

MARYLAND EMERGENCY MANAGEMENT AGENCY



LARRY HOGAN
GOVERNOR

LINDA L. SINGH
MAJOR GENERAL
THE ADJUTANT GENERAL

BOYD K. RUTHERFORD
LIEUTENANT GOVERNOR

RUSSELL J. STRICKLAND
EXECUTIVE DIRECTOR

A Center for Preparedness Excellence

February 10, 2016

The Honorable Lawrence J. Hogan, Jr.
Governor of Maryland
State of Maryland Executive Department
State House
Annapolis MD 21401

Re: William H. Amoss Fire, Rescue and Ambulance Fund for Year Ended June 30, 2013

Dear Governor Hogan:

The enclosed William H. Amoss Fund (**Amoss**) report is submitted by the Maryland Emergency Management Agency (MEMA) in accordance with the provisions of Section 8-105 of the Public Safety Article, Annotated Code of Maryland. This report provides information from each county, regarding the distribution and use of these funds, for the period beginning July 1, 2013 and ending June 30, 2014. The term "county" includes Baltimore City. The following is a summary of the results of this engagement:

- All counties accurately reported expenditures for fire protection in the manner proscribed by Section 8-105.
- Eleven counties did not achieve their maintenance of effort standard per Section 8-104.
- All counties provided adequate matching funds per Section 8-104.
- All counties participated in the Maryland Fire Incident Reporting System (MFIRS) as required by Section 8-103.
- All counties participated in the Ambulance Information System (AIS) as required by Section 8-103.
- The volunteer fire companies in all of the counties tested expended Amoss funds for purposes allowed by Section 8-102.
- The volunteer fire companies in all of the counties tested maintained a separate account for Amoss funds as required by Section 8-104.

Thank you for allowing us the opportunity to report this information to you.
The Maryland Emergency Management Agency is pleased to administer the funding for this important program.

Sincerely,

Russell Strickland
Executive Director

Cc: Department of Legislative Services

Camp Fretterd Military Reservation, 5401 Rue Saint Lo Drive, Reisterstown, MD, 21136
(410) 517-3600 • Fax (410) 517-3610 • Toll Free: 1 (877) 636-2872

"A Prepared Marylander Creates a Resilient Maryland"

Purpose of Engagement

We have performed an attestation engagement based upon “agreed upon procedures” in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The procedures used were based on the requirements specified in Title 8 of the Public Safety Article of the Annotated Code of Maryland. This statute delineates the purpose, administration and monitoring requirements of the Senator William H. Amoss Fire, Rescue, and Ambulance Award (Amoss fund). Our engagement was for the period beginning July 1, 2013 and ending June 30, 2014.

Section 8-105 (b) requires the Director of the Maryland Emergency Management Agency (MEMA) “to report to the Governor and General Assembly on the information provided by the jurisdictions on the distribution of money provided under this subtitle, including an assessment of the extent to which the purposes of this subtitle are being achieved.”

Since the beginning of Fiscal Year 2009, the administrative functions of the Amoss award have been performed by their parent entity, the Maryland Military Department (MMD). The results of this engagement are found in the section below titled “Findings and Recommendations”.

