

MARTIN O'MALLEY
GOVERNOR
COMMANDER-IN-CHIEF

STATE OF MARYLAND
MILITARY DEPARTMENT
FIFTH REGIMENT ARMORY
BALTIMORE, MARYLAND 21201-2288

JAMES A. ADKINS
MAJOR GENERAL
THE ADJUTANT GENERAL

September 6, 2013

The Honorable Edward J. Kasemeyer, Chairman
Senate Budget and Taxation Committee
3 West Miller Senate Building
Annapolis, MD 21401

The Honorable Norman H. Conway, Chairman
House Appropriations Committee
Room 121, House Office Building
Annapolis, MD 21401

Dear Chairman Kasemeyer and Chairman Conway:

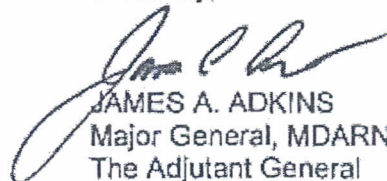
Section 8-206 of the Public Safety Article, Annotated Code of Maryland requires the Maryland Military Department (DMIL) to review the annual documentation submitted by the Maryland State Firemen's Association (MSFA). The purpose of this review is to determine if each grant or loan was spent in accordance with both the Volunteer Company Assistance Fund (VCAF) statute and the request approved by the Board of Public Works (BPW).

In addition Section 8-206 requires DMIL to report its findings to the Senate Budget and Taxation Committee and the House Appropriations Committee on an annual basis. This letter serves as a report on the status of FY2013 grants and loans.

In FY 2013, DMIL settled eight loans and one grant, totaling \$3,213,703.25 from the VCAF fund. The attached schedule reports the status of the required documentation that DMIL received.

DMIL continues to work with the MSFA to improve the VCAF loan process to ensure that adequate controls are in place as we jointly support the State's volunteer fire, rescue and ambulance community.

Sincerely,



JAMES A. ADKINS
Major General, MDARNG
The Adjutant General

Attachment

SUMMARY OF THE MSFA 2013 ANNUAL REPORT OF THE VOLUNTEER COMPANY ASSISTANCE FUND BOARD
VCAF LOANS SETTLED IN FY2013

Department	County	Type	Settlement Date	Amount	Years	Rate	Payments per Annum	Payment	Use	Purchase Data ?	Total Purchase Price	Financial Information Provided
Waldorf VFC	Charles	Loan	8/17/2012	\$362,780.00	10	2.00%	12	\$3,338.06	Pumper	Yes	\$483,710.00	Unaudited Financial Statements from FY2009 through FY2010. IRS 990 for FY2011, FY2012
Mardela Springs VFC	Wicomico	Loan	8/17/2012	\$430,000.00	10	2.00%	2	\$23,828.59	Pumper	Yes	\$593,416.64	Unaudited Financial Statements for FY2012. IRS 990 for CY2010 & 2011.
United Communities VFC	Queen Anne's	Loan	10/4/2012	\$385,923.75	10	2.00%	2	\$21,386.09	Pumper	Yes	\$514,565.00	Unaudited Financial Statements for period beginning 01/01/2012 and ending 6/30/2012. IRS 990 for CY2009, 2010, & 2011
Westminster VFC	Carroll	Loan	10/25/2012	\$210,000.00	6	2.00%	2	\$36,235.16	Pumper	Yes	\$464,330.00	IRS 990 for FY2011 and FY2012.
Water Witch Fire Co.	Cecil	Loan	12/5/2012	\$586,227.00	15	2.00%	12	\$3,772.42	Aerial Ladder Truck	Yes	\$786,716.00	Unaudited Financial Statements for period beginning 01/01/2012 and ending 06/03/2012. IRS 990 for CY2010, & 2011
Hughesville VFD	Calvert	Loan	2/1/2013	\$504,503.00	10	2.00%	12	\$4,642.11	Rescue Squad	Yes	\$672,671.00	Unaudited Financial Statement for FY 2012. IRS 990 for CY2012, 2011, & 2010.
Friendsville VF& R D	Garrett	Loan	4/19/2013	\$142,442.25	10	2.00%	4	\$3,937.89	Pumper	Yes	\$190,097.00	Unaudited Financial Statements for CY 2012. IRS 990 for CY2010 & 2011.
Joppa-Magnolia VFD	Harford	Loan	4/26/2013	\$381,827.25	10	2.00%	1	\$42,507.50	Pumper	Yes	\$509,103.00	Audited Financial Statements for FY2011 & FY2012.
Fairmount VFC	Somerset	Grant	10/16/2012	\$210,000.00	NA	NA	NA	NA	Pumper	Yes	\$309,204.55	IRS 990 for CY2009, 2010 & 2011
Total	9			\$3,213,703.25								

Legend
VFD - Volunteer Fire Department
VFC - Volunteer Fire Company
FC - Fire Company
RS - Rescue Squad
AS - Ambulance Service