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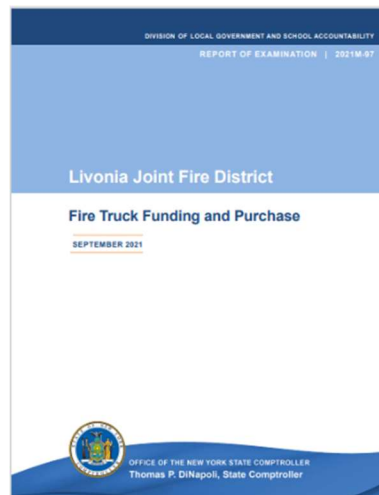
November 2024

Norb Holderle, Chairperson
Members of the Board of Fire Commissioners
Livonia Joint Fire District
4213 South Livonia Road
Livonia, NY 14487

Report Number: 2021M-97-F

Dear Chairperson Holderle and Members of the Board of Fire Commissioners:

One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and to account for and protect their fire district's assets. In accordance with these objectives, we conducted an audit of the Livonia Joint Fire District (District) to assess the Board of Fire Commissioner's (Board) transparency when funding and purchasing fire apparatus. As a result of our audit, we issued a report, dated September 2021,¹ identifying certain conditions and opportunities for District management's review and consideration. The Board consists of five members including the Chairperson.



To further our policy of providing assistance to local governments, we revisited the District on September 11, 2024 to review progress in implementing our recommendations. Our follow-up review was limited to interviews with District personnel and inspection of certain documents related to the issues identified in our report. Based on our limited procedures, the District has made progress implementing some corrective action. Of the five audit recommendations, two recommendations were fully implemented, two recommendations were partially implemented and one recommendation was not implemented.

Recommendation 1 – Establish Policies

The Board should establish budgeting, fund balance and reserve policies.

¹ <https://www.osc.ny.gov/files/local-government/audits/2021/pdf/livonia-fire-district-2021-97.pdf>

Status of Corrective Action: Partially Implemented

Observations/Findings: On April 10, 2023, the Board adopted a written fund balance policy establishing the minimum balance to maintain to ensure sufficient cash flow. However, the Board did not adopt budgeting and reserve policies as the Board felt the policies developed in response sufficiently addressed the recommendation. While the Board adopted a written planning policy in February 2023 which states “The Fire District shall maintain an up-to-date plan for future requirements which may be reviewed and updated at the budget meeting each year and as necessary ...” and mentions saving for future expenditures, it is not sufficient to satisfy the requirements of a budget policy or a reserve policy. The fund balance and planning policies were readopted on January 8, 2024.

Recommendation 2 – Realistic Expenditure Budget Estimates

The Board should include more realistic estimates of expenditures when developing and adopting the annual budgets.

Status of Corrective Action: Not Implemented

Observations/Findings: Through discussion with the Board Chairperson and Secretary-Treasurer and review of the District’s budgeting documents, the Board uses an average of the last three completed years of expenditures for each budget appropriation and adjusts the amount using an agreed upon “inflation factor” to arrive at the next year’s budget appropriation amount. The Board also developed a vehicle replacement plan that estimates the annual amount the District needs to fund the newly established capital reserves (see Recommendation 3) and included a provision in the budget to do so.

Although the Board implemented these procedures, its approach, specifically the inflation factor, needs further adjustment because 2022 and 2023 expenditures were still overestimated by approximately \$347,000. This contributed to unplanned operating surpluses totaling \$567,642. For perspective, the District’s 2024 budget totaled \$1,375,606.

Recommendation 3 – Establish Reserves

The Board should if warranted and after gaining voter approval, establish capital reserves to accumulate funds for future capital equipment purchases.

Status of Corrective Action: Fully Implemented

Observations/Findings: We reviewed Board resolutions and determined that the Board adopted resolutions on October 10, 2022 to establish an apparatus reserve fund and equipment reserve fund and held a public referendum on March 7, 2023. District voters approved the propositions establishing the reserve funds.

Recommendation 4 – Commissioner Training

The Board should ensure that Board members obtain the required training.

Status of Corrective Action: Fully Implemented

Observations/Findings: We determined through review of training completion certificates, that all five Commissioners completed training as required.

Recommendation 5 – Multiyear Plans

The Board should establish multiyear financial and capital plans.

Status of Corrective Action: Partially Implemented

Observations/Findings: Through review of budget documentation provided by the Secretary-Treasurer and discussion with District officials, the Board developed a written multiyear capital plan to save for the replacement of vehicles and equipment which included the creation of capital reserves. However, the Board did not develop a written multiyear financial plan and did not provide a reasonable explanation for not doing so.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage District officials to continue their efforts to fully implement our recommended improvements.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Stephanie Howes, Chief of Municipal Audits of our Rochester Regional Office at 585-454-2460.

Sincerely,

Robin L. Lois
Deputy Comptroller