and discussed with the Capon Valley VFC.

CHESAPEAKE VOLUNTEER FIRE DEPARTMENT

Chesapeake VFD, in Kanawha County, began 2021 with a balance of \$10,085.86 in its state account. The Department received additional funds from the State in the amount of \$0 during 2021. Therefore, the audited funds totaled \$10,085.86.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 10 – CHESAPEAKE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$10,085.86	
Total Funds Audited		\$10,085.86
State Account Expenditures		
Proper Expenditures	\$9,494.26	
Total Expenditures		<u>\$9,494.26</u>
Balance Remaining in State Account		<u>\$591.60</u>

The results presented in this report have been reviewed and discussed with the Chesapeake VFD.

DUNBAR FIRE DEPARTMENT

Dunbar FD, in Kanawha County, began 2021 with a balance of \$23,593.25 in its state account. The Department received additional funds from the State in the amount of \$25,317.95 during 2021. Therefore, the audited funds totaled \$48,911.20.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 11 – DUNBAR FD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$23,593.25	
Quarterly Distribution from State Treasurer	\$25,317.95	
Total Funds Audited		\$48,911.20
State Account Expenditures		
Total Expenditures		<u>\$0.00</u>
Balance Remaining in State Account		<u>\$48,911.20</u>

The results presented in this report have been reviewed and discussed with the Dunbar FD.

GREAT CACAPON VOLUNTEER FIRE COMPANY

Great Cacapon VFC, in Morgan County, began 2021 with a balance of \$31,538.47 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$21.49. Therefore, the audited funds totaled \$81,297.10.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 12 – GREAT CACAPON VFC State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$31,538.47	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$21.49	
Total Funds Audited		\$81,297.10
State Account Expenditures		
Proper Expenditures	\$54,086.00	
Total Expenditures		<u>\$54,086.00</u>
Balance Remaining in State Account		<u>\$27,211.10</u>

The results presented in this report have been reviewed and discussed with the Great Cacapon VFC.

HARRISVILLE VOLUNTEER FIRE DEPARTMENT

Harrisville VFD, in Ritchie County, began 2021 with a balance of \$42,737.96 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There were allowable additional deposits totaling \$1,363.00. Therefore, the audited funds totaled \$93,838.10.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 13 – HARRISVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$42,737.96	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$1,363.00	
Total Funds Audited		\$93,838.10
State Account Expenditures		
Proper Expenditures	\$54,763.14	
Total Expenditures		<u>\$54,763.14</u>
Balance Remaining in State Account		<u>\$39,074.96</u>

The results presented in this report have been reviewed and discussed with the Harrisville VFD.

HEDGESVILLE VOLUNTEER FIRE DEPARTMENT

Hedgesville VFD, in Berkeley County, began 2021 with a balance of \$101,791.77 in its state account. The Department received additional funds from the State in the amount of \$49,741.88 during 2021. There was interest earned on the account totaling \$58.27. Therefore, the audited funds totaled \$151,591.92.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 14 – HEDGESVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$101,791.77	
Quarterly Distribution from State Treasurer	\$49,741.88	
Interest Deposits	\$58.27	
Total Funds Audited		\$151,591.92
State Account Expenditures		
Proper Expenditures	\$21,664.13	
Total Expenditures		<u>\$21,664.13</u>
Balance Remaining in State Account		<u>\$129,927.79</u>

The results presented in this report have been reviewed and discussed with the Hedgesville VFD.

HOOVERSON HEIGHTS VOLUNTEER FIRE DEPARTMENT

Hooverson Heights VFD, in Brooke County, began 2021 with a balance of \$1,738.97 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$51,476.11.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 15 – HOOVERSON HEIGHTS VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$1,738.97	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$51,476.11
State Account Expenditures		
Proper Expenditures	\$43,942.40	
Total Expenditures		<u>\$43,942.40</u>
Balance Remaining in State Account		<u>\$7,533.71</u>

The results presented in this report have been reviewed and discussed with the Hooverson Heights VFD.

HUTTONSVILLE MILL CREEK VOLUNTEER FIRE DEPARTMENT

Huttonsville-Mill Creek VFD, in Randolph County, began 2020 with a balance of \$6,478.35 in its state account. The Department received additional funds from the State in the amount of \$63,510.76 during 2020. There were additional deposits into the account totaling \$9,476.90. Therefore, the audited funds totaled \$79,466.01.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 16 – HUTTONSVILLE-MILL CREEK VFD State Funds Audited - Calendar Year 2020		
State Account		
Beginning Balance	\$6,478.35	
State Treasurer Deposits	\$63,510.76	
Additional Deposits Accounted For	<u>\$9,476.90</u>	
Total Funds Audited		\$79,466.01
Expenditures		
Proper Expenditures	<u>\$50,588.28</u>	
Total Expenditures		<u>\$50,588.28</u>
Balance Remaining in Account		<u>\$28,877.73</u>

The results presented in this report have been reviewed and discussed with the Huttonsville-Mill Creek VFD.

KENOVA VOLUNTEER FIRE DEPARTMENT

Kenova VFD, in Wayne County, began 2021 with a balance of \$19,015.85 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$68,752.99.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 17 – KENOVA VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$19,015.85	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$68,752.99
State Account Expenditures		
Proper Expenditures	\$40,532.86	
Total Expenditures		<u>\$40,532.86</u>
Balance Remaining in State Account		<u>\$28,220.13</u>

The results presented in this report have been reviewed and discussed with the Kenova VFD.

LEWISBURG VOLUNTEER FIRE DEPARTMENT

Lewisburg VFD, in Greenbrier County, began 2021 with a balance of \$75,111.88 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$124,849.02.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 18 – LEWISBURG VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$75,111.88	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$124,849.02
State Account Expenditures		
Total Expenditures		<u>\$0.00</u>
Balance Remaining in State Account		<u>\$124,849.02</u>

The results presented in this report have been reviewed and discussed with the Lewisburg VFD.

LUBECK VOLUNTEER FIRE DEPARTMENT

Lubeck VFD, in Wood County, began 2021 with a balance of \$46,257.23 in its state account. The Department received additional funds from the State in the amount of \$36,467.47 during 2021. There was interest earned on the account totaling \$9.82. Therefore, the audited funds totaled \$82,734.52.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 19 – LUBECK VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$46,257.23	
Quarterly Distribution from State Treasurer	\$36,467.47	
Interest Deposits	\$9.82	
Total Funds Audited		\$82,734.52
State Account Expenditures		
Proper Expenditures	\$41,555.90	
Total Expenditures		<u>\$41,555.90</u>
Balance Remaining in State Account		<u>\$41,178.62</u>

The results presented in this report have been reviewed and discussed with the Lubeck VFD.

MATHIAS BAKER VOLUNTEER FIRE COMPANY

Mathias Baker VFC, in Hardy County, began 2021 with a balance of \$433.82 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$3.75 and allowable additional deposits of \$12,000.00. Therefore, the audited funds totaled \$62,174.71.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 20 – MATHIAS BAKER VFC State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$433.82	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$3.75	
Allowable Additional Deposits	\$12,000.00	
Total Funds Audited		\$62,174.71
State Account Expenditures		
Proper Expenditures	\$44,585.65	
Total Expenditures		<u>\$44,585.65</u>
Balance Remaining in State Account		<u>\$17,589.06</u>

The results presented in this report have been reviewed and discussed with the Mathias Baker VFC.

NEW MANCHESTER VOLUNTEER FIRE DEPARTMENT

New Manchester VFD, in Hancock County, began 2021 with a balance of \$95,124.97 in its state account. The Department received additional funds from the State in the amount of \$52,737.14 during 2021. There was interest earned on the account totaling \$37.73. Therefore, the audited funds totaled \$147,899.84.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 21 – NEW MANCHESTER VFD State Funds Audited- Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$95,124.97	
Quarterly Distribution from State Treasurer	\$52,737.14	
Interest Deposits	\$37.73	
Allowable Additional Deposits	\$0.00	
Total Funds Audited		\$147,899.84
State Account Expenditures		
Proper Expenditures	\$53,003.67	
Total Expenditures		<u>\$53,003.67</u>
Balance Remaining in State Account		<u>\$94,896.17</u>

The results presented in this report have been reviewed and discussed with the New Manchester VFD.

NEW MARTINSVILLE VOLUNTEER FIRE DEPARTMENT

New Martinsville VFD, in Wetzel County, began 2021 with a balance of \$34,086.82 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There were additional deposits into the account totaling \$1,979.49. Therefore, the audited funds totaled \$85,803.45.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 22 – NEW MARTINSVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$34,086.82	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$1,979.49	
Total Funds Audited		\$85,803.45
State Account Expenditures		
Proper Expenditures	\$57,408.92	
Total Expenditures		<u>\$57,408.92</u>
Balance Remaining in State Account		<u>\$28,394.53</u>

The results presented in this report have been reviewed and discussed with the New Martinsville VFD.

PETERSBURG VOLUNTEER FIRE DEPARTMENT

Petersburg VFD, in Grant County, began 2021 with a balance of \$15,852.58 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021 and made allowable additional deposits of \$12,000.00 into the state account. Thus, the total amount of funds audited for the period was \$77,589.72.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 23 – PETERSBURG VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$15,852.58	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$12,000.00	
Total Funds Audited		\$77,589.72
State Account Expenditures		
Proper Expenditures	\$8,275.00	
Unsupported Expenditures	\$44,129.22	
Total Expenditures		<u>\$52,404.22</u>
Balance Remaining in State Account		<u>\$25,185.50</u>

The results presented in this report have been reviewed and discussed with the Petersburg VFD.

POND CREEK VOLUNTEER FIRE DEPARTMENT

Pond Creek VFD, in Wood County, began 2021 with a balance of \$143,431.84 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$193,168.98.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 24 – POND CREEK VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$143,431.84	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$193,168.98
State Account Expenditures		
Proper Expenditures	\$16,831.31	
Total Expenditures		<u>\$16,831.31</u>
Balance Remaining in State Account		<u>\$176,337.67</u>

The results presented in this report have been reviewed and discussed with the Pond Creek VFD.

PRICETOWN VOLUNTEER FIRE DEPARTMENT

Pricetown VFD, in Lewis County, began 2021 with a balance of \$8,277.24 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was an allowable additional deposit of \$6,000.00. Therefore, the audited funds totaled \$64,014.38.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 25 – PRICETOWN VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$8,277.24	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$6,000.00	
Total Funds Audited		\$64,014.38
State Account Expenditures		
Proper Expenditures	\$53,696.29	
Total Expenditures		<u>\$53,696.29</u>
Balance Remaining in State Account		<u>\$10,318.09</u>

The results presented in this report have been reviewed and discussed with the Pricetown VFD.

