

# COMPLIANCE AUDIT

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## Hampton Fire Company Fireman's Relief Association

Adams County, Pennsylvania

For the Period

January 1, 2018 to September 4, 2019

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January 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Mr. Gary Bullock, President  
Hampton Fire Company Fireman's  
Relief Association  
Adams County

We have conducted a compliance audit of the former Hampton Fire Company Fireman'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, 2018 to September 4, 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.

Based on our audit procedures, we conclude that, for the period January 1, 2018 to September 4, 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 September 4, 2019, the former relief association completed the process of dissolution and merged into United Hook & Ladder Company #33 Relief Association. Consequently, all remaining monetary assets and equipment were transferred to the United Hook & Ladder Company #33 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.

January 23, 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>2018</u>
Hamilton Township	Adams	\$ 3,811
Reading Township	Adams	\$12,729
Tyrone Township	Adams	\$ 487

\*\*As of September 4, 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:

Hampton Fire Company

HAMPTON FIRE COMPANY FIREMAN'S RELIEF ASSOCIATION  
SUPPLEMENTARY FINANCIAL INFORMATION  
CASH BALANCE  
AS OF SEPTEMBER 4, 2019

Cash	<u>\$ -</u>
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HAMPTON FIRE COMPANY FIREMAN'S RELIEF ASSOCIATION  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 SUMMARY OF EXPENDITURES  
 FOR THE PERIOD JANUARY 1, 2018 TO SEPTEMBER 4, 2019

Expenditures:

Benefit Services:	
Insurance premiums	\$ 3,035
Fire Services:	
Equipment purchased	\$ 29,029
Equipment maintenance	2,933
Training expenses	3,269
Total Fire Services	\$ 35,231
Administrative Services:	
Bond premiums	\$ 100
Other Expenditures:	
Transfer of monetary assets *	\$ 2,324
Total Expenditures	\$ 40,690

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

As of September 4, 2019, the former relief association completed the process of dissolution and merged into United Hook & Ladder Company #33 Relief Association. Consequently, all remaining monetary assets and equipment were transferred to the United Hook & Ladder Company #33 Relief Association. Due to the dissolution of the former relief association, we are providing officials of United Hook & Ladder Company #33 Relief Association copies of this report.



HAMPTON FIRE COMPANY FIREMAN'S RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

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

Hampton Fire Company Fireman's Relief Association Governing Body:

**Mr. Gary Bullock**  
President

**Ms. Elizabeth Trimmer**  
Treasurer

United Hook & Ladder Company #33 Relief Association Governing Body:

**Mr. Ken Kuhn**  
President

**Mr. Shawn Berkebile**  
Vice President

**Ms. Heather Viands**  
Secretary

**Mr. Kevin Moul**  
Treasurer

HAMPTON FIRE COMPANY FIREMAN'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. Kelly Stonemetz**  
Secretary  
Hamilton Township

**Ms. Kimberly Beard**  
Secretary  
Reading Township

**Ms. Nancy Black**  
Secretary  
Tyrone 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).