



Larry Hogan | Governor
Boyd K. Rutherford | Lt. Governor
Russell J. Strickland | Acting Secretary

December 1, 2021

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, 2020

Dear Governor Hogan:

The enclosed William H. Amoss Fund (Amoss) report is submitted by the Maryland Department of Emergency Management (MDEM) 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, 2019 and ending June 30, 2020. 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 required by Section 8-105.
- 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.
- With the exception of Prince George's County, all of the counties selected for testing, expended Amoss funds for purposes allowed by Section 8-102.
- With the exception of Baltimore City and Montgomery County, all of the counties achieved the Maintenance of Effort standard required by Section 8-104.
- The volunteer fire companies in all of the counties selected for testing maintained separate accounts for Amoss funds as required by Section 8-104.

Based on the results of the enclosed report, we believe that the purposes of the Amoss program were achieved in the State Fiscal Year ended June 30, 2020. The Maryland Department of Emergency Management is pleased to administer the funding for this essential program.

Sincerely,

**Russell J.
Strickland**
Russell J. Strickland
Acting Secretary

Digitally signed by Russell J.
Strickland
Date: 2021.12.01 13:33:14 -05'00'

Cc: Department of Legislative Services
Honorable Bill Ferguson
Honorable Adrienne A. Jones



Purpose of Engagement

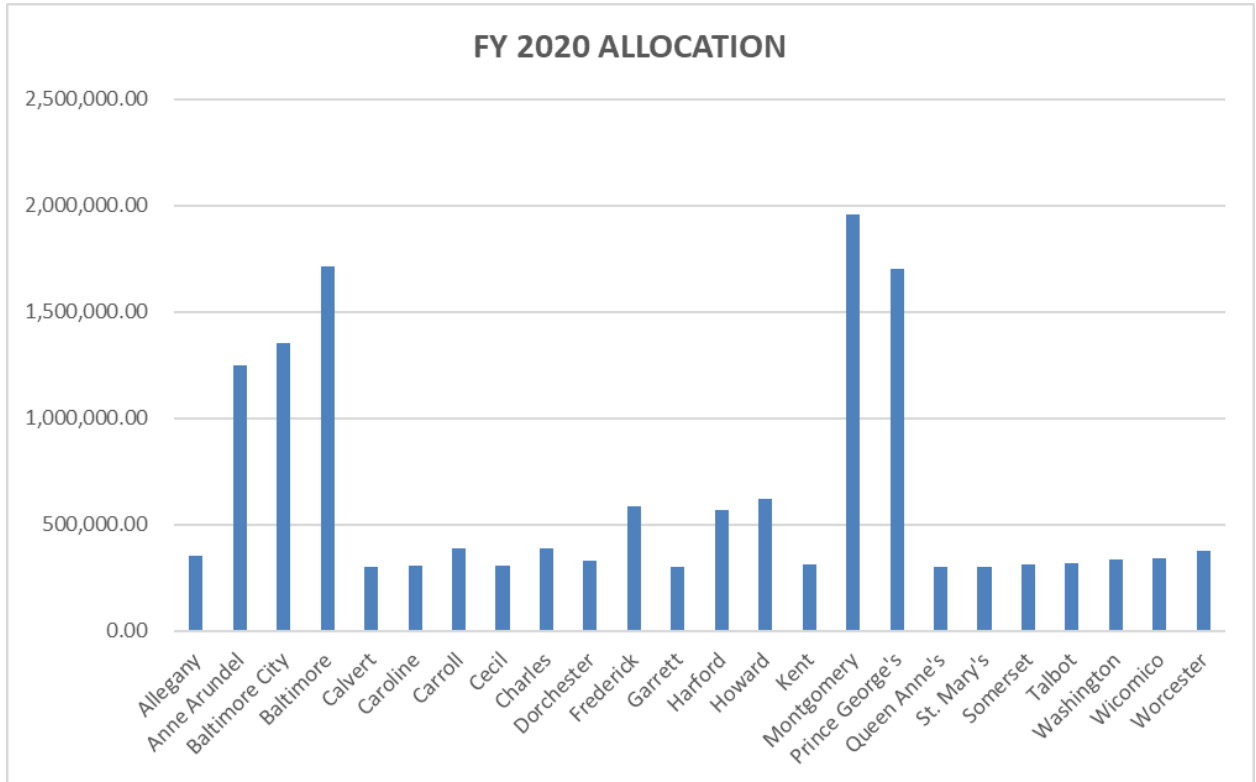
We have performed an attestation engagement based upon “agreed upon procedures” in accordance with the requirements specified in Title 8 of the Public Safety Article of the Annotated Code of Maryland. This statute defines the purpose, administration and monitoring requirements of the Senator William H. Amoss Fire, Rescue, and Ambulance Award (Amoss fund). Our engagement was for the period beginning July 1, 2019 and ending June 30, 2020.