RIPLEY VOLUNTEER FIRE DEPARTMENT

Ripley VFD, in Jackson County, began 2021 with a balance of \$88,267.77 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$138,004.91.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 26 – RIPLEY VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$88,267.77	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$138,004.91
State Account Expenditures		
Proper Expenditures	\$46,766.72	
Total Expenditures		<u>\$46,766.72</u>
Balance Remaining in State Account		<u>\$91,238.19</u>

The results presented in this report have been reviewed and discussed with the Ripley VFD.

SHAVER'S FORK VOLUNTEER FIRE DEPARTMENT

Shaver's Fork VFD, in Pocahontas County, began 2021 with a balance of \$88,656.32 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$138,393.46.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 27 – SHAVER'S FORK VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$88,656.32	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$138,393.46
State Account Expenditures		
Total Expenditures		<u>\$0.00</u>
Balance Remaining in State Account		<u>\$138,393.46</u>

The results presented in this report have been reviewed and discussed with the Shaver's Fork VFD.

SHERRARD VOLUNTEER FIRE DEPARTMENT

Sherrard VFD, in Marshall County, began 2021 with a balance of \$101,868.92 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$21.99. Therefore, the audited funds totaled \$151,628.05.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 28 – SHERRARD VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$101,868.92	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$21.99	
Total Funds Audited		\$151,628.05
State Account Expenditures		
Proper Expenditures	\$98,192.64	
Total Expenditures		<u>\$98,192.64</u>
Balance Remaining in State Account		<u>\$53,435.41</u>

The results presented in this report have been reviewed and discussed with the Sherrard VFD.

SHINNSTON VOLUNTEER FIRE DEPARTMENT

Shinnston VFD, in Harrison County, began 2020 with a balance of \$39,562.48 in its state account. The Department received additional funds from the State in the amount of \$53,510.76 during 2020. There was interest earned on the account totaling \$35.17. Therefore, the audited funds totaled \$103,108.41.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 29 – SHINNSTON VFD State Funds Audited -Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$39,562.48	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$35.17	
Allowable Additional Deposits	\$10,000.00	
Total Funds Audited		\$103,108.41
State Account Expenditures		
Proper Expenditures	\$52,777.62	
Total Expenditures		<u>\$52,777.62</u>
Balance Remaining in State Account		<u>\$50,330.79</u>

The results presented in this report have been reviewed and discussed with the Shinnston VFD.

SHORT GAP VOLUNTEER FIRE COMPANY

Short Gap VFC, in Mineral County, began 2021 with a balance of \$15,754.49 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$65,491.63.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 30 – SHORT GAP VFC State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$15,754.49	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$65,491.63
State Account Expenditures		
Proper Expenditures	\$46,966.14	
Total Expenditures		<u>\$46,966.14</u>
Balance Remaining in State Account		<u>\$18,525.49</u>

The results presented in this report have been reviewed and discussed with the Short Gap VFC.

SOUTH BERKELEY VOLUNTEER FIRE COMPANY

South Berkeley VFC, in Berkeley County, began 2021 with a balance of \$52,820.95 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$102,558.09.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 31 – SOUTH BERKELEY VFC State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$52,820.95	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$102,558.09
State Account Expenditures		
Proper Expenditures	\$80,000.00	
Total Expenditures		<u>\$80,000.00</u>
Balance Remaining in State Account		<u>\$22,558.09</u>

The results presented in this report have been reviewed and discussed with the South Berkeley VFC.

STONEWOOD VOLUNTEER FIRE DEPARTMENT

Stonewood VFD, in Harrison County, began 2021 with a balance of \$27,769.99 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$77,507.13.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 32 – STONEWOOD VFD State Funds Audited- Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$27,769.99	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$77,507.13
State Account Expenditures		
Proper Expenditures	\$55,753.69	
Total Expenditures		<u>\$55,753.69</u>
Balance Remaining in State Account		<u>\$21,753.44</u>

The results presented in this report have been reviewed and discussed with the Stonewood VFD.

TRI-TOWNS VOLUNTEER FIRE DEPARTMENT

Tri-Towns VFD, in Mineral County, began 2021 with a balance of \$4,251.50 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$4.28. Therefore, the audited funds totaled \$53,992.92.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 33 -TRI-TOWNS VFD State Funds Audited- Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$4,251.50	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$4.28	
Total Funds Audited		\$53,992.92
State Account Expenditures		
Proper Expenditures	\$48,258.08	
Total Expenditures		<u>\$48,258.08</u>
Balance Remaining in State Account		<u>\$5,734.84</u>

The results presented in this report have been reviewed and discussed with the Tri-Towns VFD.

VIENNA VOLUNTEER FIRE DEPARTMENT

Vienna VFD, in Wood County, began 2021 with a balance of \$244,183.71 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$1,668.88. Therefore, the audited funds totaled \$295,589.73.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 34 – VIENNA VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$244,183.71	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$1,668.88	
Total Funds Audited		\$295,589.73
State Account Expenditures		
Proper Expenditures	\$461.00	
Total Expenditures		<u>\$461.00</u>
Balance Remaining in State Account		<u>\$295,128.73</u>

The results presented in this report have been reviewed and discussed with the Vienna VFD.

WELLSBURG VOLUNTEER FIRE DEPARTMENT

Wellsburg VFD, in Brooke County, began 2021 with a balance of \$119,508.86 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. There was interest earned on the account totaling \$148.56. Therefore, the audited funds totaled \$169,394.56.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 35 – WELLSBURG VFD State Funds Audited- Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$119,508.86	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$148.56	
Total Funds Audited		\$169,394.56
State Account Expenditures		
Total Expenditures		<u>\$0.00</u>
Balance Remaining in State Account		<u>\$169,394.56</u>

The results presented in this report have been reviewed and discussed with the Wellsburg VFD.

WEST LIBERTY VOLUNTEER FIRE DEPARTMENT

West Liberty VFD, in Ohio County, began 2021 with a balance of \$15,398.97 in its state account. The Department received additional funds from the State in the amount of \$49,737.14 during 2021. Therefore, the audited funds totaled \$65,136.11.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 36 – WEST LIBERTY VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$15,398.97	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$65,136.11
State Account Expenditures		
Proper Expenditures	\$50,599.07	
Total Expenditures		<u>\$50,599.07</u>
Balance Remaining in State Account		<u>\$14,537.04</u>

The results presented in this report have been reviewed and discussed with the West Liberty VFD.

WESTON FIRE DEPARTMENT

Weston FD, in Lewis County, began 2021 with a balance of \$122,762.53 in its state account. The Department received additional funds from the State in the amount of \$42,610.64 during 2021. Therefore, the audited funds totaled \$165,373.17.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 37 – WESTON FD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$122,762.53	
Quarterly Distribution from State Treasurer	\$42,610.64	
Total Funds Audited		\$165,373.17
State Account Expenditures		
Proper Expenditures	\$46,000.00	
Total Expenditures		<u>\$46,000.00</u>
Balance Remaining in State Account		<u>\$119,373.17</u>

The results presented in this report have been reviewed and discussed with the Weston FD.

WHITMER VOLUNTEER FIRE DEPARTMENT

Whitmer VFD, in Randolph County, began 2021 with a balance of \$14,026.66 in its state account. The Department received additional funds from the State in the amount of \$63,510.76 during 2021. Therefore, the audited funds totaled \$77,537.42.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 38 – WHITMER VFD State Funds Audited- Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$14,026.66	
Quarterly Distribution from State Treasurer	\$63,510.76	
Total Funds Audited		\$77,537.42
State Account Expenditures		
Total Expenditures		<u>\$50,907.27</u>
Balance Remaining in State Account		<u>\$26,630.15</u>

The results presented in this report have been reviewed and discussed with the Whitmer VFD.

WILEYVILLE VOLUNTEER FIRE DEPARTMENT

Wileyville VFD, in Wetzel County, began 2021 with a balance of \$64,338.72 in its state account. The Department received additional funds from the State in the amount of \$50,549.31 during 2021. There was interest earned on the account totaling \$40.59. Therefore, the audited funds totaled \$114,928.62.

The Department's financial activity in its state account during the audit period, including amount audited, accounted for, and in compliance with W.Va. Code is summarized in the table below.

Table 39 – WILEYVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$64,338.72	
Quarterly Distribution from State Treasurer	\$50,549.31	
Interest Deposits	\$40.59	
Total Funds Audited		\$114,928.62
State Account Expenditures		
Proper Expenditures	\$28,593.52	
Total Expenditures		<u>\$28,593.52</u>
Balance Remaining in State Account		<u>\$86,335.10</u>

The results presented in this report have been reviewed and discussed with the Wileyville VFD.

Volunteer Fire Departments Not in Compliance with W.Va. Code

The following VFDs were audited and were not in compliance with W.Va. Code §8-15-8b. Table 40 below notes the department, county in which the department is located, the total funds audited, and the total amount not in compliance with W.Va. Code.

Table 40 - Departments Not in Compliance with W.Va. Code			
Department	County	Total Funds Audited	Amount Not in Compliance
Alderson	Greenbrier	\$95,234.36	\$2,269.27
Bancroft	Putnam	\$112,760.84	Commingled Only
Benwood	Marshall	\$100,315.94	\$2,266.30
Brenton	Wyoming	\$67,521.46	\$754.86
Cheat Lake	Monongalia	\$61,626.07	\$5,715.55
Diana	Webster	\$208,805.54	Commingled Only
Dunlow	Wayne	\$118,741.47	\$103,534.79
East Fork	Mingo	\$64,090.01	Commingled Only
East Lynn	Wayne	\$170,870.50	\$56,788.46
Flatwoods Community	Braxton	\$66,598.01	\$2,393.17
Fork Ridge	Marshall	\$51,700.35	\$1,138.78
Frame	Kanawha	\$82,476.80	\$20.87
Grandview	Wetzel	\$117,784.01	\$225.00
Green Sulphur District	Summers	\$216,294.97	\$163.64
Green Valley	Cabell	\$119,273.27	Commingled Only
Hillsboro	Pocahontas	\$66,259.26	\$599.80
Junior Community	Barbour	\$69,910.38	Commingled Only
Keystone	McDowell	\$326,098.33	\$1,685.86
Kimball	McDowell	\$424,224.24	\$205.00
Lake	Logan	\$103,039.00	\$17,749.21
Lenore	Mingo	\$128,231.11	\$2,367.59
Loup Creek	Fayette	\$122,792.67	\$21,006.49
Marlinton	Pocahontas	\$150,754.44	\$2,154.13
McMechen	Marshall	\$180,632.79	\$9,906.94
Midway	Lewis	\$109,367.10	\$7,307.71
Milton	Cabell	\$64,730.67	\$721.15
Mineral Wells	Wood	\$78,667.80	\$1,901.00
Montcalm	Mercer	\$60,609.05	\$3,208.03
Moorefield	Hardy	\$94,896.95	Commingled Only
Mt. Clare	Harrison	\$70,861.98	\$20.53
New Creek	Mineral	\$76,308.92	\$1,618.00
New Haven	Mason	\$195,418.12	Commingled Only
Newburg	Preston	\$69,996.99	\$1.73
Oakland District	Hancock	\$108,420.97	\$8,187.50
Oakvale	Mercer	\$85,710.13	\$359.24
Rainelle	Greenbrier	\$121,330.78	\$1,775.31
Rupert	Greenbrier	\$347,819.62	\$137.02
Selbyville	Upshur	\$79,789.95	\$2,060.00

Table 40 - Departments Not in Compliance with W.Va. Code			
Department	County	Total Funds Audited	Amount Not in Compliance
Servia	Braxton	\$97,679.80	Commingled Only
Sistersville	Tyler	\$73,663.97	\$707.49
Smithburg	Doddridge	\$53,656.78	\$265.09
South Morgan	Morgan	\$58,700.70	\$89.16
Summers County	Summers	\$61,109.01	\$11,734.40
Triune-Halleck	Monongalia	\$132,067.36	Commingled Only
Upper Tract	Pendleton	\$100,416.72	\$25.61
Wadestown	Monongalia	\$207,561.17	\$2,512.65
War	McDowell	\$62,101.52	\$11,797.84
Wilderness	Nicholas	\$67,021.11	\$2,614.61
Wiley Ford	Mineral	\$63,548.96	Commingled Only
Winfield	Putnam	\$73,650.48	\$56.16
Total:			<u>\$288,045.94</u>

The results and recommendations of the completed audits have been discussed with each respective department. The following report sections detail the results for each department audited and found to be non-compliant as listed in Table 40.

