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February 6, 2015

Mr. Bill Merriam
Chairman of the Board of Commissioners
Belgium Cold Springs Fire District
8435 Loop Road
Baldwinsville, NY 13027

Report Number: S9-14-39

Dear Mr. Merriam:

The Office of the State Comptroller works to help fire district officials improve their operations and provide guidance and services that will assist them in making those improvements. Our goals are to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and account for and protect their entity's assets.

In accordance with these goals, we conducted an audit of 10 fire districts and municipalities throughout New York State. The objective of our audit was to determine if fire districts and municipalities awarded length of service award program (LOSAP) credits accurately. We included the Belgium Cold Springs Fire District (District) in this audit. Within the scope of this audit, we examined the District's LOSAP and supporting documentation and activities of eligible volunteer firefighters for the period January 1, 2012 through December 31, 2013.

This report of examination letter contains our findings specific to the District. We discussed the findings with District officials and considered their comments, which appear in Appendix A, in preparing this report. District officials agreed with our report. At the completion of our audit of the 10 districts and municipalities, we prepared a global report that summarizes the significant issues we identified at all the units audited.

Summary of Findings

We found the District has ensured that volunteer firefighters received accurate "year of firefighting service" credits (LOSAP service credit). The District's point system was consistent with the New York State General Municipal Law (GML) for the activities that awarded points, and the District followed the point system in awarding points to its members.

Background and Methodology

The District is a district corporation and political subdivision of the State, distinct and separate from the Town of Lysander and Onondaga County where it is located. The District provides fire protection and other emergency services in the Town of Lysander and to the neighboring fire districts of Liverpool, Baldwinsville, Lysander, Moyers Corners, Seneca River and Lakeside pursuant to mutual aid agreements. Although District officials have advised us that the District has not established an emergency rescue first aid squad, information on the District's website indicates that the District has two emergency rescue first aid squads and that neither squad operates an ambulance.¹ An elected five-member Board of Fire Commissioners (Board) governs the District and is responsible for overseeing the District's LOSAP.

The District's 2013 budget appropriations totaled approximately \$1,166,000. As of December 31, 2012, the District's LOSAP assets totaled approximately \$606,000. The District's 2012 LOSAP contribution was approximately \$33,000.

When a fire district sponsors a LOSAP, district officials are required to establish a point system that complies with GML. GML establishes the activities that can be included in the point system. One such activity is participation in department responses. Other activities that can be included are training courses, stand-bys and sleep-ins, serving in an elected or appointed position, teaching fire prevention classes, attending certain meetings, drills and certain miscellaneous activities. Although a fire district can select which activities to include in its point system, in most instances GML specifies the number of points that can be granted each time an activity is performed and the maximum number of points that can be earned for performing each activity over the course of a year. However, a fire district is under no obligation to include in its point system every activity specified in GML.

Active volunteer firefighters earning 50 service award points annually must be credited with one year of LOSAP service credit. Points must be granted in accordance with the point system established by the LOSAP sponsor. Annually,² each volunteer fire company is required to submit a list (certified under oath) to the fire district's governing board identifying volunteer firefighters who earned at least 50 points during the preceding year. The governing board is required to review the list and approve the final annual certification, at which time each volunteer firefighter on the list must be awarded one year of LOSAP service credit.

In 1992, the District created a defined contribution LOSAP to facilitate recruitment and retention of active volunteer firefighters by providing them with a pension-like benefit based upon their years of firefighting service to the District. In general, upon reaching entitlement age of 55, participants in the District's LOSAP will receive a lump sum, life annuity or life annuity with survivor benefits. The contribution per member was \$480 per year prior to 2005 and \$700 per year after. The District responded to 189 and 206 fire calls (i.e., calls "other than emergency rescue and first aid squad calls [ambulance calls]") in 2012 and 2013, respectively. The District also responded to 326 and 355 EMS calls (i.e., "emergency rescue and first aid squad [ambulance]" calls) in 2012 and 2013, respectively.

¹ Whether the District properly established these squads is outside the scope of this audit. However, for purposes of this report, we assume that the squads were duly organized.

² On or before March 31

We examined the District's internal controls over its LOSAP and reviewed records and reports for the period January 1, 2012 through December 31, 2013.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and conduct our audit to adequately assess those District operations within our audit scope. Further, those standards require that we understand the District's management controls and those laws, rules and regulations that are relevant to the District's operations included in our scope. An audit includes examining, on a test basis, evidence supporting records for LOSAP-eligible activities and applying such other auditing procedures we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for the findings and conclusions contained in this report. More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

Audit Results

A fire district sponsoring a LOSAP is required to adopt standards and procedures in conformance with GML for administering its LOSAP. The governing board should ensure that complete and accurate records of volunteer firefighters' activities under the point system are prepared and maintained in accordance with its standards and procedures. The District's point system requires that a year of firefighting service shall be credited under a LOSAP for each year after establishment of the program in which an active volunteer firefighter accumulates at least 50 points.

We found the District accurately awarded LOSAP service credit to the members of its fire department. The District's point system was consistent with GML for the activities that awarded points, and the District followed the point system in awarding points to the fire department's members.

We reviewed records for 20 volunteer firefighters of the District's fire department to determine whether the District awarded LOSAP service credit appropriately. We found these volunteer firefighters received the appropriate LOSAP service credit for the scope period.

We commend District officials for their work in establishing and following a good system to award accurate LOSAP service credits.

We thank the officials and staff of the Belgium Cold Springs Fire District for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following page.

Belgium Cold Springs Fire District

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Baldwinsville, New York 13027

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July 21, 2014

Ann Singer, Chief of Statewide Audits
State Office Building
44 Hawley Street
Binghamton, NY 13901-4417

Dear Ms. Singer,

The Board of Fire Commissioners of the Belgium Cold Springs Fire District has received the draft report of the Belgium Cold Springs Fire District's Length of Service Awards Program (LOSAP) audit. We agree with the information reported in your audit findings.

We wish to express our appreciation to the Comptroller's Office for your time and expertise in the review of our LOSAP program. We found the experience to be worthwhile and informative. It is very reassuring to know that the Belgium Cold Springs Fire District's LOSAP point system is in accordance to GML and that the volunteer firefighters are receiving service credit appropriately and accurately.

We commend your staff: [REDACTED] who were very professional and courteous throughout our audit.

If there is anything further that you may require, please do not hesitate to contact me.

Sincerely,

William J. Merriam, Chairman
Board of Fire Commissioners
Belgium Cold Springs Fire District

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To accomplish our objective, we interviewed District officials to gain a better understanding of the control environment at the District. Our steps included the following:

- We reviewed relevant documentation regarding the District's LOSAP, including policies and procedures, bylaws, Board minutes and other documents applicable to our audit objective.
- We tested the District's adopted point system in comparison to GML requirements.
- We compared the District's adopted point system to the District's software system maintained for LOSAP credit and the reports from that software.
- We reviewed and compiled all attendance documentation for a sample of 20 volunteer firefighters at the District for 2012 and 2013.
- We tested the attendance documentation against the software reports and the Board-certified list of volunteer firefighters receiving LOSAP service credit to determine if the volunteer firefighters were receiving LOSAP service credit accurately in accordance with the District's point system and GML.