Current Status of Findings from Preceding Engagement

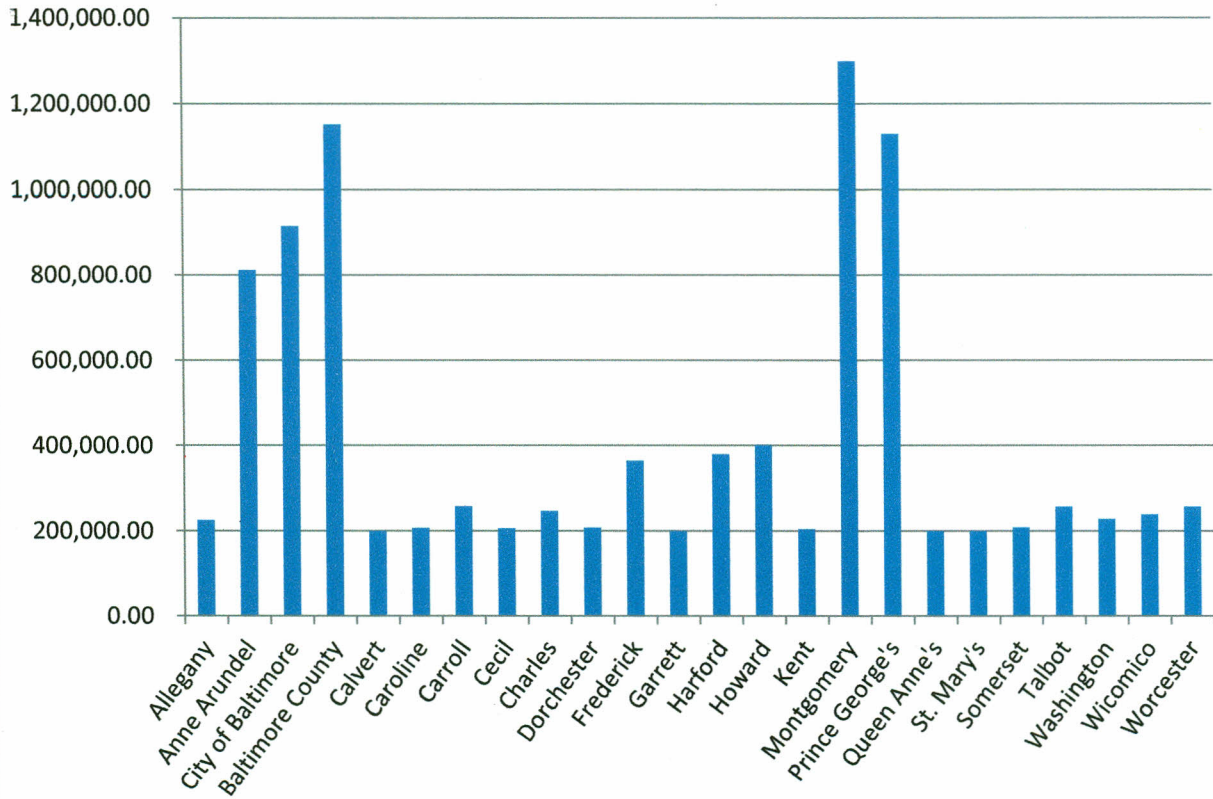
Our examination included a review to determine the current status of the findings contained in our prior report for the period ended June 30, 2014. We determined that there were repeat findings in the Maintenance of Effort (Procedure 2) category.