ALDERSON VOLUNTEER FIRE DEPARTMENT

The Alderson VFD, in Greenbrier County, **was not in compliance with W.Va. Code.**

The total amount of \$2,269.27 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late charges.

The Department began with a balance of \$45,476.27 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and earned interest totaling \$20.95 on the state account. Thus, the total amount of funds audited for the period was \$95,234.36.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 41 – ALDERSON VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$45,476.27	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$20.95	
Total Funds Audited		\$95,234.36
State Account Expenditures		
Proper Expenditures	\$50,463.86	
Unallowable Expenditures	\$2,269.27	
Total Expenditures		<u>\$52,733.13</u>
Balance Remaining in State Account		<u>\$42,501.23</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,269.27 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation(s) to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Alderson VFD. The Department is in the process of complying with the recommendations.

BANCROFT VOLUNTEER FIRE DEPARTMENT

The Bancroft VFD, in Putnam County, **was not in compliance with W.Va. Code.**

The Department commingled \$20,143.05 in state funds with funds from other sources by making a withdrawal of \$10,000.00, receiving a \$10,000.00 automatic distribution from the state, and made an unallowable deposit of \$143.05. It should be noted that the Department was able to provide adequate supporting documentation for the \$10,000.00 in checking withdrawals.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000.00 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$48,085.48 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received an additional deposit of \$10,000.00 from the State Treasurer's Office, earned \$62.86 in interest, made a transfer of \$10,000.00, and made allowable additional deposits of \$958.69. Thus, the total amount of funds audited for the period was \$112,760.84.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 42 – BANCROFT VFD State Funds Audited- Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$48,085.48	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$62.86	
Allowable Additional Deposits	\$958.69	
Unallowable Commingled Deposits	\$10,143.05	
Total Funds Audited		\$112,760.84
State Account Expenditures		
Proper Expenditures	\$50,708.26	
Commingled Funds For Permissible Items with Supporting Documents	\$10,000.00	
Total Expenditures		<u>\$60,708.26</u>
Balance Remaining in State Account		<u>\$52,052.58</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease withdrawing state funds from its state bank account.
2. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Bancroft VFD. The Department is in the process of complying with the recommendations.

BENWOOD VOLUNTEER FIRE DEPARTMENT

The Benwood VFD, in Marshall County, **was not in compliance with W.Va. Code.**

The total amount of \$2,266.30 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident & sickness insurance and dress uniforms and related items.

The Department began with a balance of \$50,578.80 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. Thus, the total amount of funds audited for the period was \$100,315.94.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 43 – BENWOOD VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$50,578.80	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$100,315.94
State Account Expenditures		
Proper Expenditures	\$42,416.30	
Unallowable Expenditures	\$2,266.30	
Total Expenditures		<u>\$44,682.60</u>
Balance Remaining in State Account		<u>\$55,633.34</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,266.30 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation(s) to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Benwood VFD. The Department is in the process of complying with the recommendations.

BRENTON VOLUNTEER FIRE DEPARTMENT

The Brenton VFD, in Wyoming County, **was not in compliance with W.Va. Code.**

Of the total amount of \$754.86 not in compliance with W.Va. Code, \$706.48 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: an IRS Failure-to-File Penalty, beverages and food-related products, late payment charges, and TV related fees.

An additional \$48.38 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

The Department began with a balance of \$16,323.32 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. The Department also made allowable additional deposits of \$1,461.00. Thus, the total amount of funds audited for the period was \$67,521.46.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 44 – BRENTON VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$16,323.32	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$1,461.00	
Total Funds Audited		\$67,521.46
State Account Expenditures		
Proper Expenditures	\$65,513.00	
Unsupported Expenditures	\$48.38	
Unallowable Expenditures	\$706.48	
Total Expenditures		<u>\$66,267.86</u>
Balance Remaining in State Account		<u>\$1,253.60</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$754.86 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code

§8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Brenton VFD. The Department is in the process of complying with the recommendations.

CHEAT LAKE VOLUNTEER FIRE DEPARTMENT

The Cheat Lake VFD, in Monongalia County, **was not in compliance with W.Va. Code.**

The total amount of \$5,715.55 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident & health insurance and fundraising expenditures.

The Department began with a balance of \$11,885.11 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and earned \$3.82 in interest on the state account. Thus, the total amount of funds audited for the period was \$61,626.07.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 45 – CHEAT LAKE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$11,885.11	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$3.82	
Total Funds Audited		\$61,626.07
State Account Expenditures		
Proper Expenditures	\$53,554.14	
Unallowable Expenditures	\$5,715.55	
Total Expenditures		<u>\$59,269.69</u>
Balance Remaining in State Account		<u>\$2,356.38</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$5,715.55 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Cheat Lake VFD. The Department is in the process of complying with the recommendations.

DIANA VOLUNTEER FIRE DEPARTMENT

The Diana VFD, in Webster County, **was not in compliance with W.Va. Code.**

The Department commingled \$94,710.05 in state funds with funds from other sources by making withdrawals for \$84,710.05 and receiving a \$10,000.00 automatic distribution from the state. It should be noted that the Department was able to provide adequate supporting documentation for the \$84,710.05 in withdrawals.

The Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$90,948.75 in its state account on January 1, 2019. During the period audited, the Department received \$107,779.77 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$77.02 in interest on the state account, and received an automatic unallowable commingled deposit of \$10,000.00 into the state account. Thus, the total amount of funds audited for the period was \$208,805.54.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 46 – DIANA VFD State Funds Audited – Calendar Years 2019 - 2020		
State Account Deposits		
Beginning Balance	\$90,948.75	
Quarterly Distribution from State Treasurer	\$107,779.77	
Interest Deposits	\$77.02	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$208,805.54
State Account Expenditures		
Commingled Funds For Permissible Items with Supporting Documents	\$84,710.05	
Total Expenditures		<u>\$84,710.05</u>
Balance Remaining in State Account		<u>\$124,095.49</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease withdrawing state funds from its state bank account.
2. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Diana VFD. The Department is in the process of complying with the recommendations.

DUNLOW VOLUNTEER FIRE DEPARTMENT

The Dunlow VFD, in Wayne County, **was not in compliance with W.Va. Code.**

Of the total amount of \$103,534.79 not in compliance with W.Va. Code, \$103,390.79 was for expenditures and transfers out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase or transfer. This prevents a determination being made as to the compliance of the purchase or transfer with W.Va. Code.

An additional \$144.00 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: paid item fees.

In addition, the Department commingled \$35,378.50 of state funds with funds from other sources by making \$23,594.00 in transfers out of the state account to a non-state bank account and making unallowable additional deposits of \$11,784.50.

The Department began with a balance of \$855.34 in its state account on January 1, 2017. During the period audited, the Department received \$103,334.72 in quarterly allotments disbursed by the W.Va. State Treasurer and made allowable additional deposits of \$2,766.91, and unallowable additional deposits of \$11,784.50, into the state account. Thus, the total amount of funds audited for the period was \$118,741.47.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 47 – DUNLOW VFD State Funds Audited – Calendar Years 2017 – 2018		
State Account Deposits		
Beginning Balance	\$855.34	
Quarterly Distribution from State Treasurer	\$103,334.72	
Allowable Additional Deposits	\$2,766.91	
Unallowable Additional Deposits	\$11,784.50	
Total Funds Audited		\$118,741.47
State Account Expenditures		
Proper Expenditures	\$14,806.91	
Unsupported Expenditures	\$79,796.79	
Unallowable Expenditures	\$144.00	
Unsupported Commingled Funds	\$23,594.00	
Total Expenditures		<u>\$118,341.70</u>
Balance Remaining in State Account		<u>\$399.77</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$103,534.79 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing and transferring non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.
4. The Legislative Auditor recommended the Department cease depositing and transferring state funds into non-state bank accounts.

The findings and recommendations detailed above have been reviewed and discussed with the Dunlow VFD. The Department is in the process of complying with the recommendations.

EAST FORK VOLUNTEER FIRE DEPARTMENT

The East Fork VFD, in Mingo County, **was not in compliance with W.Va. Code.**

The Department commingled \$50,000.00 in state funds with funds from other sources by transferring this amount out of the state account and into a non-state bank account. In addition, the Department received a \$10,000.00 automatic distribution from the state. It should be noted that the Department was able to provide adequate supporting documentation for the \$50,000.00 in transferred funds.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$562.47 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received an additional deposit of \$10,000.00 from the State Treasurer's Office, and earned \$16.78 in interest. Thus, the total amount of funds audited for the period was \$64,090.01.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 48 - EAST FORK VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$562.47	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$16.78	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$64,090.01
State Account Expenditures		
Commingled Funds For Permissible Items with Supporting Documents	\$50,000.00	
Total Expenditures		<u>\$50,000.00</u>
Balance Remaining in State Account		<u>\$14,090.01</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease transferring state funds from its state bank account.
2. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the East Fork VFD. The Department is in the process of complying with the recommendations.

EAST LYNN VOLUNTEER FIRE DEPARTMENT

The East Lynn VFD, in Wayne County, **was not in compliance with W.Va. Code.**

Of the total amount of \$56,788.46 not in compliance with W.Va. Code, \$53,116.11 was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$3,672.35 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a refrigerator, bottled water and other beverages, food and beverage-related items, bags of ice, TV and related charges, late fees and charges, a part for a swing set, excess Sam's Club memberships, and reauthorization charges.

