

COMPLIANCE AUDIT

Center Township Volunteer Firefighter's Relief Association Greene County, Pennsylvania For the Period January 1, 2022, 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. Jordan Cooke, President
Center Township Volunteer Firefighter's
Relief Association
Greene County

We have conducted a compliance audit of the Center Township Volunteer Firefighter's Relief Association (relief association) for the period January 1, 2022, 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, 2022, to December 31, 2024:

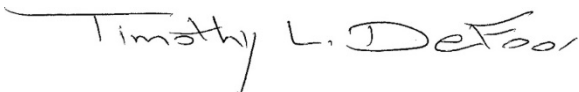
- The relief association took appropriate corrective action to address two of the three findings contained in our prior audit report. However, the relief association failed to take appropriate corrective action to address the one remaining finding contained in our prior audit report, as listed below, 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 –
Erroneous Deposit Of Grant Funds

Finding No. 2 – Unauthorized Expenditure

Finding No. 3 – Failure To Update Relief Association Bylaws

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 3, 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>2022</u>	<u>2023</u>	<u>2024</u>
Center Township	Greene	\$13,358	\$12,868	\$12,567
Jackson Township	Greene	\$ 2,318	\$ 2,328	\$ 2,290

Based on the relief association’s records, its total cash and investments as of December 31, 2024, were \$68,289, as illustrated below:

Cash	\$ 40,153
Fair Value of Investments	<u>28,136</u>
Total Cash and Investments	<u>\$ 68,289</u>

BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period January 1, 2022, to December 31, 2024, were \$106,442, 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	\$ 2,384
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Fire Services:

Equipment purchased	\$ 63,146
Equipment maintenance	20,943
Training expenses	3,179
Total Fire Services	<u>\$ 87,268</u>

Administrative Services:

Bond premiums	\$ 1,023
Other administrative expenses	1,973
Total Administrative Services	<u>\$ 2,996</u>

Other Expenditures:

Unauthorized expenditure – See Finding No. 2	\$ 1,687
Miscellaneous – See Finding No. 1	12,107
Total Other Expenditures	<u>\$ 13,794</u>

Total Expenditures	<u><u>\$ 106,442</u></u>
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The volunteer firefighters’ relief association and the affiliated fire service organization are separate, legal entities. The relief association is affiliated with the following fire service organization:

Center Township Volunteer Fire Department

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

CENTER TOWNSHIP VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
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:

- Undocumented Expenditure

By providing adequate documentation to evidence the propriety of the undocumented expenditure made in the prior audit period.

- Failure To Maintain A Complete And Accurate Equipment Roster

By maintaining a cumulative equipment roster of all relief association owned equipment.

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

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

- Erroneous Deposit Of Grant Funds

Although the relief association returned the erroneous grant funds that were received in the prior audit period, the relief association again failed to prevent an erroneous deposit of grant funds 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 recommendations and corrective actions noted in this audit report.

CENTER TOWNSHIP VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No.1 – Noncompliance With Prior Audit Recommendation – Erroneous Deposit Of Grant Funds

Condition: On June 8, 2023, \$12,107 in grant funds designated for the affiliated fire department's were erroneously deposited directly into the relief association's checking account.

A similar condition was noted in our prior audit report.

Criteria: In order to maintain effective control of its monetary assets, funds of the affiliated fire company should not be commingled with relief association funds. Specifically, adequate accounting and internal controls should include procedures to prevent erroneous deposits of affiliated fire company grant funds into the relief association's bank account.

Cause: The relief association officials stated that the grant funds were again deposited directly by the funding source into the relief association's bank account in error.

Effect: Failure to establish adequate internal controls to prevent commingling of relief association and affiliated fire company funds could result in inappropriate use of the funds or errors when transferring the funds to the affiliated fire company.

Recommendation: We recommend that the grant funding be returned to the funding source. We further recommend that the relief association officials contact the funding source and request removal of the relief association's bank account information as it relates to the grant funding.