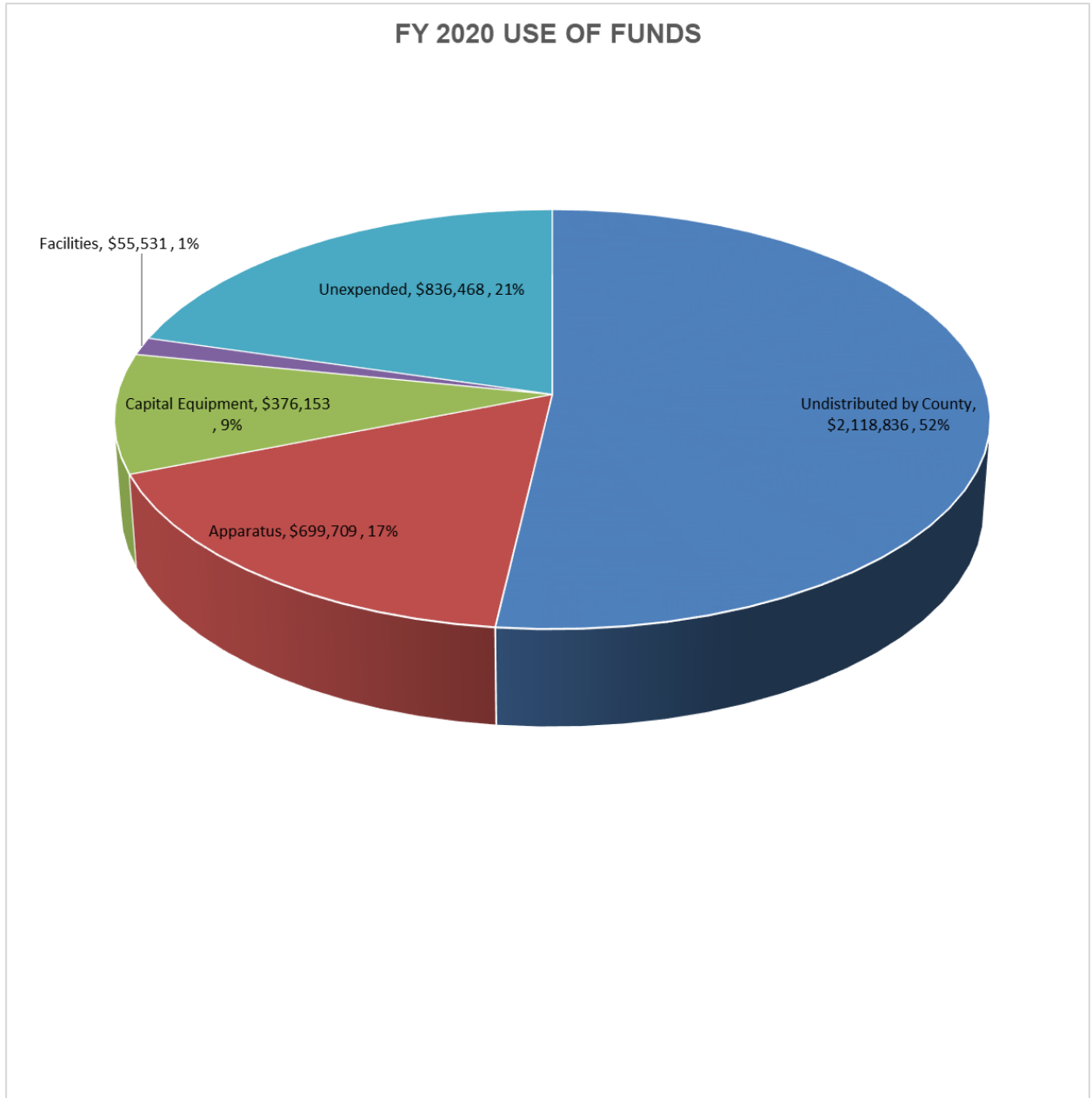
Section 8-105 (b) requires the Director of the Maryland Department of Emergency Management (MDEM) “to report to the Governor and General Assembly on the information provided by the counties on the distribution of money provided under this subtitle, including an assessment of the extent to which the purposes of this subtitle are being achieved.” The results of this engagement are found in the section below titled “Findings and Recommendations”.