The Department began with a balance of \$40,195.72 in its state account on July 1, 2016. During the period audited, the Department received \$128,678.31 in quarterly allotments disbursed by the W.Va. State Treasurer and received additional deposits of \$1,996.47 into the state account. Thus, the total amount of funds audited for the period was \$170,870.50.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 49 – EAST LYNN VFD State Funds Audited - Fiscal Years 2017 - 2019		
State Account Deposits		
Beginning Balance	\$40,195.72	
State Treasurer Deposits	\$128,678.31	
Additional Deposits	\$1,996.47	
Total Funds Audited		\$170,870.50
State Account Expenditures		
Proper Expenditures	\$84,492.09	
Inadequate Expenditure Documentation	\$53,116.11	
Unallowable Expenditures	\$3,672.35	
Total Expenditures		<u>\$141,280.55</u>
Balance Remaining in State Account		<u>\$29,589.95</u>

The \$1,996.47 in additional deposits were reversals and refunds for expenditures that had insufficient supporting documentation. Thus, the amount of funds that were withheld from the Department's future quarterly distributions were reduced by this amount. Therefore, pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$54,791.99 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the East Lynn VFD. The Department is in the process of complying with the recommendations.

FLATWOODS COMMUNITY VOLUNTEER FIRE DEPARTMENT

The Flatwoods Community VFD, in Braxton County, **was not in compliance with W.Va. Code.**

Of the total amount of \$2,393.17 not in compliance with W.Va. Code, \$2,287.04 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$106.13 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a TV mount, a late fee, and beverages.

The Department began with a balance of \$4,855.87 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. The Department also made allowable additional deposits of \$12,005.00. Thus, the total amount of funds audited for the period was \$66,598.01.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 50 – FLATWOODS COMMUNITY VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$4,855.87	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$12,005.00	
Total Funds Audited		\$66,598.01
State Account Expenditures		
Proper Expenditures	\$49,093.91	
Unsupported Expenditures	\$2,287.04	
Unallowable Expenditures	\$106.13	
Total Expenditures		<u>\$51,487.08</u>
Balance Remaining in State Account		<u>\$15,110.93</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,393.17 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Flatwoods Community VFD. The Department is in the process of complying with the recommendations.

FORK RIDGE VOLUNTEER FIRE DEPARTMENT

The Fork Ridge VFD, in Marshall County, **was not in compliance with W.Va. Code.**

Of the total amount of \$1,138.78 not in compliance with W.Va. Code, \$911.98 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$226.80 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: EMS fuel and the EMS portion of the related Program Maintenance Charges.

In addition, the Department commingled \$20.00 of state funds with funds from other sources by making an unallowable additional deposit of this amount.

The Department began with a balance of \$1,184.15 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer, made allowable additional deposits of \$759.06, and made an unallowable additional deposit of \$20.00 into the state account. Thus, the total amount of funds audited for the period was \$51,700.35.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 51 – FORK RIDGE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$1,184.15	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$759.06	
Unallowable Commingled Deposits	\$20.00	
Total Funds Audited		\$51,700.35
State Account Expenditures		
Proper Expenditures	\$49,525.65	
Unsupported Expenditures	\$911.98	
Unallowable Expenditures	\$226.80	
Total Expenditures		<u>\$50,664.43</u>
Balance Remaining in State Account		<u>\$1,035.92</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$1,138.78 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Fork Ridge VFD. The Department is in the process of complying with the recommendations.

FRAME VOLUNTEER FIRE DEPARTMENT

The Frame VFD, in Kanawha County, **was not in compliance with W.Va. Code.**

Of the total amount of \$20.87 not in compliance with W.Va. Code, \$18.40 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late payment fees and charges.

An additional \$2.47 not in compliance with W.Va. Code was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

The Department began with a balance of \$32,739.66 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. Thus, the total amount of funds audited for the period was \$82,476.80.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 52 – FRAME VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$32,739.66	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$82,476.80
State Account Expenditures		
Proper Expenditures	\$41,945.17	
Unsupported Expenditures	\$2.47	
Unallowable Expenditures	\$18.40	
Total Expenditures		<u>\$41,966.04</u>
Balance Remaining in State Account		<u>\$40,510.76</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$20.87 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or

service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Frame VFD. The Department is in the process of complying with the recommendations.

GRANDVIEW VOLUNTEER FIRE DEPARTMENT

The Grandview VFD, in Wetzel County, **was not in compliance with W.Va. Code.**

The total amount of \$225.00 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late fees.

In addition, the Department commingled \$50,000.00 of state funds with funds from other sources by making an unallowable additional deposit of this amount.

The Department began with a balance of \$15,820.74 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made allowable additional deposits of \$2,226.13, and an unallowable additional deposit of \$50,000.00, into the state account. Thus, the total amount of funds audited for the period was \$117,784.01.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 53 – GRANDVIEW VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$15,820.74	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$2,226.13	
Unallowable Commingled Deposits	\$50,000.00	
Total Funds Audited		\$117,784.01
State Account Expenditures		
Proper Expenditures	\$107,328.77	
Unallowable Expenditures	\$225.00	
Total Expenditures		<u>\$107,553.77</u>
Balance Remaining in State Account		<u>\$10,230.24</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$225.00 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Grandview VFD. The Department is in the process of complying with the recommendations.

GREEN SULPHUR DISTRICT VOLUNTEER FIRE DEPARTMENT

The Green Sulphur District VFD, in Summers County, **was not in compliance with W.Va. Code.**

Of the total amount of \$163.64 not in compliance with W.Va. Code, \$150.00 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$13.64 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late payment fees and charges.

In addition, the Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$23,047.07 in its state account on January 1, 2020. During the period audited, the Department received \$103,247.90 in quarterly allotments disbursed by the W.Va. State Treasurer, made allowable additional deposits of \$80,000.00, and received an unallowable commingled deposit of \$10,000.00, into the state account. Thus, the total amount of funds audited for the period was \$216,294.97.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in table 54 on the following page.

Table 54 – GREEN SULPHUR DISTRICT VFD State Funds Audited – Calendar Years 2020 - 2021		
State Account Deposits		
Beginning Balance	\$23,047.07	
Quarterly Distribution from State Treasurer	\$103,247.90	
Allowable Additional Deposits	\$80,000.00	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$216,294.97
State Account Expenditures		
Proper Expenditures	\$165,123.12	
Unsupported Expenditures	\$150.00	
Unallowable Expenditures	\$13.64	
Total Expenditures		<u>\$165,286.76</u>
Balance Remaining in State Account		<u>\$51,008.21</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$163.64 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended that the most practical solution to the Department's commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Green Sulphur District VFD. The Department is in the process of complying with the recommendations.

GREEN VALLEY VOLUNTEER FIRE DEPARTMENT

The Green Valley VFD, in Cabell County, **was not in compliance with W.Va. Code.**

The Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$125.67 in its state account on January 1, 2020. During the period audited, the Department received \$103,247.90 in quarterly allotments disbursed by the W.Va. State Treasurer, made \$6,809.59 in allowable additional deposits, and received an automatic unallowable commingled deposit of \$10,000.00 into the state account. Thus, the total amount of funds audited for the period was \$120,183.16.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 55 – GREEN VALLEY VFD State Funds Audited – Calendar Years 2020 - 2021		
State Account Deposits		
Beginning Balance	\$125.67	
Quarterly Distribution from State Treasurer	\$103,247.90	
Allowable Additional Deposits	\$6,809.59	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$120,183.16
State Account Expenditures		
Proper Expenditures	\$102,910.85	
Total Expenditures		<u>\$102,910.85</u>
Balance Remaining in State Account		<u>\$17,272.31</u>

The Legislative Auditor made the following recommendation:

1. The Legislative Auditor recommended that the most practical solution to the Department's commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to

transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Green Valley VFD. The Department is in the process of complying with the recommendations.

HILLSBORO VOLUNTEER FIRE DEPARTMENT

The Hillsboro VFD, in Pocahontas County, **was not in compliance with W.Va. Code.**

The total amount of \$599.80 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: Food.

In addition, the Department commingled \$10,075.00 in state funds with funds from other sources by making an unallowable deposit of \$75.00 and receiving a \$10,000.00 automatic distribution from the state.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$2,664.06 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received an unallowable additional deposit of \$10,000.00 from the State Treasurer's Office, earned \$9.44 in interest, and made an unallowable deposit of \$75.00. Thus, the total amount of funds audited for the period was \$66,259.26.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 56 – HILLSBORO VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$2,664.06	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$9.44	
Unallowable Commingled Deposits	\$10,075.00	
Total Funds Audited		\$66,259.26
State Account Expenditures		
Proper Expenditures	\$48,501.68	
Unallowable Expenditures	\$599.80	
Total Expenditures		\$49,101.48
Balance Remaining in State Account		<u>\$17,157.78</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$599.80 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account.
3. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Hillsboro VFD. The Department is in the process of complying with the recommendations.

JUNIOR COMMUNITY VOLUNTEER FIRE DEPARTMENT

The Junior Community VFD, in Barbour County, **was not in compliance with W.Va. Code.**

The Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$6,370.87 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$28.75 in interest, and received a \$10,000.00 commingled automatic deposit into the state account. Thus, the total amount of funds audited for the period was \$69,910.38.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 57 – JUNIOR COMMUNITY VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$6,370.87	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$28.75	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$69,910.38
State Account Expenditures		
Proper Expenditures	\$36,345.78	
Total Expenditures		<u>\$36,345.78</u>
Balance Remaining in State Account		<u>\$33,564.60</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state

account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Junior Community VFD. The Department is in the process of complying with the recommendations.

KEYSTONE VOLUNTEER FIRE DEPARTMENT

The Keystone VFD, in McDowell County, **was not in compliance with W.Va. Code.**

Of the total amount of \$1,685.86 not in compliance with W.Va. Code, \$1,101.90 was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$583.96 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: shopping card reloads and late fees.

In addition, the Department commingled \$110,440.00 in state funds with funds from other sources by making two checking withdrawals totaling \$100,440.00 and receiving a \$10,000.00 automatic distribution from the state. It should be noted that the Department was able to provide adequate supporting documentation for the \$100,440.00 in checking withdrawals.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$259,667.91 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received an unallowable additional deposit of \$10,000.00 from the State Treasurer's Office, earned \$100.26 in interest, and made allowable additional deposits of \$2,819.40. Thus, the total amount of funds audited for the period was \$326,098.33.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in table 58 on the following page.

