

LIMITED PROCEDURES ENGAGEMENT

Central Fire Company Relief Association of Laureldale, Pa. Berks County, Pennsylvania For the Period January 1, 2022, to December 31, 2024

August 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Ms. Cheyanne King, President
Central Fire Company Relief
Association of Laureldale, Pa.
Berks County

We have conducted a Limited Procedures Engagement (LPE) of the Central Fire Company Relief Association of Laureldale, Pa. (relief association) for the period January 1, 2022, to December 31, 2024. The LPE 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 LPE were to determine if the relief association expended funds for authorized purposes and received and deposited state aid funds per the requirements of the VFRA Act and Act 205 of 1984. The scope of our engagement primarily focused on tests of documentary evidence supporting the financial transactions recorded by the relief association for a selection of transactions occurring within the LPE review period. The procedures we performed are summarized below.

- Determined the number and amount of expenditures made by the relief association by reviewing its accounting journals, ledgers, and custodial accounts, as applicable. The relief association expended \$41,770 during the LPE period.
- Tested expenditure transactions made during the LPE period totaling \$13,677 by reviewing documentation including bank statements, cancelled checks, invoices, receipts, and meeting minutes to determine if expenditures were made in accordance with state law, and where applicable, contracts, bylaws, and administrative procedures.
- Interviewed relief association officials concerning relief association operations and transactions.
- Verified that the correct amount of state aid was timely deposited into the relief association's account by reviewing deposit slips, state aid forms, and/or bank statements.

The LPE was not, nor was it required to be, conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

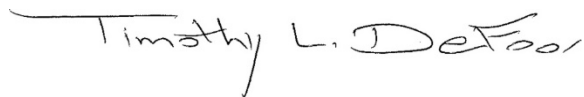
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative 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 the evidence obtained provides a reasonable basis to support our LPE results.

Based on the results of the procedures performed during our LPE, nothing came to our attention indicating that the relief association expended funds in an unauthorized manner or failed to deposit state aid funds appropriately.

The accompanying schedules included with the background information are presented for purposes of additional analysis. The schedules are not the subject of this engagement; however, certain line items are covered within the scope of the engagement procedures and resulting conclusion.

Our determination to perform an LPE for this engagement period does not preclude the Department from conducting a compliance audit of the relief association in subsequent periods. The relief association should continue to maintain comprehensive documentation.

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

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style.

Timothy L. DeFoor
Auditor General
July 23, 2025

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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 municipality:

<u>Municipality</u>	<u>County</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Laureldale Borough	Berks	\$21,507	\$21,542	\$21,790 *

* Although Laureldale Borough (Borough) prepared and returned a Certification Form AG 385 for 2024, the Borough 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 received by the Borough.

Laureldale Borough 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 \$55,276, as illustrated below:

Cash	<u>\$ 55,276</u>
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Based on the relief association's records, its total expenditures for the period January 1, 2022, to December 31, 2024, were \$41,770, as noted below:

Expenditures:

Benefit Services:	
Insurance premiums	<u>\$ 11,059</u>
Fire Services:	
Equipment purchased	\$ 17,179
Equipment maintenance	8,612
Training expenses	<u>4,170</u>
Total Fire Services	<u>\$ 29,961</u>
Administrative Services:	
Bond premiums	<u>\$ 750</u>
Total Expenditures	<u><u>\$ 41,770</u></u>

BACKGROUND – (Continued)

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:

Central Fire Company #1 of Laureldale, Pa.

CENTRAL FIRE COMPANY RELIEF ASSOCIATION OF LAURELDALE, PA.
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Central Fire Company Relief Association of Laureldale, Pa. Governing Body:

Ms. Cheyanne King
President

Mr. William Kutz, Jr.
Secretary

Mr. Shawn Kulaga
Treasurer

Mr. Dave Feltenberger
Trustee

Mr. Richard Noll
Trustee

A report was also distributed to the following municipality, which allocated foreign fire insurance tax monies to this relief association:

Mr. Joshua Levengood
Secretary
Laureldale Borough

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.