

LAWRENCE J. HOGAN, JR.
GOVERNOR
COMMANDER-IN-CHIEF

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

LINDA L. SINGH
MAJOR GENERAL
THE ADJUTANT GENERAL

August 30, 2018

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

Re: Annual Report of Loans & Grants Issued from VCAF

Dear Chairman Kasemeyer:

Section 8-206 of the Public Safety Article, Annotated Code of Maryland requires the Maryland Military Department (MMD) 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 MMD 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 FY2018 grants and loans.

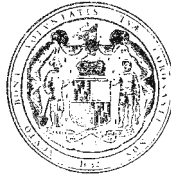
In FY 2018, MMD settled eight loans and five grants, totaling \$3,642,707 from the VCAF fund. The attached schedule reports the status of the required documentation that MMD received.

MMD 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,

LINDA L. SINGH
Major General, MDARNG
The Adjutant General

Attachment



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August 30, 2018

The Honorable Maggie McIntosh, Chairman
House Appropriations Committee
Room 121, House Office Building
Annapolis, MD 21401

Re: Annual Report of Loans & Grants Issued from VCAF

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Sincerely,

LINDA L. SINGH
Major General, MDARNG
The Adjutant General

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SUMMARY OF THE MSFA 2018 ANNUAL REPORT OF THE VOLUNTEER COMPANY ASSISTANCE FUND BOARD
 VCAF LOANS & GRANTS SETTLED FROM 7/01/2017 THROUGH 6/30/2018

Department	County	Type	Origination Date	Amount	Loan Term (Years)	Rate	Pmt Frequency	Pmt Amt	# of Pmts Made	Balance	Loan Status	Purpose	Proof of Expenditure?	Financial Information Provided?
Bay District VFD	St. Mary's	Loan	2/9/2018	\$450,000.00	10	1%	12	\$3,943.00	8	\$421,372.61	Open	Facility	Yes	Yes
Goodwill VFC	Allegany	Loan	10/26/2018	\$57,231.00	20	1%	1	\$3,173.00	0	\$57,231.00	Open	Equipment	Yes	Yes
Goodwill VFC	Allegany	Grant	10/26/2018	\$178,051.00	na	na	na	na	na	na	na	Equipment	Yes	Yes
Ridgely VFD	Caroline	Loan	12/1/2017	\$1,755,709.00	30	1%	1	\$68,066.00	0	\$1,755,709.00	Open	Facility	Yes	Yes
Rock Hall VFD	Kent	Loan	3/20/2018	\$314,895.00	15	1%	12	\$1,885.00	3	\$310,023.18	Open	Equipment	Yes	Yes
Barton Hose Co. No. 1, Inc.	Allegany	Loan	1/10/2018	\$56,637.00	15	1%	12	\$339.00	5	\$43,471.66	Open	Equipment	Yes	Yes
Barton Hose Co. No. 1, Inc.	Allegany	Grant	1/10/2018	\$176,201.00	na	na	na	na	na	na	na	Equipment	Yes	Yes
Church Creek VFC	Dorchester	Grant	1/19/2018	\$34,991.00	na	na	na	na	na	na	na	Equipment	Yes	Yes
Eldorado & Brookview VFC	Dorchester	Loan	5/1/2018	\$28,650.00	1	1%	10	\$3,025.00	0	\$28,650.00	Open	Equipment	Yes	Yes
Eldorado & Brookview VFC	Dorchester	Grant	4/12/2018	\$93,100.00	na	na	na	na	na	na	na	Equipment	Yes	Yes
Eldorado & Brookview VFC	Dorchester	Grant	5/15/2018	\$25,561.00	na	na	na	na	na	na	na	Equipment	Yes	Yes
Hooper's Island VFC	Dorchester	Loan	5/15/2018	\$295,431.00	15	1%	1	\$21,317.00	0	\$25,561.00	Open	Equipment	Yes	Yes
The Tri-Towns Ambulance	Allegany	Loan	6/21/2018	\$176,250.00	7	1%	1	\$26,200.00	0	\$176,250.00	Open	Equipment	Yes	Yes
Totals		13		\$3,642,707.00										

Loans	8
Grants	5
Total	13

Legend

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

Article - Public Safety

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§8-206.

(a) On or before August 30 of each fiscal year, the Association shall submit to the Department, the Legislative Auditor, and to the Board of Public Works an annual report that includes:

(1) the number and total amount of grants and the number and total amount of loans made in the previous fiscal year;

(2) for each grant or loan made:

(i) the volunteer company that received the grant or loan;

(ii) the amount of the grant or loan; and

(iii) the specific purpose of making the grant or loan;

(3) for each volunteer company that received a grant or loan:

(i) the financial statement of the volunteer company for the previous fiscal year or the year in which the grant or loan was received, whichever is available; and

(ii) documentation of the volunteer company's actual expenditures from the grant or loan;

(4) for each loan made, the terms of the loan, including origination date, loan term, payment terms, payment amount, payments made to date, outstanding balance, and loan status; and

(5) summary listings of grants and loans made during the previous fiscal year and outstanding loans, by county.

(b) The Department shall:

(1) review the documentation submitted in accordance with subsection (a) of this section on an annual basis to determine if each grant or loan was spent in accordance with this subtitle and the request approved by the Board of Public Works; and

(2) report the findings to the Senate Budget and Taxation Committee and the House Appropriations Committee on an annual basis.

(c) The Legislative Auditor may:

(1) review the documentation submitted in accordance with subsection (a) of this section to determine if each grant or loan was spent in accordance with this subtitle and the requests approved by the Board of Public Works; and

(2) report the findings to the Department and, subject to § 2-1246 of the State Government Article, to the Joint Audit Committee of the General Assembly.

(d) The Comptroller may audit the financial affairs of the Association to ensure compliance with this subtitle.

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