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 2020, the Amoss fund provided grants-in-aid of \$15,000,000 for fire protection, rescue, and ambulance services to all counties. For purposes of this engagement, the term “county” includes Baltimore City. The allocation to each county was determined by the number of property tax accounts within their boundaries. Additional funds were provided to counties with municipalities that had “fire protection” expenditures above a statutory threshold. The bar chart below reports the Amoss funds allocated to each county in fiscal year 2020. The pie chart on page 2 shows the use of funds in fiscal year 2020.





Findings and Recommendations

Procedure #1

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

Findings and Recommendations:

The Director of Finance of each county certified the amount of FPE incurred in fiscal year 2020. We compared each county'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 counties have met the Maintenance of Effort (MOE) standard per 8-104 (a).

Findings and Recommendations:

The matrix on page 4 reports Fire Protection Expenditures (FPE) for each county. Section 8-104 requires the use of a 3-year moving average in order to ascertain achievement of the MOE standard. Effective July 1, 2014 (FY 2015), 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 the two subsequent fiscal years that follow the 3-year period used to determine the average.

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 MOE cycles. FY 2020 Fire Protection Expenditures were compared to the average expenditures incurred in FY 2017, FY2018, and FY 2019. Using this analysis, Baltimore City and Montgomery County did not meet the MOE standard in FY 2020. No penalty was imposed because both counties met the MOE standard in FY 2019.

Jurisdiction	3-Year Avg (FY17,18,19)	FY 2020 Actual	Meet FY2020 Standard?	%	Met Prior Year Standard?	Impose Penalty?
Allegany	1,521,174.94	1,658,202.85	Yes		Yes	No
Anne Arundel	15,586,019.22	16,054,092.00	Yes		Yes	No
City of Baltimore	22,735,638.33	18,544,877.00	No	81.57%	Yes	No
Baltimore County	13,062,238.73	13,278,132.43	Yes		Yes	No
Calvert	4,554,809.93	4,849,517.55	Yes		Yes	No
Caroline	1,601,746.99	1,754,929.95	Yes		Yes	No
Carroll	12,535,793.26	13,074,611.94	Yes		Yes	No
Cecil	2,782,137.05	3,461,960.49	Yes		Yes	No
Charles	12,042,366.27	12,715,047.03	Yes		Yes	No
Dorchester	1,353,294.67	1,594,262.00	Yes		Yes	No
Frederick	8,192,771.33	9,247,599.00	Yes		Yes	No
Garrett	1,957,813.00	2,022,801.00	Yes		Yes	No
Harford	10,544,653.67	11,967,688.00	Yes		Yes	No
Howard	16,759,965.67	19,666,301.00	Yes		Yes	No
Kent	913,842.80	953,239.13	Yes		Yes	No
Montgomery	13,677,865.72	13,195,457.29	No	96.47%	Yes	No
Prince George's	22,613,736.49	23,309,067.25	Yes		Yes	No
Queen Anne's	2,473,582.98	2,626,388.38	Yes		Yes	No
St. Mary's	8,182,722.33	9,110,772.00	Yes		Yes	No
Somerset	861,084.32	900,610.21	Yes		Yes	No
Talbot	2,476,507.69	2,487,771.26	Yes		Yes	No
Washington	7,352,549.67	9,852,031.00	Yes		Yes	No
Wicomico	7,999,437.00	8,032,754.00	Yes		Yes	No
Worcester	8,291,995.70	9,317,459.33	Yes		Yes	No
Total		209,675,572.09				

Procedure #3

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

Findings and Recommendations:

In FY 2020, 100% of counties made FPE from their own sources that were greater than or equal to the amount of Amoss money received.

