



Henrietta Fire District

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Office of the New York State Comptroller
Division of Local Government & School Accountability
PSU-CAP Submission
110 State Street, 12th Floor
Albany, New York 12236

By email only to: caps@osc.state.ny.us

RE: Unit Name: Henrietta Fire District
Audit Report Title: Financial Condition
Audit Report Number: 2021M-27

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed.

Audit Recommendation # 1:

The Board should adopt realistic budget estimates of appropriations that are based on available current data and historical or known trends of expenditures.

Implementation Plan of Action:

The Board of Fire Commissioners has adjusted its budget process by shifting its focus to comparing its actual expenditures from year to year, rather than just prior budget figures, in addition to reviewing historical trends. This will ensure that the budget for the following year is more accurate thereby reducing the possibility of ending up with an inflated unassigned fund balance at the end of the budget year.

Implementation Date:

This corrective action has been implemented for the 2022 budget year.

Person Responsible for Implementation:

Board of Fire Commissioners.

Audit Recommendation #2:

Establish written policies and procedures governing the budgeting process which include the amount of fund balance and reserves that the District should reasonably maintain.

Implementation Plan of Action:

Develop a written fund balance and reserve policy to better define the amount of fund balance and reserves to be maintained by the district as part of its budgeting process and identify the purpose(s) for use of such funds.

Implementation Date:

The planned implementation date for the completion and approval of said policy(ies) is on or before September 1, 2022.

Person Responsible for Implementation:

Board of Fire Commissioners

Audit Recommendation #3:

Develop a plan to reduce the amounts of fund balance in a manner that benefits District taxpayers. Surplus funds can be used as a financing source for: funding one-time expenditures; funding needed reserves; paying off debt; reducing property taxes.

Implementation Plan of Action:

This recommendation will be addressed in the fund balance and reserve policy which policy will include specifics on the funding of reserve accounts as well as set a recommended level of unassigned fund balance each year and include guidance on appropriate use of these funds as set forth in response to Recommendation #2.

The District has already taken steps to reduce the amount of its fund balance in the 2022 budget process by using some of these funds to pay off debt and fund its capital reserve accounts.

Implementation Date:

The planned implementation date is on or before September 1, 2022.

Person Responsible for Implementation:

Board of Fire Commissioners

Audit Recommendation #4:

Develop comprehensive multiyear financial and capital plans that set long-term objectives and goals. These plans should be monitored and updated on an ongoing basis.

Implementation Plan of Action:

While the district does have a multi-year financial plan, it will be reviewed and amended so that it utilizes actual operating expenses from previous years. The district will develop a more formalized long-term capital plan to include specific projects and timing for completion of such projects so as to better forecast the district's future funding needs. The multiyear apparatus plan which is already in existence will be reviewed on an annual basis and updated as deemed necessary. Development of these plans will include identification of potential funding sources whenever possible.

Implementation Date:

The planned implementation date is on or before December 31, 2022.

Person Responsible for Implementation:

Board of Fire Commissioners and District Chief

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William C. Heist", with a long, sweeping horizontal line extending to the right.

William C. Heist
Chairman
Henrietta Fire District