Table 58 – KEYSTONE VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$259,667.91	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$100.26	
Allowable Additional Deposits	\$2,819.40	
Unallowable Additional Deposits	\$10,000.00	
Total Funds Audited		\$326,098.33
State Account Expenditures		
Proper Expenditures	\$37,614.27	
Unsupported Expenditures	\$1,101.90	
Unallowable Expenditures	\$583.96	
Commingled Funds Accounted For	\$100,440.00	
Total Expenditures		<u>\$139,740.13</u>
Balance Remaining in State Account		<u>\$186,358.20</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$1,685.86 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease withdrawing state funds from its state bank account.
4. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Keystone VFD. The Department is in the process of complying with the recommendations.

KIMBALL VOLUNTEER FIRE DEPARTMENT

The Kimball VFD, in McDowell County, **was not in compliance with W.Va. Code.**

Of the total amount of \$205.00 not in compliance with W.Va. Code, \$137.50 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a reimbursement for meals and incidentals for a conference.

An additional \$67.50 not in compliance with W.Va. Code was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

In addition, the Department commingled \$1,451.04 of state funds with funds from other sources by making a \$1,372.67 transfer out of the state account to a non-state bank account and making an additional deposit that included a \$78.37 unallowable amount.

Finally, the Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$301,475.53 in its state account on January 1, 2019. During the period audited, the Department received \$117,779.77 in quarterly allotments disbursed by the W.Va. State Treasurer, made allowable additional deposits of \$4,890.57 into the state account, and made unallowable additional deposits of \$78.37 into the state account. Thus, the total amount of funds audited for the period was \$424,224.24.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 59 – KIMBALL VFD State Funds Audited – Calendar Years 2019 – 2020		
State Account Deposits		
Beginning Balance	\$301,475.53	
Quarterly Distribution from State Treasurer	\$107,779.77	
Allowable Additional Deposits	\$4,890.57	
Unallowable Additional Deposits	\$10,078.37	
Total Funds Audited		\$424,224.24

State Account Expenditures		
Proper Expenditures	\$98,924.24	
Unsupported Expenditures	\$67.50	
Unallowable Expenditures	\$137.50	
Commingled Funds Accounted For	\$1,372.67	
Total Expenditures		<u>\$100,501.91</u>
Balance Remaining in State Account		<u>\$323,722.33</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$205.00 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.
4. The Legislative Auditor recommended the Department cease transferring state funds into non-state bank accounts.
5. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Kimball VFD. The Department is in the process of complying with the recommendations.

LAKE VOLUNTEER FIRE DEPARTMENT

The Lake VFD, in Logan County, **was not in compliance with W.Va. Code.**

Of the total amount of \$17,749.21 not in compliance with W.Va. Code, \$15,940.73 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$1,808.48 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a surface disinfectant system, dress clothes and related items, promotional materials in excess of \$500, and late payment fees and charges.

In addition, the Department commingled \$13,639.79 of state funds with funds from other sources by making unallowable additional deposits of this amount.

Finally, the Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$13,388.45 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received a \$10,000.00 commingled automatic deposit from the State, made an allowable additional deposit of \$12,500.00, and made unallowable additional deposits of \$13,639.79 into the state account. Thus, the total amount of funds audited for the period was \$103,039.00.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in table 60 on the following page.

Table 60 – LAKE VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$13,388.45	
Quarterly Distribution from State Treasurer	\$53,510.76	
Allowable Additional Deposits	\$12,500.00	
Unallowable Commingled Deposits	\$23,639.79	
Total Funds Audited		\$103,039.00
State Account Expenditures		
Proper Expenditures	\$71,784.34	
Unsupported Expenditures	\$15,940.73	
Unallowable Expenditures	\$1,808.48	
Total Expenditures		<u>\$89,533.55</u>
Balance Remaining in State Account		<u>\$13,505.45</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$17,749.21 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.
4. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Lake VFD. The Department is in the process of complying with the recommendations.

LENORE VOLUNTEER FIRE DEPARTMENT

The Lenore VFD, in Mingo County, **was not in compliance with W.Va. Code.**

Of the total amount of \$2,367.59 not in compliance with W.Va. Code, \$1,985.70 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$381.89 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: TV service and related taxes and fees, restore service fees, and late payment fees and charges.

In addition, the Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$64,720.35 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer and received an unallowable commingled deposit of \$10,000.00 into the state account. Thus, the total amount of funds audited for the period was \$128,231.11.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in table 61 on the following page.

Table 61 – LENORE VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$64,720.35	
Quarterly Distribution from State Treasurer	\$53,510.76	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$128,231.11
State Account Expenditures		
Proper Expenditures	\$37,894.62	
Unsupported Expenditures	\$1,985.70	
Unallowable Expenditures	\$381.89	
Total Expenditures		<u>\$40,262.21</u>
Balance Remaining in State Account		<u>\$87,968.90</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,367.59 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended that the most practical solution to the Department's commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Lenore VFD. The Department is in the process of complying with the recommendations.

LOUP CREEK VOLUNTEER FIRE DEPARTMENT

The Loup Creek VFD, in Fayette County, **was not in compliance with W.Va. Code.**

Of the total amount of \$21,006.49 not in compliance with W.Va. Code, \$20,964.52 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$41.97 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a reconnect fee and late payment charges and penalties.

The Department began with a balance of \$71,462.53 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. The Department also made allowable additional deposits of \$1,593.00. Thus, the total amount of funds audited for the period was \$122,792.67.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 62 – LOUP CREEK VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$71,462.53	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$1,593.00	
Total Funds Audited		\$122,792.67
State Account Expenditures		
Proper Expenditures	\$24,453.11	
Unsupported Expenditures	\$20,964.52	
Unallowable Expenditures	\$41.97	
Total Expenditures		<u>\$45,459.60</u>
Balance Remaining in State Account		<u>\$77,333.07</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$21,006.49 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code

§8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Loup Creek VFD. The Department is in the process of complying with the recommendations.

MARLINTON VOLUNTEER FIRE DEPARTMENT

The Marlinton VFD, in Pocahontas County, **was not in compliance with W.Va. Code.**

The total amount of \$2,154.13 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a loan overpayment.

The Department began with a balance of \$100,936.26 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and earned \$81.04 in interest on the state bank account. Thus, the total amount of funds audited for the period was \$150,754.44.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 63 – MARLINTON VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$100,936.26	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$81.04	
Total Funds Audited		\$150,754.44
State Account Expenditures		
Proper Expenditures	\$32,885.97	
Unallowable Expenditures	\$2,154.13	
Total Expenditures		<u>\$35,040.10</u>
Balance Remaining in State Account		<u>\$115,714.34</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,154.13 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Marlinton VFD. The Department is in the process of complying with the recommendations.

MCMECHEN VOLUNTEER FIRE DEPARTMENT

The McMechen VFD, in Marshall County, **was not in compliance with W.Va. Code.**

Of the total amount of \$9,906.94 not in compliance with W.Va. Code, \$8,320.74 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$1,586.20 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: convention programs, a purchase for a community building, and a late fee.

In addition, the Department commingled \$84,583.79 of state funds with funds from other sources by making \$72,628.79 in transfers out of the state account to a non-state bank account and making unallowable additional deposits of \$11,955.00.

The Department began with a balance of \$7,602.51 in its state account on January 1, 2016. During the period audited, the Department received \$152,021.87 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$27.41 in interest, and made allowable additional deposits of \$9,026.00, and unallowable additional deposits of \$11,955.00, into the state account. Thus, the total amount of funds audited for the period was \$180,632.79.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 64 – MCMECHEN VFD State Funds Audited – Calendar Years 2016 – 2018		
State Account Deposits		
Beginning Balance	\$7,602.51	
Quarterly Distribution from State Treasurer	\$152,021.87	
Interest Deposits	\$27.41	
Allowable Additional Deposits	\$9,026.00	
Unallowable Additional Deposits	\$11,955.00	
Total Funds Audited		\$180,632.79
State Account Expenditures		
Proper Expenditures	\$86,468.70	
Unsupported Expenditures	\$8,320.74	
Unallowable Expenditures	\$1,586.20	
Commingled Funds Accounted For	\$72,628.79	
Total Expenditures		<u>\$169,004.43</u>
Balance Remaining in State Account		<u>\$11,628.36</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$9,906.94 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.
4. The Legislative Auditor recommended the Department cease transferring state funds into non-state bank accounts.

The findings and recommendations detailed above have been reviewed and discussed with the McMechen VFD. The Department is in the process of complying with the recommendations.

MIDWAY VOLUNTEER FIRE DEPARTMENT

The Midway VFD, in Lewis County, **was not in compliance with W.Va. Code.**

Of the total amount of \$7,307.71 not in compliance with W.Va. Code, \$6,948.24 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident and sickness insurance, food and beverages, miscellaneous unallowable insurances, late fees, and credit card bills not in the name of the department.

An additional \$359.47 not in compliance with W.Va. Code was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

The Department began with a balance of \$55,098.09 in its state account on January 1, 2019. During the period audited, the Department received \$54,269.01 in quarterly allotments disbursed by the W.Va. State Treasurer. Thus, the total amount of funds audited for the period was \$109,367.10.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 65 – MIDWAY VFD State Funds Audited – Calendar Year 2019		
State Account Deposits		
Beginning Balance	\$55,098.09	
Quarterly Distribution from State Treasurer	\$54,269.01	
Total Funds Audited		\$109,367.10
State Account Expenditures		
Proper Expenditures	\$47,165.61	
Unsupported Expenditures	\$359.47	
Unallowable Expenditures	\$6,948.24	
Total Expenditures		<u>\$54,473.32</u>
Balance Remaining in State Account		<u>\$54,893.78</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$7,307.71 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Midway VFD. The Department is in the process of complying with the recommendations.

MILTON VOLUNTEER FIRE DEPARTMENT

The Milton VFD, in Cabell County, **was not in compliance with W.Va. Code.**

Of the total amount of \$721.15 not in compliance with W.Va. Code, \$376.18 was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$344.97 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a custom flag and badge, a finance charge, and late fees.

In addition, the Department received a \$10,000.00 automatic distribution from the state that resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$1,219.91 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer and received an unallowable additional deposit of \$10,000.00 from the State Treasurer's Office. Thus, the total amount of funds audited for the period was \$64,730.67.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized below

Table 66 – MILTON VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$1,219.91	
Quarterly Distribution from State Treasurer	\$63,510.76	
Total Funds Audited		\$64,730.67
State Account Expenditures		
Proper Expenditures	\$60,412.14	
Unsupported Expenditures	\$376.18	
Unallowable Expenditures	\$344.97	
Total Expenditures		<u>\$61,133.29</u>
Balance Remaining in State Account		<u>\$3,597.38</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$721.15 from the Department's future quarterly

distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended that the most practical solution to the Department's commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Milton VFD. The Department is in the process of complying with the recommendations.

MINERAL WELLS VOLUNTEER FIRE DEPARTMENT

The Mineral Wells VFD, in Wood County, **was not in compliance with W.Va. Code.**

The total amount of \$1,901.00 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident & sickness insurance.

In addition, the Department commingled \$40.00 of state funds with funds from other sources by making an unallowable additional deposit of this amount.