Background Information

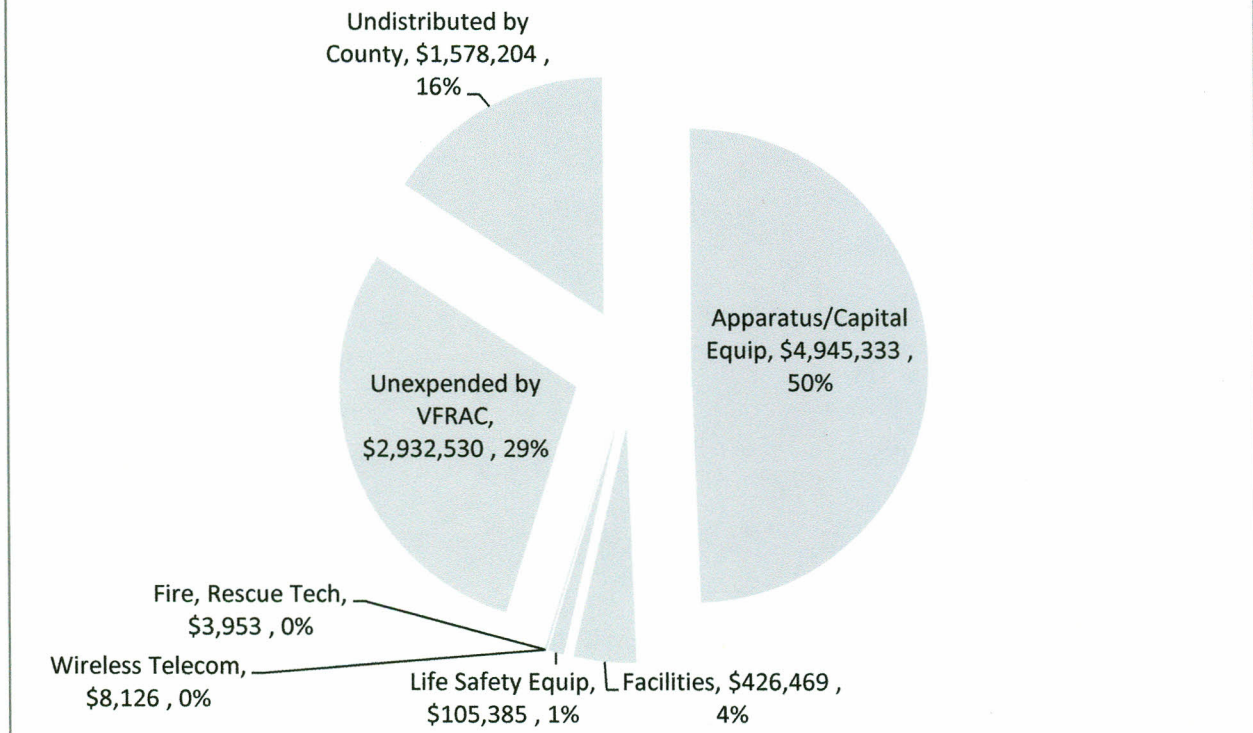
The Amoss fund was established to promote: (1) The delivery of effective and high quality fire protection, rescue, and ambulance services to the citizens of this State; (2) Increased financial support for volunteer fire, rescue, and ambulance companies (VFRACs) by local governments; and (3) the continued financial viability of VFRACs given the greatly increased costs of apparatus and other types of equipment.

In fiscal year 2014, the Amoss fund provided grants-in-aid of \$10,000,000 for fire protection, rescue, and ambulance services to all jurisdictions. The allocation to each jurisdiction was determined by the number of property tax accounts within their boundaries. Additional funds were provided to jurisdictions with municipalities that had “fire protection” expenditures above a statutory threshold. The bar chart on page 2 reports the Amoss funds allocated to each jurisdiction in fiscal year 2014. The pie chart on page 2 shows the use of funds in fiscal year 2014. Beginning July 1, 2014, MEMA was required to report the nature and amount of “in-kind contributions” made by jurisdictions to VFRACS. That data is reported on page 3.

FY14 Allocation



Uses of Amoss Funds in FY 2014



FY 2014 IN KIND CONTRIBUTIONS

	ANY IKC?	AMOUNT	NATURE
Allegany	No	\$0.00	
Anne Arundel	Yes	\$951,545.29	Various operating costs
City of Baltimore	NA	NA	NA
Baltimore County	Yes	\$204,285.26	Medical, Turn Out Gear, SCBA
Calvert	No	\$0.00	
Caroline	No	\$0.00	
Carroll	Yes	\$36,389.84	Pagers, repairs
Cecil	Yes	\$2,329,578.78	Vehicles, Safety, Pagers, 911
Charles	Yes	\$9,692.19	Water bills
Dorchester	No	\$0.00	
Frederick	No	\$0.00	
Garrett	No	\$0.00	
Harford	No	\$0.00	
Howard	No	\$0.00	
Kent	No	\$0.00	
Montgomery	Yes	\$1,773,581.00	Training
Prince George's	No	\$0.00	
Queen Anne's	No	\$0.00	
St. Mary's	Yes	\$95,097.00	Emergency staff
Somerset	Yes	\$145,348.00	Conference, radio maintenance
Talbot	Yes	\$244,655.00	Workers Compensation
Washington	No	\$0.00	
Wicomico	No	\$0.00	
Worcester	No	\$0.00	
Total		\$5,790,172.36	

Findings and Recommendations

Procedure #1

Determine the accuracy of the amount of Fire Protection Expenditures (FPE) reported by each jurisdiction per 8-105 (a).

