

COMPLIANCE AUDIT

Robert Fulton Firemen's Relief Association, Lancaster County, Pennsylvania For the Period January 1, 2021, to December 31, 2024

March 2026



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Mr. Kristopher Schwerin, Jr., President
Robert Fulton Firemen's Relief Association,
Lancaster County, Pennsylvania

We have conducted a compliance audit of the Robert Fulton Firemen's Relief Association, Lancaster County, Pennsylvania (relief association) for the period January 1, 2021, to December 31, 2024. The audit was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania; Section 403 of The Fiscal Code, 72 P.S. § 403; and the Volunteer Firefighters' Relief Association Act ("VFRA Act"), see 35 Pa.C.S. § 7418.

The objectives of the audit were:

1. To determine if the relief association took appropriate corrective action to address the findings contained in our prior audit report.
2. To determine if the 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 objectives identified above and was not, nor was it required to be, 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 association 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, 2021, to December 31, 2024:

- The relief association took appropriate corrective action to address two of the three findings contained in our prior audit report. However, the relief association failed to take appropriate corrective action to address the one remaining finding contained in our prior audit report, as listed below, and discussed in the Status of Prior Findings section of this report.
- The 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, except as noted in the findings listed below and discussed later in this report.

Finding No. 1 – Noncompliance With Prior Audit Recommendation –
Undocumented Expenditures

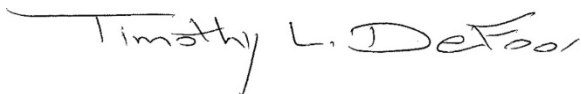
Finding No. 2 – Inadequate Internal Controls

Finding No. 3 – Inadequate Minutes Of Meetings

Finding No. 4 – Failure To Maintain A Complete And Accurate Membership
Roster

We are concerned by the number of findings noted and strongly encourage timely implementation of the recommendations noted in this audit report.

The contents of this report were discussed with the management of the relief association and, where appropriate, their responses have been included in the report. We would like to thank the relief association officials for the cooperation extended to us during the conduct of the audit.



Timothy L. DeFoor
Auditor General
March 2, 2026

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BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania,¹ Section 403 of The Fiscal Code,² and the Volunteer Firefighters' Relief Association Act ("VFRA Act"),³ 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, commonly referred to as Act 205,⁴ are properly expended.

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

The VFRA Act 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, the VFRA Act authorizes specific types of expenditures and prescribes appropriate volunteer firefighters' relief association investment options. Within the parameters established by the VFRA Act, 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 relief association officers therefore have a responsibility to the public to conduct the relief association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all relief association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the relief 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.

¹ Pa. Const. Art. VIII § 10.

² 72 P.S. § 403.

³ 35 Pa.C.S. § 7411 *et seq.*

⁴ 53 P.S. § 895.701 *et seq.*

BACKGROUND – (Continued)

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

<u>Municipality</u>	<u>County</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Drumore Township	Lancaster	\$ 5,965	\$ 7,271	\$ 7,213	\$ 7,331
East Drumore Township	Lancaster	\$ 7,266	\$ 9,093	\$ 9,084	\$ 9,210
Fulton Township	Lancaster	\$17,112	\$22,190	\$19,764	\$20,157*
Little Britain Township	Lancaster	\$20,301	\$25,132	\$24,762	\$25,247

* Although Fulton Township prepared and returned a Certification Form AG 385 for 2024, Fulton Township failed to complete the 2024 Receipt And Distribution Of Foreign Fire Insurance Premium Tax Form 706-B online as required by the instructions accompanying Form 706-B and the instructions accompanying the 2024 state aid allocation.

Fulton Township is required to complete a 2024 Receipt And Distribution Of Foreign Fire Insurance Premium Tax Form 706-B online within the Department of Community & Economic Development’s Municipal Statistics website (MunStats) immediately.

Based on the relief association’s records, its total cash as of December 31, 2024, was \$128,896, as illustrated below:

Cash	<u>\$ 128,896</u>
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BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period January 1, 2021, to December 31, 2024, were \$176,458, as noted below. The accuracy of these expenditures was evaluated as part of the Department’s audit to conclude on the relief association’s compliance 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.⁵ **The scope of the Department’s audit does not include the issuance of an opinion on the accuracy of these amounts.**

Expenditures:

Benefit Services:

Insurance premiums	<u>\$ 15,665</u>
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Fire Services:

Equipment purchased	\$ 97,328
Equipment maintenance	39,904
Training expenses	20,162
Fire prevention materials	<u>1,117</u>
Total Fire Services	<u>\$ 158,511</u>

Administrative Services:

Bond premiums	\$ 355
Other administrative expenses	<u>48</u>
Total Administrative Services	<u>\$ 403</u>

Other Expenditures:

Undocumented expenditures (See Finding No. 1)	<u>\$ 1,879</u>
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Total Expenditures	<u><u>\$ 176,458</u></u>
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The volunteer firefighters’ relief association and the affiliated fire service organizations are separate, legal entities. The relief association is affiliated with the following fire service organizations:

Robert Fulton Fire Company

Robert Fulton Fire Company Relief Auxiliary

⁵ Accuracy was evaluated for a selection of transactions based on dollar amount, category, and/or random selection.