Management Response: Relief association management agreed with the finding as presented at the audit exit conference. On August 25, 2023, the relief association returned the \$12,107 grant funds to the funding source.

Auditor's Conclusion: We reviewed documentation supporting the return of the grant funds to the funding source. However, we recommend that relief association officials contact the funding source promptly to ensure the bank account information is removed from the funding records. Compliance will be subject to verification during the next audit period.

Finding No. 2 – Unauthorized Expenditure

Condition: During the current audit period, the relief association incurred an expenditure of \$1,687 for repairs to an affiliated fire company owned rescue truck. This expenditure is not authorized under the VFRA Act.

CENTER TOWNSHIP VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Criteria: Section 7416(f) of the VFRA Act states:

The funds of any volunteer firefighters' relief association may be spent:

- (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.

- (11) To purchase safeguards for preserving life, health and safety of volunteer firefighters to ensure their availability to participate in the volunteer fire service, including necessary training.

In addition, Section 7418(b) of the VFRA Act states:

- (b) Findings -- If the Auditor General finds that money received by a volunteer firefighters' relief association has been expended for a purpose other than one authorized by this subchapter, the commissioner, upon receiving notice of the finding from the auditor general, shall decline to approve payment to the volunteer firefighters' relief association until the improperly expended amount has been reimbursed to the relief association fund.

Costs associated with payment of repairs to an affiliated fire company owned rescue truck do not qualify as an authorized volunteer firefighters' relief association expenditure; consequently, this expenditure is not authorized under the VFRA Act.

Cause: The relief association officials indicated that they were unaware that the aforementioned expenditure was not authorized by the VFRA Act.

Effect: As a result of the unauthorized expenditure, relief association funds were not available for investment purposes or for expenditures authorized by the VFRA Act. In addition, because of stipulations within the VFRA Act, failure to obtain reimbursement of the unauthorized expenditure may result in a withholding of future state aid allocations until the monies related to the unauthorized expenditure identified in the finding have been reimbursed to the relief association.

CENTER TOWNSHIP VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Recommendation: We recommend that the relief association is reimbursed \$1,687 for the unauthorized expenditure and that relief association officials become familiar with Section 7416(f) of the VFRA Act to aid them in determining the propriety of future expenditures. 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, as a result of our audit, the relief association was reimbursed \$1,687 by the affiliated fire company.

Auditor's Conclusion: We reviewed documentation verifying the receipt and deposit of the \$1,687 reimbursement received from the affiliated fire company. Compliance with authorized expenditures made during the next audit period will be subject to verification.

Finding No. 3 – Failure To Update Relief Association Bylaws

Condition: During the prior audit period, a verbal observation was communicated to the relief association indicating that the existing bylaws contain outdated language related to conducting business based on Act 84 of June 11, 1968, rather than the VFRA Act.

Criteria: Prudent business practice dictates that the relief association should update its bylaws to ensure that the relief association conducts its affairs in compliance with the VFRA Act.

Cause: The relief association officials did not provide a reason why it has not updated its bylaws to comply with the VFRA Act.

Effect: As a result of the relief association not updating its bylaws, the relief association may not have conducted its affairs in compliance with the VFRA Act.

Recommendation: We recommend that the relief association officials review and update the bylaws governing its organization and establish guidelines and procedures to ensure compliance with the VFRA Act. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

CENTER TOWNSHIP VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

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.

CENTER TOWNSHIP VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Center Township Volunteer Firefighter's Relief Association Governing Body:

Mr. Jordan Cooke
President

Mr. John Henderson
Vice President

Mr. Davin Sweeney
Secretary

Mr. John W. Orndoff
Treasurer

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

Ms. N. Dawn Horr
Secretary
Center Township

Ms. Alysha Kiger
Secretary
Jackson Township

This report is a matter of public record and is available online at 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.