

# COMPLIANCE AUDIT

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## Alburtis Firemen's Relief Association

Lehigh County, Pennsylvania  
For the Period  
January 1, 2017 to August 26, 2019

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April 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Mr. Matthew Trexler, President  
Alburtis Firemen's Relief Association  
Lehigh County

We have conducted a compliance audit of the former Alburtis Firemen's Relief Association (relief association) pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code, Act of April 9, 1929, (P.L. 343, No. 176), and mandated by the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010 (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, for the period January 1, 2017 to August 26, 2019.

The objective of the audit was to determine if the former relief association complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds. Our audit was limited to the areas related to the objective identified above and was not required to be and was not conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief funds complies with applicable state laws, contracts, bylaws, and administrative procedures, including the safeguarding of assets. Relief association officers are responsible for complying with applicable state laws, contracts, bylaws, and administrative procedures. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

We were not able to obtain copies of canceled or imaged checks from the former relief association. While the former relief association provided bank statements, the former relief association failed to provide copies of canceled or imaged checks. Without copies of canceled or imaged checks, we were not able to determine whether two former relief association officers authorized and signed the checks as required by Act 118.

Based on our audit procedures, we conclude that, except for the effects, if any, of the matter described in the preceding paragraph, for the period January 1, 2017 to August 26, 2019, the former relief association, in all significant respects, complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds.

In addition, as of August 26, 2019, the former relief association completed the process of dissolution and was merged into the Wescosville Volunteer Firemen's Relief Association. Consequently, all remaining monetary assets and equipment were transferred to the Wescosville Volunteer Firemen's Relief Association.

The supplementary financial information contained in this report is presented for purposes of additional disclosure and analysis. We performed only limited procedures on the supplementary financial information and, accordingly, express no form of assurance on it.

The contents of this report were discussed with the management of the former relief association. We would like to thank former relief association officials for the cooperation extended to us during the conduct of the audit.

April 14, 2020



EUGENE A. DEPASQUALE  
Auditor General

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## BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code, Act of April 9, 1929, (P.L. 343, No. 176), and the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010, (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, the Department of the Auditor General's duty is to audit the accounts and records of every volunteer firefighters' relief association to determine that funds received under the Foreign Fire Insurance Tax Distribution Law, Act of December 18, 1984, (P.L. 1005, No. 205), as amended, 53 P.S. § 895.701 *et seq.* (commonly referred to as Act 205), are properly expended.

The former relief association was a charitable organization that was formed primarily to afford financial protection to volunteer firefighters and to encourage individuals to participate in volunteer fire service.

Act 118 governs the overall operation of volunteer firefighters' relief associations. Relief association bylaws define the specific operational procedures by which relief associations conduct business. To fulfill its primary purpose, Act 118 authorizes specific types of expenditures and prescribes appropriate volunteer firefighters' relief association investment options. Within the parameters established by Act 118, it is the responsibility of relief associations to choose investments in a proper and prudent manner.

Volunteer firefighters' relief associations receive public tax monies, and the association officers therefore have a responsibility to the public to conduct the association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the association operates in accordance with applicable state laws, contracts, bylaws and administrative procedures.

Act 205 sets forth the computation of the Foreign Fire Insurance Tax Distribution paid to each applicable municipality throughout the Commonwealth of Pennsylvania. The amount of the distribution is based upon the population of each municipality and the market value of real estate within the municipality. Upon receipt of this distribution, the municipality must allocate the funds to the volunteer firefighters' relief association of the fire service organization or fire service organizations that is or are recognized as providing the service to the municipality.

**BACKGROUND – (Continued)**

The former relief association was allocated state aid from the following municipalities:

<u>Municipality</u>	<u>County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Alburtis Borough	Lehigh	\$12,949	\$12,002	**
Lower Macungie Township	Lehigh	\$19,012	*	**

\* During the current audit period, the former relief association did not receive an allocation of state aid from Lower Macungie Township in 2018. Municipalities have sole discretion to distribute their annual allocation of state aid received to any relief association providing fire service to the municipality.

\*\*As of August 26, 2019, the former relief association dissolved its organization. Thereafter, it did not receive any further state aid allocations. (See Supplementary Financial Information)

The volunteer firefighters’ relief association and the affiliated fire service organization are separate, legal entities. The former relief association was affiliated with the following fire service organization:

Alburtis Fire Company

ALBURTIS FIREMEN'S RELIEF ASSOCIATION  
SUPPLEMENTARY FINANCIAL INFORMATION  
CASH AND INVESTMENT BALANCES  
AS OF AUGUST 26, 2019

Cash and Investments	<u>\$</u> <u>0</u>
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ALBURTIS FIREMEN’S RELIEF ASSOCIATION  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 SUMMARY OF EXPENDITURES  
 FOR THE PERIOD JANUARY 1, 2017 TO AUGUST 26, 2019

Expenditures:

Benefit Services:	
Insurance premiums	\$ 5,275
Fire Services:	
Equipment purchased	\$ 77,025
Equipment maintenance	15,360
Training expenses	355
Total Fire Services	\$ 92,740
Administrative Services:	
Other administrative expenses	\$ 212
Bond premiums	500
Total Administrative Services	\$ 712
Other Expenditures:	
Payments on loan	\$ 23,602
Transfer of monetary assets*	15,662
Total Other Expenditures	\$ 39,264
Total Expenditures	\$ 137,991

\* Transfer of Monetary Assets/Dissolution of Relief Association.

As of August 26, 2019, the former relief association completed the process of dissolution and was merged into the Wescosville Volunteer Firemen’s Relief Association. Consequently, all remaining monetary assets and equipment were transferred to the Wescosville Volunteer Firemen’s Relief Association. Due to the dissolution of the former relief association, we are providing officials of Wescosville Volunteer Firemen’s Relief Association copies of this report.



ALBURTIS FIREMEN'S RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania

Alburtis Firemen's Relief Association Governing Body:

**Mr. Matthew Trexler**  
President

**Mr. Randy Trexler**  
Vice President

**Ms. Laura Miller**  
Secretary

**Mr. Joshua Houck**  
Treasurer

Wescosville Volunteer Firemen's Relief Association Governing Body:

**Mr. Andrew M. Miller**  
President

**Mr. Joshua Houck**  
Vice President

**Mr. James W. Van Wert**  
Secretary

**Mr. John Gagliardo**  
Treasurer

ALBURTIS FIREMEN'S RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

The following municipalities allocated foreign fire insurance tax monies to the former relief association and received a copy of this report:

**Ms. Sharon Trexler**  
Secretary  
Alburtis Borough

**Ms. Renea Flexer**  
Secretary  
Lower Macungie Township

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).