



MARYLAND EMERGENCY MANAGEMENT AGENCY



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GOVERNOR

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LIEUTENANT GOVERNOR

LINDA L. SINGH
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THE ADJUTANT
GENERAL

RUSSELL J. STRICKLAND
EXECUTIVE DIRECTOR

January 4, 2017

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, 2015

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, 2014 and ending June 30, 2015. 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.
- 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 selected for testing expended Amoss funds for purposes allowed by Section 8-102.
- The volunteer fire companies in all of the counties selected for testing maintained a separate account 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, 2015. The Maryland Emergency Management Agency is pleased to administer the funding for this important program.

Sincerely,

Russell J. Strickland
Executive Director

Cc: Department of Legislative Services

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 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, 2014 and ending June 30, 2015.

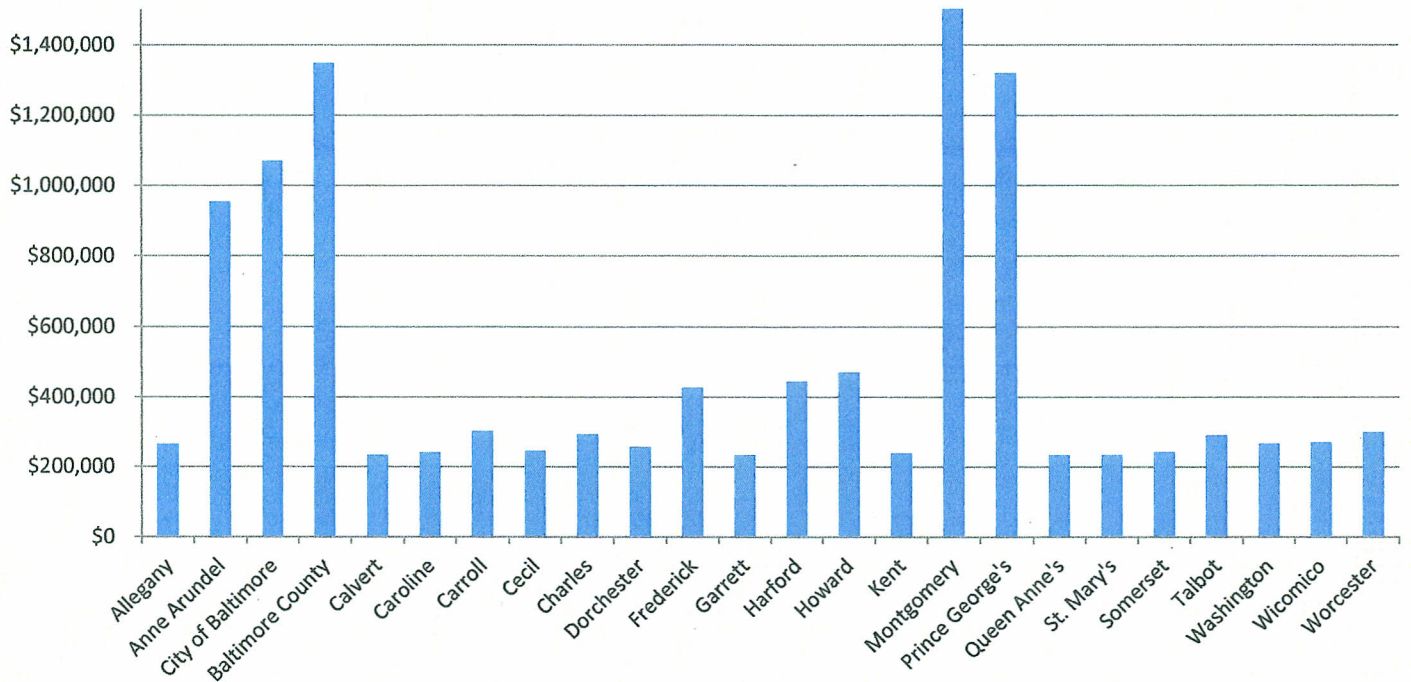
Section 8-105 (b) requires the Director of the Maryland Emergency Management Agency (MEMA) “to report to the Governor and General Assembly on the information provided by the counties on the distribution of money provided under this subtitle, including an assessment of the extent to which the purposes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