The Department began with a balance of \$28,890.66 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made an unallowable additional deposit of \$40.00 into the state account. Thus, the total amount of funds audited for the period was \$78,667.80.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 67 – MINERAL WELLS VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$28,890.66	
Quarterly Distribution from State Treasurer	\$49,737.14	
Unallowable Commingled Deposits	\$40.00	
Total Funds Audited		\$78,667.80
State Account Expenditures		
Proper Expenditures	\$20,783.74	
Unallowable Expenditures	\$1,901.00	
Total Expenditures		<u>\$22,684.74</u>
Balance Remaining in State Account		<u>\$55,983.06</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$1,901.00 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Mineral Wells VFD. The Department is in the process of complying with the recommendations.

MONTCALM VOLUNTEER FIRE DEPARTMENT

The Montcalm VFD, in Mercer County, **was not in compliance with W.Va. Code.**

The total amount of \$3,208.03 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident & sickness insurance and a late payment charge.

The Department began with a balance of \$6,525.91 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made allowable additional deposits of \$4,346.00. Thus, the total amount of funds audited for the period was \$60,609.05.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 68 – MONTCALM VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$6,525.91	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$4,346.00	
Total Funds Audited		\$60,609.05
State Account Expenditures		
Proper Expenditures	\$26,442.77	
Unallowable Expenditures	\$3,208.03	
Total Expenditures		<u>\$29,650.80</u>
Balance Remaining in State Account		<u>\$30,958.25</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$3,208.03 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation(s) to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Montcalm VFD. The Department is in the process of complying with the recommendations.

MOOREFIELD VOLUNTEER FIRE DEPARTMENT

The Moorefield VFD, in Hardy County, **was not in compliance with W.Va. Code.**

The Department commingled \$6,983.00 in state funds with funds from other sources by making unallowable deposits totaling that amount.

The Department began with a balance of \$32,176.81 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. In addition, the Department made an unallowable deposit of \$6,983.00, and made allowable additional deposits of \$6,000.00. Thus, the total amount of funds audited for the period was \$94,896.95.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 69 – MOOREFIELD VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$32,176.81	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$6,000.00	
Unallowable Commingled Deposits	\$6,983.00	
Total Funds Audited		\$94,896.95
State Account Expenditures		
Proper Expenditures	\$48,096.99	
Total Expenditures		<u>\$48,096.99</u>
Balance Remaining in State Account		<u>\$46,799.96</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Moorefield VFD. The Department is in the process of complying with the recommendations.

MT CLARE VOLUNTEER FIRE DEPARTMENT

The Mt Clare VFD, in Harrison County, **was not in compliance with W.Va. Code.**

The total amount of \$20.53 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: Late fees and television expenditures. In addition, the Department commingled \$10,000 by receiving an automatic distribution from the state.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$7,351.22 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer and received an unallowable additional deposit of \$10,000.00 from the State Treasurer's Office. Thus, the total amount of funds audited for the period was \$70,861.98.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 70 – MT CLARE VFD State Funds Audited- Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$7,351.22	
Quarterly Distribution from State Treasurer	\$53,510.76	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$70,861.98
State Account Expenditures		
Proper Expenditures	\$61,689.24	
Unallowable Expenditures	\$20.53	
Total Expenditures		<u>\$61,709.77</u>
Balance Remaining in State Account		<u>\$9,152.21</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$20.53 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Mt Clare VFD. The Department is in the process of complying with the recommendations.

NEW CREEK VOLUNTEER FIRE DEPARTMENT

The New Creek VFD, in Mineral County, **was not in compliance with W.Va. Code.**

Of the total amount of \$3,342.08 not in compliance with W.Va. Code, \$1,618.00 was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident & sickness insurance.

Finally, the Department commingled \$12,000.00 of state funds with funds from other sources. As mentioned above, the Department transferred \$10,000.00 in CARES Act funds from its state account to a non-state account. In addition, the Department made a \$2,000.00 unallowable deposit into the state account.

The Department began with a balance of \$15,102.95 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. The Department also earned \$3.83 in interest on the state account, made allowable additional deposits of \$9,465.00, and made \$2,000.00 in unallowable commingled deposits. Thus, the total amount of funds audited for the period was \$76,308.92.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 71 – NEW CREEK VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$15,102.95	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$3.83	
Allowable Additional Deposits	\$9,465.00	
Unallowable Commingled Deposits	\$2,000.00	
Total Funds Audited		\$76,308.92
State Account Expenditures		
Proper Expenditures	\$61,935.92	
Unallowable Expenditures	\$1,618.00	
Commingled Funds For Permissible Items with Supporting Documents	\$10,000.00	
Total Expenditures		<u>\$73,553.92</u>
Balance Remaining in State Account		<u>\$2,755.00</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$1,618.00 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the New Creek VFD. The Department is in the process of complying with the recommendations.

NEW HAVEN VOLUNTEER FIRE DEPARTMENT

The New Haven VFD, in Mason County, **was not in compliance with W.Va. Code.**

The Department commingled \$5,126.00 of state funds with funds from other sources by making an unallowable deposit of this amount into the state account. This deposit was a worker's compensation insurance subsidy from the state that was originally deposited into a non-state bank account, and this amount was subsequently deposited into the state bank account.

The Department began with a balance of \$128,350.90 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$81.08 in interest on the state account, and made allowable additional deposits of \$12,123.00 and an unallowable deposit of \$5,126.00 into the state account. Thus, the total amount of funds audited for the period was \$195,418.12.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 72 – NEW HAVEN VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$128,350.90	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$81.08	
Allowable Additional Deposits	\$12,123.00	
Unallowable Commingled Deposits	\$5,126.00	
Total Funds Audited		\$195,418.12
State Account Expenditures		
Proper Expenditures	\$16,331.10	
Total Expenditures		<u>\$16,331.10</u>
Balance Remaining in State Account		<u>\$179,087.02</u>

Therefore, the Legislative Auditor made the following recommendation to the Department:

1. The Legislative Auditor recommended the Department cease depositing its worker's compensation insurance subsidy into a non-state bank account. If the Department's worker's compensation insurance payment was made with state monies, the subsidy should be deposited into the state account.

The findings and recommendations detailed above have been reviewed and discussed with the New Haven VFD. The Department is in the process of complying with the recommendations.

NEWBURG VOLUNTEER FIRE DEPARTMENT

The Newburg VFD, in Preston County, **was not in compliance with W.Va. Code.**

The total amount of \$1.73 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: a late payment charge.

The Department began with a balance of \$19,973.85 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made allowable additional deposits of \$286.00 into the state account. Thus, the total amount of funds audited for the period was \$69,996.99.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 73 – NEWBURG VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$19,973.85	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$286.00	
Total Funds Audited		\$69,996.99
State Account Expenditures		
Proper Expenditures	\$56,137.73	
Unallowable Expenditures	\$1.73	
Total Expenditures		<u>\$56,139.46</u>
Balance Remaining in State Account		<u>\$13,857.53</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$1.73 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Newburg VFD. The Department is in the process of complying with the recommendations.

OAKLAND DISTRICT VOLUNTEER FIRE DEPARTMENT

The Oakland District VFD, in Hancock County, **was not in compliance with W.Va. Code.**

The total amount of \$8,187.50 not in compliance with W.Va. Code was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

In addition, the Department commingled \$5,999.00 of state funds with funds from other sources by making unallowable additional deposits of this amount.

The Department began with a balance of \$52,684.83 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made unallowable additional deposits of \$5,999.00 into the state account. Thus, the total amount of funds audited for the period was \$108,420.97.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 74 – OAKLAND DISTRICT VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$52,684.83	
Quarterly Distribution from State Treasurer	\$49,737.14	
Unallowable Commingled Deposits	\$5,999.00	
Total Funds Audited		\$108,420.97
State Account Expenditures		
Proper Expenditures	\$77,210.21	
Unsupported Expenditures	\$8,187.50	
Total Expenditures		<u>\$85,397.71</u>
Balance Remaining in State Account		<u>\$23,023.26</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$8,187.50 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

2. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Oakland District VFD. The Department is in the process of complying with the recommendations.

OAKVALE VOLUNTEER FIRE DEPARTMENT

The Oakvale VFD, in Mercer County, **was not in compliance with W.Va. Code.**

The total amount of \$359.24 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: television payments and late fees.

In addition, the Department commingled \$10,043.62 in state funds with funds from other sources by making an unallowable deposit of \$43.62 and receiving a \$10,000.00 automatic distribution from the state.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$21,130.23 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received an unallowable additional deposit of \$10,000.00 from the State Treasurer's Office, earned \$8.52 in interest, made unallowable deposits of \$43.62, and made allowable additional deposits of \$1,017.00. Thus, the total amount of funds audited for the period was \$85,710.13.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in table 75 on the following page.

Table 75 – OAKVALE VFD State Funds Audited- Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$21,130.23	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$8.52	
Allowable Additional Deposits	\$1,017.00	
Unallowable Commingled Deposits	\$10,043.62	
Total Funds Audited		\$85,710.13
State Account Expenditures		
Proper Expenditures	\$53,589.43	
Unallowable Expenditures	\$359.24	
Total Expenditures		<u>\$53,952.67</u>
Balance Remaining in State Account		<u>\$31,757.46</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$359.24 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account.
3. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Oakvale VFD. The Department is in the process of complying with the recommendations.

RAINELLE VOLUNTEER FIRE DEPARTMENT

The Rainelle VFD, in Greenbrier County, **was not in compliance with W.Va. Code.**

The total amount of \$1,775.31 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: Accident and Sickness insurance expenditures.

In addition, the Department commingled \$10,000 by receiving an automatic distribution from the state.

The \$10,000.00 automatic distribution from the state resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$35,324.35 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, received an unallowable additional deposit of \$10,000.00 from the State Treasurer's Office, and made an allowable deposit of \$32,495.67. Thus, the total amount of funds audited for the period was \$121,330.78.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 76 – RAINELLE VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$35,324.35	
Quarterly Distribution from State Treasurer	\$53,510.76	
Allowable Additional Deposits	\$22,495.67	
Unallowable Additional Deposits	\$10,000.00	
Total Funds Audited		\$121,330.78
State Account Expenditures		
Proper Expenditures	\$66,349.94	
Unallowable Expenditures	\$1,775.31	
Total Expenditures		<u>\$68,125.25</u>
Balance Remaining in State Account		<u>\$53,205.53</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$1,775.31 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Rainelle VFD. The Department is in the process of complying with the recommendations.

RUPERT VOLUNTEER FIRE DEPARTMENT

The Rupert VFD, in Greenbrier County, **was not in compliance with W.Va. Code.**

The total amount of \$137.02 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late fees on a loan.