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
STATUS OF PRIOR FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

The relief association has complied with two of the three prior audit findings and recommendations, as follows:

- Unable To Provide Appropriate Ownership Of Rescue Vehicle

By ensuring the title of the rescue vehicle was transferred to the relief association.

- Failure To Secure Ownership Interest In Jointly Purchased Equipment

By executing a formal, written agreement with the affiliated fire company that adequately secures the relief association's proportional ownership interest in the jointly purchased equipment.

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has not complied with one of the three prior audit findings. This finding is noted below and discussed in detail in the Findings and Recommendations section of this report:

- Undocumented Expenditures

Although the relief association received reimbursement of \$784 from the affiliated fire company for the undocumented expenditure made in the prior audit period, the relief association again failed to provide adequate documentation to support all expenditures in the current audit period as further disclosed in Finding No. 1 of this report.

We are concerned by the relief association's failure to correct this previously reported audit finding. The relief association management should strive to implement the recommendation and corrective action noted in this audit report.

ROBERT FULTON FIREMEN’S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Undocumented Expenditures

Condition: The relief association was unable to provide adequate supporting documentation for the following expenditures made during the current audit period:

<u>Date</u>	<u>Check No.</u>	<u>Payee Description</u>	<u>Amount</u>
06/21/21	2342	Training vendor	\$ 879
11/20/22	2397	Training vendor	1,000
Total			<u>\$ 1,879</u>

A similar condition was noted in our prior audit report.

Criteria: Section 7418(a) of the VFRA Act states:

The Office of Auditor General shall have the power and its duty shall be to audit the accounts and records of every volunteer firefighters’ relief association receiving money under Chapter 7 of the Act of December 18, 1984 (P.L. 1005, No. 205), known as the Municipal Pension Plan Funding Standard and Recovery Act, as far as may be necessary to satisfy the Auditor General that the money received was or is being expended for no purpose other than that authorized by this subchapter. Copies of all audits shall be furnished to the Governor.

Prudent business practice dictates that supporting documentation be maintained to evidence the propriety of all financial transactions.

Cause: The relief association officials stated they were unable to locate the invoices associated with these expenditures.

Effect: Due to a lack of supporting documentation, such as an invoice or itemized receipt, determination as to whether the expenditures were made in accordance with Section 7416(f) of the VFRA Act could not be made. In addition, failure to maintain adequate supporting documentation for relief association expenditures can lead to an increased risk of errors occurring and funds being misappropriated. Furthermore, because of stipulations within the VFRA Act, failure to obtain supporting documentation for or reimbursement of the undocumented expenditures may result in a withholding of future state aid allocations.

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Recommendation: We again recommend that the relief association provide this Department with adequate supporting documentation, such as an invoice or itemized receipt, to evidence the propriety of the expenditures or that the relief association be reimbursed \$1,879 for the undocumented, and potentially unauthorized, expenditures. All supporting documentation verifying the expenditure or reimbursement for the undocumented expenditures should be submitted by the relief association to: Department of the Auditor General, Bureau of Fire Relief Audits, Room 316-E Finance Building, Harrisburg, PA 17120. We also recommend that the relief association maintain supporting documentation for all future expenditures. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's Response: Relief association management agreed with the finding as presented at the audit exit conference. As a result of our audit, on June 6, 2025, the affiliated fire company reimbursed the relief association \$1,879 for the undocumented expenditures.

Auditor's Conclusion: We reviewed documentation verifying the receipt and deposit of the \$1,879 reimbursement from the affiliated fire company. Compliance with maintaining appropriate documentation for expenditures made during the next audit period will be subject to verification.

Finding No. 2 – Inadequate Internal Controls

Condition: The relief association failed to establish adequate policies and procedures related to certain financial transactions. The following conditions noted during the current audit period are indicative of internal control weaknesses:

- No policy relating to the use of electronic payments.
- Checks are not issued in sequential order.
- No policy regarding investigation of outstanding checks.