Background Information

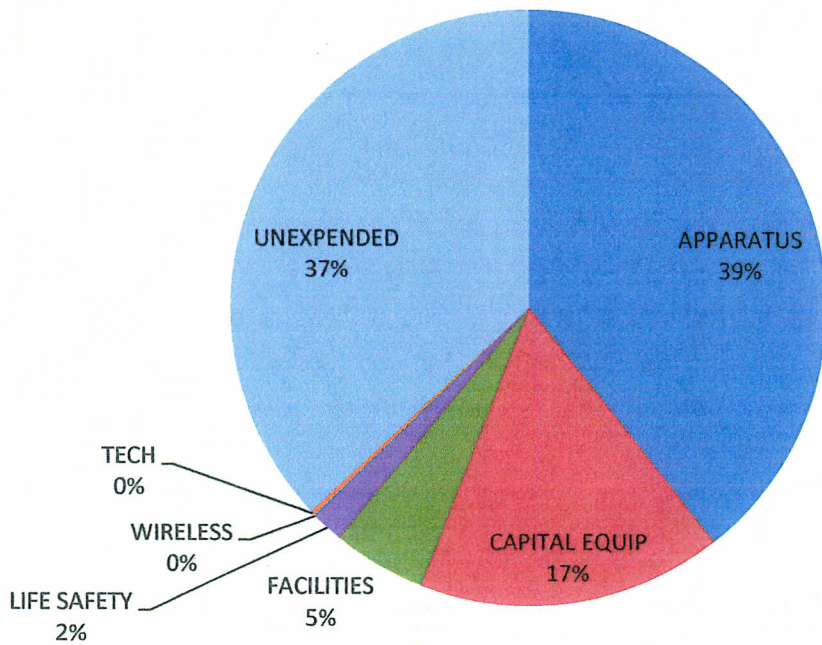
The Amoss fund was established to promote: (1) The delivery of effective and high quality fire protection, rescue, and ambulance services to the citizens of this State; (2) Increased financial support for volunteer fire, rescue, and ambulance companies (VFRACs) by local governments; and (3) the continued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

In fiscal year 2015, the Amoss fund provided grants-in-aid of \$11,700,000 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 on page 2 reports the Amoss funds allocated to each county in fiscal year 2015. The pie chart on page 2 shows the use of funds in fiscal year 2015.

FY15 Actual Expenditures



FY15 AMOSS USE OF FUNDS



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 jurisdiction certified the amount of FPE incurred in fiscal year 2015. 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 FPE for each county. Section 8-104 proscribes the use of a 3 year moving average in order to ascertain achievement of the MOE standard. Effective July 1, 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 the 2 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. Going forward the new 3 year average will be determined based on FY 2015, FY 2016 and FY 2017. Accordingly, no required penalty was assessed in FY 2015.

FY 2015 MAINTENANCE OF EFFORT

County	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	Three Year Average	MOE Achieved?
Allegany	1,475,344			TBD	TBD
Anne Arundel	19,107,719			TBD	TBD
City of Baltimore	12,928,383			TBD	TBD
Baltimore County	11,139,584			TBD	TBD
Calvert	3,696,476			TBD	TBD
Caroline	1,332,300			TBD	TBD
Carroll	11,083,545			TBD	TBD
Cecil	2,677,254			TBD	TBD
Charles	10,872,570			TBD	TBD
Dorchester	1,193,653			TBD	TBD
Frederick	6,907,383			TBD	TBD
Garrett	1,974,483			TBD	TBD
Harford	9,700,793			TBD	TBD
Howard	15,525,143			TBD	TBD
Kent	895,208			TBD	TBD
Montgomery	13,326,247			TBD	TBD
Prince George's	19,563,265			TBD	TBD
Queen Anne's	2,331,630			TBD	TBD
St. Mary's	7,308,365			TBD	TBD
Somerset	810,509			TBD	TBD
Talbot	2,344,736			TBD	TBD
Washington	6,829,300			TBD	TBD
Wicomico	5,990,168			TBD	TBD
Worcester	8,238,302			TBD	TBD
Total	177,252,359	0	0		

Procedure #3

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

Findings and Recommendations:

In FY 2015, 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 of time proscribed in 8-104 (e).

Findings and Recommendations:

As of the date of this report, all counties either expended or encumbered the Amoss funds awarded in FY 2015.

Procedure #5

Determine whether counties 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 counties were compliant in MFIRS reporting for the year ended June 30, 2015.

Procedure #6

Determine whether counties 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 counties were compliant with AIS reporting requirements for the year ended June 30, 2015.

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 as proscribed by formula per 8-103 (b).

Findings and Recommendations:

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

Procedure #9

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 2015 Amoss funds for uses authorized by 8-102 (f).

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, 2015 and is the first year of a new three year cycle. 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 Testing	FY 2016	FY 2017	FY 2018
Period Expenditures were Incurred	YE 6/30/2015	YE 6/30/2016	YE 6/30/2017
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
	24	8	8

Engagement Scope, Objectives and Methodology (Continued)

The counties listed below comprise the sample tested for Procedures #9 and #10 in FY 2015. These counties represent approximately 34% of the total fund allocation. The sample also represents approximately 27% of the total number of VFRACs in the State.

	FY 2015 Allocation	% of Total Appropriation \$11,700,000	No. of VFRACs	% of Total VFRACs 366
Anne Arundel	\$954,167	8%	8	2%
Calvert	\$234,000	2%	8	2%
Caroline	\$240,851	2%	8	2%
Carroll	\$301,854	3%	18	5%
Cecil	\$245,372	2%	11	3%
Garrett	\$234,000	2%	13	4%
Montgomery	\$1,520,763	13%	19	5%
St. Mary's	\$234,000	2%	13	4%
Total	\$3,965,007	34%	98	27%