In addition, the Department received \$12,053.75 in automatic distributions from the state that resulted in commingling of the state bank account. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it is currently constructed. This affected all departments that received the \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$280,256.27 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$1,314.84 in interest, made \$684.00 in allowable additional deposits, and received unallowable additional deposits of \$12,053.75 from the State Treasurer's Office. Thus, the total amount of funds audited for the period was \$347,819.62.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 77 – RUPERT VFD State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$280,256.27	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$1,314.84	
Allowable Additional Deposits	\$684.00	
Unallowable Commingled Deposits	\$12,053.75	
Total Funds Audited		\$347,819.62
State Account Expenditures		
Proper Expenditures	\$50,006.72	
Unallowable Expenditures	\$137.02	
Total Expenditures		<u>\$50,143.74</u>
Balance Remaining in State Account		<u>\$297,675.88</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$137.02 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended that the most practical solution to the Department's commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Rupert VFD. The Department is in the process of complying with the recommendations.

SELBYVILLE VOLUNTEER FIRE DEPARTMENT

The Selbyville VFD, in Upshur County, **was not in compliance with W.Va. Code.**

The total amount of \$2,060.00 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: accident & sickness insurance and late payment fees.

The Department began with a balance of \$30,027.22 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made an additional allowable deposit of \$25.59 into the state account. Thus, the total amount of funds audited for the period was \$79,789.95.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 78 – SELBYVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$30,027.22	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$25.59	
Total Funds Audited		\$79,789.95
State Account Expenditures		
Proper Expenditures	\$47,090.66	
Unallowable Expenditures	\$2,060.00	
Total Expenditures		<u>\$49,150.66</u>
Balance Remaining in State Account		<u>\$30,639.29</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,060.00 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Selbyville VFD. The Department is in the process of complying with the recommendations.

SERVIA VOLUNTEER FIRE DEPARTMENT

The Servia VFD, in Braxton County, **was not in compliance with W.Va. Code.**

The total amount of \$65.76 not in compliance with W.Va. Code was for the commingling of state funds with funds from other sources by making unallowable additional deposits of this amount.

The Department began with a balance of \$38,544.90 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer, made allowable additional deposits of \$9,332.00, and unallowable additional deposits of \$65.76, into the state account. Thus, the total amount of funds audited for the period was \$97,679.80.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 79 – SERVIA VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$38,544.90	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$9,332.00	
Unallowable Commingled Deposits	\$65.76	
Total Funds Audited		\$97,679.80
State Account Expenditures		
Proper Expenditures	\$67,664.62	
Total Expenditures		<u>\$67,664.62</u>
Balance Remaining in State Account		<u>\$30,015.18</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Servia VFD. The Department is in the process of complying with the recommendations.

SISTERSVILLE VOLUNTEER FIRE DEPARTMENT

The Sistersville VFD, in Tyler County, **was not in compliance with W.Va. Code.**

The total amount of \$707.49 not in compliance with W.Va. Code for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

In addition, the Department commingled \$10,000.00 of state funds with funds from other sources by withdrawing \$10,000.00 in CARES Act funds from its state account and depositing the funds in a non-state account.

The Department began with a balance of \$23,926.83 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. Thus, the total amount of funds audited for the period was \$73,663.97.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 80 – SISTERSVILLE VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$23,926.83	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$73,663.97
State Account Expenditures		
Proper Expenditures	\$22,015.13	
Unsupported Expenditures	\$707.49	
Unsupported Commingled Funds	\$10,000.00	
Total Expenditures		<u>\$32,722.62</u>
Balance Remaining in State Account		<u>\$40,941.35</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$707.49 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

2. The Legislative Auditor recommended that the Department cease withdrawing state funds from the state account and/or depositing state funds in a non-state account.

The findings and recommendations detailed above have been reviewed and discussed with the Sistersville VFD. The Department is in the process of complying with the recommendations.

SMITHBURG VOLUNTEER FIRE DEPARTMENT

The Smithburg VFD, in Doddridge County, **was not in compliance with W.Va. Code.**

The total amount of \$265.09 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: flags, food and beverage, and late payment charges and fees.

The Department began with a balance of \$3,919.64 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer. Thus, the total amount of funds audited for the period was \$53,656.78.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 81 – SMITHBURG VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$3,919.64	
Quarterly Distribution from State Treasurer	\$49,737.14	
Total Funds Audited		\$53,656.78
State Account Expenditures		
Proper Expenditures	\$46,352.14	
Unallowable Expenditures	\$265.09	
Total Expenditures		<u>\$46,617.23</u>
Balance Remaining in State Account		<u>\$7,039.55</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$265.09 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation(s) to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Smithburg VFD. The Department is in the process of complying with the recommendations.

SOUTH MORGAN VOLUNTEER FIRE DEPARTMENT

The South Morgan VFD, in Morgan County, **was not in compliance with W.Va. Code.**

Of the total amount of \$89.16 not in compliance with W.Va. Code, \$79.18 was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$9.98 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: bottled water.

In addition, the Department commingled \$2,079.18 of state funds with funds from other sources by making unallowable additional deposits of this amount.

The Department began with a balance of \$2,344.36 in its state account on January 1, 2019. During the period audited, the Department received \$54,269.01 in quarterly allotments disbursed by the W.Va. State Treasurer and made allowable additional deposits of \$8.15, and unallowable additional deposits of \$2,079.18, into the state account. Thus, the total amount of funds audited for the period was \$58,700.70.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 82 – SOUTH MORGAN VFD State Funds Audited – Calendar Year 2019		
State Account Deposits		
Beginning Balance	\$2,344.36	
Quarterly Distribution from State Treasurer	\$54,269.01	
Interest Deposits	\$6.30	
Allowable Additional Deposits	\$1.85	
Unallowable Additional Deposits	\$2,079.18	
Total Funds Audited		\$58,700.70
State Account Expenditures		
Proper Expenditures	\$30,706.28	
Unsupported Expenditures	\$79.18	
Unallowable Expenditures	\$9.98	
Total Expenditures		<u>\$30,795.44</u>
Balance Remaining in State Account		<u>\$27,905.26</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$9.98 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b. The amount withheld does not include the \$79.18 in unsupported expenditures because the Department made deposits into the state account that offset this amount prior to the enactment of

the withholding provisions of W.Va. Code §8-15-8b(b). It should be noted that the additional deposits are commingled.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the South Morgan VFD. The Department is in the process of complying with the recommendations.

SUMMERS COUNTY VOLUNTEER FIRE AND RESCUE SQUAD

The Summers County VFRS, in Summers County, **was not in compliance with W.Va. Code.**

Of the total amount of \$11,734.40 not in compliance with W.Va. Code, \$10,819.37 was for expenditures that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$915.03 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Fire & Rescue Squad purchased that are not permissible included: caps and polo shirts, late payment fees and charges, and a purchase at a restaurant.

The Fire & Rescue Squad began with a balance of \$7,755.96 in its state account on January 1, 2018. During the period audited, the Fire & Rescue Squad received \$53,353.05 in quarterly allotments disbursed by the W.Va. State Treasurer. Thus, the total amount of funds audited for the period was \$61,109.01.

The Fire & Rescue Squad's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 83 – SUMMERS COUNTY VFRS State Funds Audited - Calendar Year 2018		
State Account Deposits		
Beginning Balance	\$7,755.96	
State Treasurer Deposits	\$53,353.05	
Total Funds Audited		\$61,109.01
State Account Expenditures		
Proper Expenditures	\$48,462.69	
Inadequate Expenditure Documentation	\$10,819.37	
Unallowable Expenditures	<u>\$915.03</u>	
Total Expenditures		<u>\$60,197.09</u>
Balance Remaining in State Account		<u>\$911.92</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$11,734.40 from the Fire & Rescue Squad's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Fire & Rescue Squad:

1. The Legislative Auditor recommended the Fire & Rescue Squad cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

2. The Legislative Auditor recommended the Fire & Rescue Squad maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Summers County VFRS. The Fire & Rescue Squad is in the process of complying with the recommendations.

TRIUNE-HALLECK VOLUNTEER FIRE DEPARTMENT

The Triune-Halleck VFD, in Monongalia County, **was not in compliance with W.Va. Code.**

The Department commingled \$1,032.00 of state funds with funds from other sources by making an unallowable additional deposit of this amount.

The Department began with a balance of \$81,221.19 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$77.03 in interest, and made an unallowable additional deposit of \$1,032.00 into the state account. Thus, the total amount of funds audited for the period was \$132,067.36.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 84 – TRIUNE-HALLECK VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$81,221.19	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$77.03	
Unallowable Commingled Deposits	\$1,032.00	
Total Funds Audited		\$132,067.36
State Account Expenditures		
Proper Expenditures	\$41,444.46	
Total Expenditures		<u>\$41,444.46</u>
Balance Remaining in State Account		<u>\$90,622.90</u>

The Legislative Auditor made the following recommendation(s) to the Department:

1. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the Triune-Halleck VFD. The Department is in the process of complying with the recommendations.

UPPER TRACT VOLUNTEER FIRE DEPARTMENT

The Upper Tract VFD, in Pendleton County, **was not in compliance with W.Va. Code.**

The total amount of \$25.61 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late fees.

In addition, the Department commingled \$11,500.00 of state funds with funds from other sources by transferring this amount out of the state account and into a non-state bank account. It should be noted that the Department was able to provide documentation to substantiate that these funds were spent on allowable and properly supported expenditures.

The Department began with a balance of \$31,608.59 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer, earned interest totaling \$21.83 on the state account, and made allowable additional deposits of \$19,049.16 into the state account. Thus, the total amount of funds audited for the period was \$100,416.72.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 85 – UPPER TRACT VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$31,608.59	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$21.83	
Allowable Additional Deposits	\$19,049.16	
Total Funds Audited		\$100,416.72
State Account Expenditures		
Proper Expenditures	\$37,439.10	
Unallowable Expenditures	\$25.61	
Commingled Funds For Permissible Items with Supporting Documents	\$11,500.00	
Total Expenditures		<u>\$48,964.71</u>
Balance Remaining in State Account		<u>\$51,452.01</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$25.61 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

2. The Legislative Auditor recommended that the Department cease withdrawing state funds from the state account and/or depositing state funds in a non-state account.

The findings and recommendations detailed above have been reviewed and discussed with the Upper Tract VFD. The Department is in the process of complying with the recommendations.

WADESTOWN VOLUNTEER FIRE DEPARTMENT

The Wadestown VFD, in Monongalia County, **was not in compliance with W.Va. Code.**

The total amount of \$2,512.65 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: Accident and Death Insurance expenditures.

The Department began with a balance of \$157,329.14 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and earned \$494.89 in interest. Thus, the total amount of funds audited for the period was \$207,561.17.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 86 – WADESTOWN VFD State Funds Audited- Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$157,329.14	
Quarterly Distribution from State Treasurer	\$49,737.14	
Interest Deposits	\$494.89	
Total Funds Audited		\$207,561.17
State Account Expenditures		
Proper Expenditures	\$30,216.77	
Unallowable Expenditures	\$2,512.65	
Total Expenditures		<u>\$32,729.42</u>
Balance Remaining in State Account		<u>\$174,831.75</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$2,512.65 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Wadestown VFD. The Department is in the process of complying with the recommendations.