Criteria: Section 7415(a) of the VFRA Act states:

A volunteer firefighters' relief association may be a body corporate, governed by a charter and bylaws or an unincorporated association of individuals governed by bylaws and a constitution. In either case, it must provide for taking and preserving minutes of all meetings and maintenance of such books of account as may be necessary and appropriate to afford a permanent record of its fiscal affairs.

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Cause: The relief association officials did not provide a reason why appropriate internal controls related to these conditions were not in place.

Effect: Failure to establish adequate internal controls prevents the relief association from adequately safeguarding its assets. Furthermore, the lack of effective internal controls places the relief association assets and funds at greater risk for misappropriation.

Recommendation: We recommend that the relief association officials adopt internal control policies and procedures related to the following:

- Electronic payment of expenditures.
- Sequential use of relief association checks.
- Investigation of outstanding checks.

For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION.

Management Response: Relief association management agreed with the finding as presented at the audit exit conference and indicated they will take action to comply with the recommendation.

Auditor's Conclusion: Compliance will be subject to verification during the next audit.

Finding No. 3 – Inadequate Minutes Of Meetings

Condition: The relief association failed to maintain detailed minutes of meetings as required by the VFRA Act and the relief association's bylaws. Specifically, the relief association's minutes did not address all financial-related transactions that occurred during the audit period. Of the 33 transactions tested during the audit period, 26 transactions could not be traced to approval in the meeting minutes. In addition, the meeting minutes were not signed and dated by the recording officer.

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

Criteria: Section 7415(a) of the VFRA Act states, in part, that the relief association:

. . . must provide for taking and preserving minutes of all meetings and maintenance of such books of account as may be necessary and appropriate to afford a permanent record of its fiscal affairs.

In addition, Article XI of the relief association's bylaws states:

All transactions of purchase and the payment of expenditures and investments of funds and the sales of investments must be approved by the body. All expenditures must be verified by a receipt.

In addition, prudent business practice dictates that the relief association officials should ensure that meeting minutes are signed and dated by the recording officer.

Cause: The relief association officials stated they were unaware of the documentation requirements for meeting minutes.

Effect: Without detailed minutes of meetings, that address all financial-related transactions and that are signed and dated by the recording officer, there is insufficient evidence that relief association business was documented and presented before the membership for approval.

Recommendation: We recommend that the relief association officials maintain detailed minutes of meetings as required by the VFRA Act, evidencing the discussion and approval of all financial-related business conducted by the relief association. We also recommend that the relief association officials ensure that all meeting minutes are signed and dated by the recording officer to ensure the validity of the meeting minutes. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management Response: Relief association management agreed with the finding as presented at the audit exit conference and indicated they will take action to comply with the recommendation.

Auditor's Conclusion: Compliance will be subject to verification during the next audit.

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 4 – Failure To Maintain A Complete And Accurate Membership Roster

Condition: The relief association officials did not maintain a complete and accurate roster of relief association members. Although a membership roster was provided for audit, the roster was incomplete and did not contain the names of each member, address, dates of birth, or dates of membership.

Criteria: Relief association officials should maintain a complete and accurate roster of all current and former relief association's members who qualify for relief association benefits.

Prudent business practice dictates that a comprehensive roster of all relief association members should include the following, at a minimum:

- Names of each member
- Members' mailing addresses
- Members' date of birth
- Dates of memberships (start date and resignation or date of death)
- Membership classification, if applicable

Cause: Relief association officials stated there was a lack of communication between the officers and the membership chair and therefore, the membership roster was not kept up to date.

Effect: Failure to maintain a comprehensive membership roster could result in the payment of benefits to nonmembers or exclude eligible relief association members from receiving authorized benefits.

Recommendation: We recommend that the relief association officials compile and maintain a complete and accurate roster of all current and former relief association's members. For additional guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management Response: Relief association management agreed with the finding as presented at the audit exit conference and indicated they will take action to comply with the recommendation.

Auditor's Conclusion: Compliance will be subject to verification during the next audit.

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Robert Fulton Firemen's Relief Association, Lancaster County, Pennsylvania Governing Body:

Mr. Kristopher Schwerin, Jr.
President

Mr. Rob Sample
Vice President

Mr. Michael L. Urbanik
Treasurer

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

Ms. Sharon H. Roth
Secretary
Drumore Township

Ms. Kerri Kreider
Secretary
East Drumore Township

Ms. Amanda L. Olenick
Secretary
Fulton Township

Ms. Margaret DeCarolis
Secretary
Little Britain Township

ROBERT FULTON FIREMEN'S RELIEF ASSOCIATION,
LANCASTER COUNTY, PENNSYLVANIA
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