Findings and Recommendations:

The Director of Finance of each jurisdiction certified the amount of FPE incurred in fiscal year 2014. We reconciled each jurisdiction's FPE with supporting documentation such as general ledger reports, line items from annual financial reports as well as actual costs reported in their annual budgets. The results of our procedures support the reliability of the amounts reported.

Procedure #2

Determine whether jurisdictions have met the Maintenance of Effort (MOE) standard per 8-104 (a).

Findings and Recommendations:

The matrix below compares FPE for each jurisdiction with the average for the preceding three years. Please note that in FY 2014, there were 6 jurisdictions that had expenditures less than this average. The following jurisdictions had repeat findings from the prior year: Allegany, Charles, Dorchester, Frederick, Wicomico and Worcester.

In FY 2014, the statutory provisions regarding MOE were changed by the General Assembly. Specifically, capital expenditures are now excluded from the calculation of FPE and counties may receive a "waiver" of the MOE requirement. In addition, the state is required to assess a penalty if a county does not meet MOE for two consecutive fiscal years.

To comply with the new statute and to ensure an accurate comparison, FY 2015 was established as the base year for all future 3 year averages. In order to equitably implement these changes it was deemed necessary to establish FY 2013 and FY 2014 as transition years in which no penalty would be assessed for failure to meet MOE.

Jurisdiction	3-Year Avg (FY11,12,13)	FY 2014 Actual	Met Standard?	%	Met MOE in Prior Year?
Allegany	1,420,415	1,277,322	No	89.93%	No
Anne Arundel	12,918,659	15,698,705	Yes		Yes
City of Baltimore	24,871,950	17,598,609	No	70.76%	Yes
Baltimore County	12,848,591	15,909,431	Yes		Yes
Calvert	4,120,882	4,968,187	Yes		Yes
Caroline	1,416,605	1,350,867	No	95.36%	No
Carroll	10,172,768	10,857,422	Yes		Yes
Cecil	2,884,097	2,702,907	No	93.72%	No
Charles	11,474,614	10,336,079	No	90.08%	No
Dorchester	1,759,113	1,072,639	No	60.98%	No
Frederick	9,043,113	9,224,341	Yes		No
Garrett	2,103,317	2,107,532	Yes		No
Harford	8,983,060	10,112,823	Yes		Yes
Howard	27,740,128	23,917,703	No	86.22%	Yes
Kent	923,188	922,981	No	99.98%	Yes
Montgomery	27,230,759	12,638,354	No	46.41%	Yes
Prince George's	22,950,514	30,992,444	Yes		Yes
Queen Anne's	2,537,321	2,753,495	Yes		Yes
St. Mary's	6,639,958	6,924,868	Yes		Yes
Somerset	762,593	815,089	Yes		Yes
Talbot	2,417,354	2,373,373	No	98.18%	Yes
Washington	6,177,775	6,192,095	Yes		Yes
Wicomico	6,753,912	6,089,045	No	90.16%	No
Worcester	6,940,014	9,108,350	Yes		No
Total	\$215,090,699	\$205,944,659	13		15

Procedure #3

Determine whether jurisdictions have provided adequate matching funds per 8-104 (b).

Findings and Recommendations:

In FY 2014, 100% of jurisdictions made FPE from their own sources that were greater than or equal to the amount of Amoss money received.

Procedure #4

Determine whether jurisdictions expended or encumbered the Amoss funds within the period of time proscribed in 8-104 (e).

