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May 2026

James Dutton, Chairman
Members of the Board of Fire Commissioners
Caledonia Joint Fire District
3089 Main Street
Caledonia, NY 14423

Report Number: 2024M-102-F

Dear Chairman Dutton and Members of Board of Fire Commissioners:

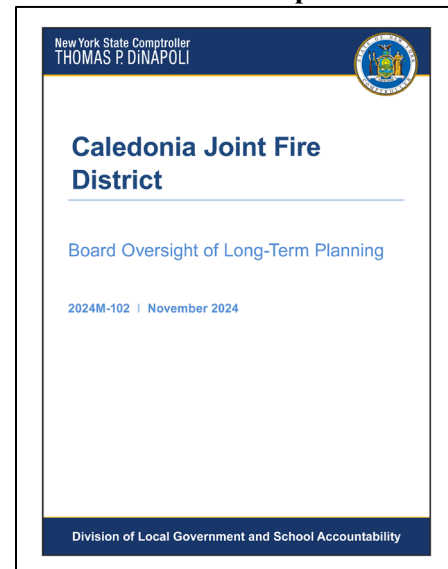
One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term 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 Caledonia Joint Fire District (District) to determine whether the District Board of Fire Commissioners (Board) and District officials properly planned for long-term financial and capital needs. The Board consists of five members (Commissioners) including one who serves as the Chairman.

As a result of our audit, we issued a report, dated November 2024, identifying certain conditions and opportunities for District officials' review and consideration (Figure 1). In response to the audit, the Board filed a corrective action plan (CAP) with our Office in January 2025. The CAP identified the actions the Board planned to take to implement the audit recommendations.

To further our policy of providing assistance to local governments, we met with District officials on November 17, 2025. Our follow-up review was limited to interviews with Commissioners and

Figure 1: Caledonia Joint Fire District 2024 Audit Report



<https://www.osc.ny.gov/files/local-government/audits/2024/pdf/caledonia-joint-fire-district-2024-102.pdf>

the District’s Secretary-Treasurer, inspection of certain documents related to the issues identified in our report and a review of the District’s CAP.¹

Based on our limited procedures, one recommendation was fully implemented and one was partially implemented. Until all recommendations are implemented, the Board cannot ensure the District properly planned for long-term financial and capital needs.

Recommendation 1 – Long-Term Financial and Capital Plans

The Board and District officials should develop, adopt and periodically update comprehensive written long-term financial and capital plans, including a written vehicle and equipment replacement plan, to be used in conjunction with the annual budget process.

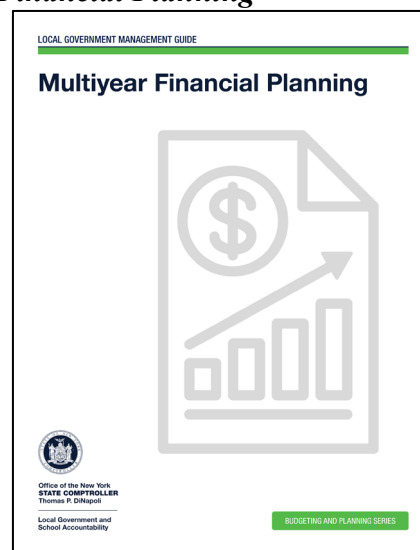
Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District’s CAP stated that “*A Multi Year Capital Planning Policy is being developed...*” which “[*W*]ill be introduced to the Board of Fire Commissioners with formal approval at the August 2025 Commissioners meeting. Following approval of this policy, the plan will be put into a formal document for use in the 2026 Budget. The plan will be monitored and updated periodically.”

Observations/Findings: In July 2025, the Board adopted multiyear financial and capital plans. The capital plan contained a five-year vehicle and equipment replacement schedule totaling \$1.7 million, and identified the funding source for each replacement consisting of \$465,000 in reserve funds and \$1.25 million in debt issuance. The Board also adopted a multiyear capital planning policy to provide guidance on maintaining and improving the plans over time. However, we determined the Board-adopted multiyear financial plan was not comprehensive, as it did not include projected revenues and expenditures, as required by the District’s Board-adopted multiyear financial planning policy, nor did it include a projected analysis of reserves and fund balance, which are necessary components to determine the impact on future property tax levies.

Despite having adopted the multiyear financial planning policy, the Chairman told us the Commissioners did not have a clear understanding of what the multiyear financial plan should include. We provided District officials with available OSC guidance, including the *Local Government Management Guide: Multiyear Financial Planning* (Figure 2).

Figure 2: Local Government Management Guide: Multiyear Financial Planning



<https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf>

¹ See Appendix A for the District’s CAP to the OSC audit report.

Without a comprehensive plan, it is difficult for the Board to make informed decisions about long-term needs and financial management strategies.

Recommendation 2 – Fund Balance Policy

The Board should adopt a written fund balance policy to define the amounts of fund balance, including reserves, that the District should reasonably maintain and provide guidance for funding and using reserves.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated *“The District adopted a written fund balance policy at the December 10, 2024, meeting.”*

Observations/Findings: The Board adopted a fund balance policy in December 2024, which defines the amounts of fund balance the District should maintain and provides guidance on the types of reserve funds the District may establish, along with their purpose. Specifically, the policy states that the District should maintain an unrestricted fund balance between 5 and 10 percent of the current year’s tax levy for unforeseen financial circumstances. According to the policy, the District may, with Board approval, use excess unrestricted fund balance exceeding 10 percent of the current year’s tax levy to fund reserves or to reduce the real property tax levy. As of December 31, 2024, we determined that the District’s unrestricted fund balance totaled \$14,530, or 4 percent of the current year’s tax levy, after the Board approved \$128,963 to fund reserves.

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 Nicole Tomsen, Chief of Municipal Audits of our Statewide Audit Unit, at (716) 847-3647.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

Appendix A – Fire District’s CAP to the OSC Audit Report

**CALEDONIA JOINT FIRE DISTRICT
3089 MAIN STREET
PO BOX 149
CALEDONIA, NY 14423**

January 21, 2025

UNIT NAME: Caledonia Joint Fire District
AUDIT REPORT TITLE: Board Oversight of Long-Term Planning
AUDIT REPORT NUMBER:2024M-102

Audit Recommendation:
Develop, adopt and periodically update comprehensive written long-term financial capital plans, including written vehicle and equipment replacement plans, to be used in conjunction with the annual budget process.

Implementation Plan of Action:

A Multi Year Capital Planning Policy is being developed with the help of [REDACTED]. After completion of the plan, it will be introduced to the Board of Fire Commissioners with formal approval at the August 2025 Commissioners meeting. Following approval of this policy, the plan will be put into a formal document for use in the 2026 Budget. The plan will be monitored and updated periodically.

Implementation Date:
September 1, 2025.

Person Responsible for Implementation:
Board of Fire Commissioners

Audit Recommendation:
Adopt a written fund balance policy to define the amounts of fund balance, including reserves, that the District should reasonably maintain and provide guidance for funding and using reserves.

Implementation Plan of Action:
The District adopted a written fund balance policy at the December 10, 2024, meeting.

Implementation Date:
December 10, 2024

Signed [REDACTED]
James Dutton, Chairman