Procedure #4

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

Findings and Recommendations:

Section 8-104 (e) requires counties to return unexpended/unencumbered Amoss funds after two fiscal years. Based on the reporting, funds that were distributed to counties in FY 2020 and in prior years were expended or encumbered within the parameters of the statute.

Procedure #5

Determine whether counties participated in the Maryland Fire Incident Reporting System (MFIRS) requirements per 8-103 (c). The Office of the State Fire Marshall administers this web-based system.

Findings and Recommendations:

As of the date of this report, all counties were compliant in MFIRS reporting for the year ended June 30, 2020.

Procedure #6

Determine whether counties participated in the Ambulance Information System (AIS) reporting requirements per 8-103 (c). The Maryland Institute of Emergency Medical Services Systems (MIEMSS) administers this program.

Findings and Recommendations:

As of the date of this report, all counties were compliant with AIS reporting requirements for the year ended June 30, 2020.

Procedure #7

Determine whether counties reported the nature and amount of any in-kind contributions provided to VFRACs per 8-105 (a).

Findings and Recommendations:

All of the counties reported the nature and amount of any in-kind contributions to VFRACs.

Procedure #8

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

Findings and Recommendations:

Based on their reporting, all counties distributed the minimum amount of funds defined by statutory formula.

Procedure #9

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

Findings and Recommendations:

On January 28, 2020, the Director of the PG County Office of Budget and Management notified MDEM that the West Lanham Hills Volunteer Fire Company “misappropriated” \$42,000 of their FY 2019 Amoss Allocation. The company President indicated in writing that the company Treasurer transferred funds electronically from the company’s dedicated Amoss account into another account. In accordance with SAS 99 (Statements of Auditing Standards), MDEM performed audit procedures to verify the accuracy of the amount reported by the county. MDEM’s procedures included issuing audit confirmation letters to the company’s vendors as well as inspection of financial source documentation. Consequently, MDEM was able to corroborate the amount of the reported conversion. MDEM then sent a notice via certified mail to PG County Government formally requesting return of the \$42,000. On Feb 4, 2021, PG responded by email that the misappropriated funds were restored and that the county would issue a refund to MDEM “in a timely manner.” Our subsequent examination of source documents confirmed that all of the funds in question were restored.

Procedure #10

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).

Engagement Scope, Objectives and Methodology

Procedures #1 through #8 were performed by testing financial data provided by 100% of counties. Procedures #9 and #10 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 counties are selected. Per the schedule below, the testing of all counties is completed at the end of each three-year cycle. The shaded column represents testing of expenditures incurred in the year ended June 30, 2020 and is the third year of the three-year cycle that began in FY 2018. Upon the conclusion of each year’s examination, a review is made of the findings and a report is prepared for the Governor and the General Assembly.

State Fiscal Year of Expenditure	FY 2018	FY 2019	FY 2020
Allegany		X	
Anne Arundel	X		
City of Baltimore		X	
Baltimore County		X	
Calvert	X		
Caroline	X		
Carroll	X		
Cecil	X		
Charles			X
Dorchester			X

Frederick			X
Garrett	X		
Harford		X	
Howard			X
Kent		X	
Montgomery	X		
Prince George's		X	
Queen Anne's		X	
St. Mary's	X		
Somerset			X
Talbot		X	
Washington			X
Wicomico			X
Worcester			X

Engagement Scope, Objectives and Methodology (Continued)

The counties listed below comprise the sample tested for Procedures #9 and #10 in FY 2020. These counties represent approximately 19.70% of the total fund Appropriation. The sample also represents approximately 29.51% of the total number of VFRACs in the State.

	FY 2020 Allocation	% of Total Appropriation	# of VFRACS	% of Total VFRACS
		\$15,000,000.00		366
Charles	\$385,771	2.57%	18	4.92%
Dorchester	\$323,454	2.16%	14	3.83%
Frederick	\$582,967	3.89%	29	7.92%
Howard	\$602,726	4.02%	6	1.64%
Somerset	\$278,064	1.85%	10	2.73%
Washington	\$104,326	0.70%	8	2.19%
Wicomico	\$338,515	2.26%	13	3.55%
Worcester	\$339,169	2.26%	10	2.73%
	\$2,954,991	19.71%	108	29.51%