Findings and Recommendations:

At the date of this report, all jurisdictions have expended or encumbered the Amoss funds awarded in FY2014.

Procedure #5

Determine whether jurisdictions have complied with Maryland Fire Incident Reporting System (MFIRS) requirements per 8-103 (c). This web-based system is administered by the Office of the State Fire Marshall.

Findings and Recommendations:

As of the date of this report, all jurisdictions were compliant in MFIRS reporting for the year ended 6/30/2014.

Procedure #6

Determine whether jurisdictions have complied with Ambulance Information System (AIS) reporting requirements per 8-103 (c). This system is administered by the Maryland Institute for Emergency Medical Services Systems (MIEMSS).

Findings and Recommendations:

As of the date of this report all jurisdictions were compliant with AIS reporting requirements for the year ended 6/30/2014

Procedure #7

Determine whether recipients expended Amoss funds for uses authorized by 8-102 (f).

Findings and Recommendations:

All of the VFRACS selected for testing, expended their FY 2014 Amoss funds for uses authorized by 8-102 (f).

Procedure #8

Determine whether Amoss money distributed to VFRACs were maintained in a separate account per 8-104 (d).

Findings and Recommendations:

All of the VFRACS selected for testing, held their Amoss funds, in separate accounts per 8-104 (d).

Procedure #9

Determine whether the minimum amount of funds was distributed by each jurisdiction as proscribed by formula per 8-103 (b).

Findings and Recommendations:

Based on the Schedule B reports, all jurisdictions distributed the minimum amount of funds proscribed by statutory formula.

Audit Scope, Objectives and Methodology

Procedures #1 through #6 were performed by testing financial data provided by 100% of jurisdictions. Procedures #7 and #8 were performed by testing financial source documentation obtained from a representative sample. Financial source documentation included but was not limited to bank statements, cancelled checks, deposit slips and paid invoices.

Each year, eight (33%) of the twenty four Maryland jurisdictions are selected. Per the schedule below, the testing of all jurisdictions is completed at the end of each three year cycle. The shaded column represents testing of expenditures incurred from 7/01/2013 through 6/30/2014 and is the final year of a three year cycle. Upon the conclusion of each year's examination a review is made of prior year findings and the effectiveness of any corrective action.

State Fiscal Year of Testing	FY 2013	FY 2014	FY 2015
Period Expenditures were Incurred	07/01/2011 - 06/30/2012	07/01/2012 - 06/30/2013	07/01/2013 - 06/30/2014
Allegany		X	
Anne Arundel			
City of Baltimore		X	
Baltimore County		X	
Calvert			
Caroline			
Carroll			
Cecil			
Charles	X		X
Dorchester	X		X
Frederick	X		X
Garrett			
Harford		X	
Howard	X		X
Kent		X	
Montgomery			
Prince George's		X	
Queen Anne's		X	
St. Mary's			
Somerset	X		X
Talbot		X	
Washington	X		X
Wicomico	X		X
Worcester	X		X
24	8	8	8

The jurisdictions listed below comprise the sample tested for Procedures 7 and 8 in FY 2014. These jurisdictions represent approximately 21.53% of the total fund allocation. The sample also represents approximately 33.42% of the total number of VFRACs in the State.

	Amount	% of Total Appropriation	Number of VFRACs	% of Total VFRACs
		\$10,000,000		365
Charles	246,708.00	2.47%	18	4.93%
Dorchester	208,002.00	2.08%	14	3.84%
Frederick	364,650.00	3.65%	29	7.95%
Howard	400,600.00	4.01%	6	1.64%
Somerset	208,289.00	2.08%	10	2.74%
Washington	228,322.00	2.28%	21	5.75%
Wicomico	238,943.00	2.39%	14	3.84%
Worcester	257,356.00	2.57%	10	2.74%
Total 8	\$2,152,870.00	21.53%	122	33.42%