WAR VOLUNTEER FIRE DEPARTMENT

The War VFD, in McDowell County, **was not in compliance with W.Va. Code.**

Of the total amount of \$11,797.84 not in compliance with W.Va. Code, \$8,104.20 was for expenditures out of the state account that had insufficient supporting documentation to determine either the items purchased or the intent of the purchase. This prevents a determination being made as to the compliance of the purchase with W.Va. Code.

An additional \$3,693.64 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: electricity for “bingo”, t-shirts, overdraft fees, a purchase from a restaurant, a negative balance closing fee, late payment fees, and “grocery” items.

In addition, the Department commingled \$215.19 of state funds with funds from other sources by making unallowable additional deposits of this amount.

The Department began with a balance of \$10,663.66 in its state account on January 1, 2017. During the period audited, the Department received \$48,377.04 in quarterly allotments disbursed by the W.Va. State Treasurer, allowable additional deposits of \$2,845.63, and unallowable additional deposits of \$215.19 into the state account. Thus, the total amount of funds audited for the period was \$62,101.52.

The Department’s financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 87 – WAR VFD State Funds Audited - Calendar Year 2017		
State Account Deposits		
Beginning Balance	\$10,663.66	
State Treasurer Deposits	\$48,377.04	
Additional Deposits – Allowable	\$2,845.63	
Additional Deposits – Unallowable	\$215.19	
Total Funds Audited		\$62,101.52
State Account Expenditures		
Proper Expenditures	\$47,131.83	
Inadequate Expenditure Documentation	\$8,104.20	
Unallowable Expenditures	\$3,693.64	
Total Expenditures		<u>\$58,929.67</u>
Balance Remaining in State Account		<u>\$3,171.85</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$11,797.84 from the Department’s future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department maintain supporting documentation for the expenditures of state monies in accordance with W.Va. Code §8-15-8b(d) that is sufficient enough to be able to determine the specific item or service purchased as well as the total cost, purchase date, and permissibility under W.Va. Code §8-15-8b(a).
3. The Legislative Auditor recommended the Department cease depositing non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.

The findings and recommendations detailed above have been reviewed and discussed with the War VFD. The Department is in the process of complying with the recommendations.

WILDERNESS VOLUNTEER FIRE DEPARTMENT

The Wilderness VFD, in Nicholas County, **was not in compliance with W.Va. Code.**

The total amount of \$2,614.61 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: fuel used by EMS vehicles, late fees, a Paypal purchase, and an overdraft fee.

In addition, the Department commingled \$14,626.12 of state funds with funds from other sources by making \$12,747.10 in unallowable deposits and transfers of this amount into the state account and by transferring \$1,879.02 out of the state account and into a non-state account. However, the Department was able to provide adequate supporting documentation for the \$1,879.02 in transfers out of the state account.

The Department began with a balance of \$5.00 in its state account on January 1, 2019. During the period audited, the Department received \$54,269.01 in quarterly allotments disbursed by the W.Va. State Treasurer and made additional deposits of \$12,747.10 into the state account. Thus, the total amount of funds audited for the period was \$67,021.11.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 88 – WILDERNESS VFD State Funds Audited - Calendar Year 2019		
State Account Deposits		
Beginning Balance	\$5.00	
State Treasurer Deposits	\$54,269.01	
Additional Deposits	\$12,747.10	
Transferred Funds	\$0.00	
Total Funds Audited		\$67,021.11
State Account Expenditures		
Proper Expenditures	\$61,726.23	
Unallowable Expenditures	\$2,614.61	
Transferred Funds Accounted For	\$1,879.02	
Total Expenditures		<u>\$66,219.86</u>
Balance Remaining in State Account		<u>\$801.25</u>

In 2019, prior to the legislative changes enacted to W.Va. Code §8-15-8b(b), Wilderness VFD reimbursed its state account \$2,251.90 for the unallowable EMS fuel purchases, the PayPal transaction, and late fee. Taking this into account, the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$362.71 from the Department's future quarterly distribution(s) for one of the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).
2. The Legislative Auditor recommended the Department cease depositing and transferring non-state funds into its state bank account, unless the funds are a reimbursement whose original purchase originated with monies from the state bank account.
3. The Legislative Auditor recommended the Department cease transferring state funds into non-state bank accounts.

The findings and recommendations detailed above have been reviewed and discussed with the Wilderness VFD. The Department is in the process of complying with the recommendations.

WILEY FORD VOLUNTEER FIRE COMPANY

The Wiley Ford VFC, in Mineral County, **was not in compliance with W.Va. Code.**

The Department commingled \$73,534.96 in state funds with funds from other sources by making a checking withdrawal transfer for \$63,534.96 and receiving a \$10,000.00 automatic distribution from the state. It should be noted that the Department was able to provide adequate supporting documentation for the \$63,534.96 checking withdrawal transfer.

The Department commingled \$10,000.00 in state funds with funds from other sources by receiving a \$10,000.00 automatic distribution from the state. This was not the fault of the Department. After the conversion to wvOASIS, state fund disbursements are made as electronic fund transfers, and the lack of paper checks creates the inability to simply deposit a check to another account. Departments are required to register an account with the state to receive the quarterly distributions, and that account is designated as the state account. However, this may also result in the state making deposits of funds from other sources into those accounts as they are the only account that the departments have registered with the state to receive funds. While the funding itself is not a cause for concern, this practice results in an immediate violation of W.Va. Code as it currently constructed. This affected all departments that received this \$10,000 distribution of CARES Act funds from the Governor, which was deposited into the state accounts of the VFDs as this was the only account the departments held with the state to receive such a mass distribution of funds.

The Department began with a balance of \$5.00 in its state account on January 1, 2020. During the period audited, the Department received \$53,510.76 in quarterly allotments disbursed by the W.Va. State Treasurer, earned \$33.20 in interest on the state account, and received an automatic unallowable commingled deposit of \$10,000.00 into the state account. Thus, the total amount of funds audited for the period was \$63,548.96.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 89 – WILEY FORD VFC State Funds Audited – Calendar Year 2020		
State Account Deposits		
Beginning Balance	\$5.00	
Quarterly Distribution from State Treasurer	\$53,510.76	
Interest Deposits	\$33.20	
Unallowable Commingled Deposits	\$10,000.00	
Total Funds Audited		\$63,548.96
State Account Expenditures		
Proper Expenditures	\$9.00	
Commingled Funds For Permissible Items with Supporting Documents	\$63,534.96	
Total Expenditures		<u>\$63,543.96</u>
Balance Remaining in State Account		<u>\$5.00</u>

The Legislative Auditor made the following recommendations to the Department:

1. The Legislative Auditor recommended the Department cease withdrawing state funds from its state bank account.
2. The Legislative Auditor recommended that the most practical solution to the Department's automatic commingling issue would be for the Legislature to modify W.Va. Code to stipulate that departments which receive state funds into the state account that are not from a funding source authorized in W.Va. Code §8-15-8b(a) be allowed to transfer those funds out in a lump sum transaction totaling the full amount of the fund deposit within 60 days of receipt of those funds without penalty.

The findings and recommendations detailed above have been reviewed and discussed with the Wiley Ford VFC. The Department is in the process of complying with the recommendations.

WINFIELD VOLUNTEER FIRE DEPARTMENT

The Winfield VFD, in Putnam County, **was not in compliance with W.Va. Code.**

The total amount of \$56.16 not in compliance with W.Va. Code was for expenditures not permissible under W.Va. Code §8-15-8b. Items or services the Department purchased that are not permissible included: late charges.

The Department began with a balance of \$19,088.34 in its state account on January 1, 2021. During the period audited, the Department received \$49,737.14 in quarterly allotments disbursed by the W.Va. State Treasurer and made allowable additional deposits of \$4,825.00. Thus, the total amount of funds audited for the period was \$73,650.48.

The Department's financial activity in the state account during the audit period, including amount audited, accounted for, and not in compliance with W.Va. Code, is summarized in the table below.

Table 90 – WINFIELD VFD State Funds Audited – Calendar Year 2021		
State Account Deposits		
Beginning Balance	\$19,088.34	
Quarterly Distribution from State Treasurer	\$49,737.14	
Allowable Additional Deposits	\$4,825.00	
Total Funds Audited		\$73,650.48
State Account Expenditures		
Proper Expenditures	\$18,397.92	
Unallowable Expenditures	\$56.16	
Total Expenditures		<u>\$18,454.08</u>
Balance Remaining in State Account		<u>\$55,196.40</u>

Pursuant to W.Va. Code §8-15-8b(b) the Legislative Auditor formally notified the W.Va. State Treasurer to withhold a total of \$56.16 from the Department's future quarterly distribution(s) for the expenditures found to be not in compliance with the provisions of W.Va. Code §8-15-8b.

Additionally, the Legislative Auditor made the following recommendation(s) to the Department:

1. The Legislative Auditor recommended the Department cease expending monies from the state account for items or services not permitted by W.Va. Code §8-15-8b(a).

The findings and recommendations detailed above have been reviewed and discussed with the Winfield VFD. The Department is in the process of complying with the recommendations.

Appendix A – Allowable VFD Expenditures Per W.Va. Code §8-15-8b

West Virginia Code §8-15-8b describes the authorized expenditures that may be made with the money distributed from the fire protection fund to the volunteer fire departments. Expenditures that may be made are in Code as follows:

- (1) Personal protective equipment, including protective head gear, bunker coats, pants, boots, combination of bunker pants and boots, coats and gloves;*
- (2) Equipment for compliance with the national fire protection standard or automotive fire apparatus, NFPA-1901;*
- (3) Compliance with insurance service office recommendations relating to fire departments;*
- (4) 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;*
- (5) Capital improvements reasonably required for effective and efficient fire protection service and maintenance of the capital improvements;*
- (6) Retirement of debts;*
- (7) Payment of utility bills;*
- (8) Payment of the cost of immunizations, including any laboratory work incident to the immunizations, 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;*
- (9) Any filing fee required to be paid to the Legislative Auditor's Office under section fourteen, 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;*
- (10) Property/casualty insurance premiums for protection and indemnification against loss or damage or liability;*
- (11) Operating expenses reasonably required in the normal course of providing effective and efficient fire protection service, which include, but are not limited to, gasoline, bank fees, postage and accounting costs;*
- (12) Dues paid to national, state and county associations;*
- (13) Workers' Compensation premiums;*

(14) Life insurance premiums to provide a benefit not to exceed \$20,000 for firefighters; and

(15) Educational and training supplies and fire prevention promotional materials, not to exceed \$500 per year.



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