

COMPLIANCE AUDIT

Darlington Township Volunteer Firemen's Relief Association

Beaver County, Pennsylvania

For the Period

January 1, 2022, to December 31, 2024

October 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Mr. Adam Wade, President
Darlington Township Volunteer Firemen's
Relief Association
Beaver County

We have conducted a compliance audit of the Darlington Township Volunteer Firemen'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 one of the two 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 –
Untimely Receipts And Deposits Of State Aid

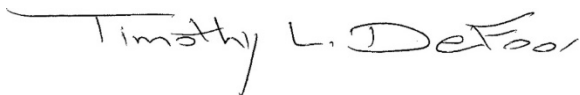
Finding No. 2 – Failure To Hold Relief Association Meetings And Failure To
Properly Document Minutes Of Relief Association Meetings

Finding No. 3 – Failure To Maintain A Complete And Accurate Cumulative
Equipment Roster And Failure To Conduct An Annual
Physical Inventory Of Equipment

Finding No. 4 – Inadequate Relief Association Bylaws And Failure To
Update The Relief Association Bylaws

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
September 26, 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 municipalities:

<u>Municipality</u>	<u>County</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Darlington Borough	Beaver	\$ 1,168	\$ 1,189*	\$ 1,206*
Darlington Township	Beaver	\$11,303	\$11,220	\$11,542

* The 2023 and 2024 state aid allocations received from Darlington Borough were not received timely and were not deposited by the relief association until March 7, 2024, and August 27, 2025, respectively, as disclosed in Finding No. 1 in this report.

Although Darlington Borough prepared and returned a Certification Form AG 385 for 2024, Darlington 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 Darlington Borough disclosing this information.

Darlington 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 \$13,033, as illustrated below:

Cash	<u>\$ 13,033</u>
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BACKGROUND – (Continued)

Based on the relief association's records, its total expenditures for the period January 1, 2022, to December 31, 2024, were \$44,984, 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	\$ 15,782
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Fire Services:

Equipment purchased	\$ 21,934
Equipment maintenance	4,442
Training expenses	1,713

Total Fire Services	\$ 28,089
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Administrative Services:

Bond premiums	\$ 228
Other administrative expenses	885

Total Administrative Services	\$ 1,113
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Total Expenditures	\$ 44,984
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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:

Darlington Township Fire Department

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

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
STATUS OF PRIOR FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

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

- Inadequate Signatory Authority For The Disbursement Of Funds

By requiring more than one signature on all negotiable instruments.

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

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

- Untimely Deposits Of State Aid

Although the relief association received and deposited all state aid from the prior audit period, the relief association again failed to receive and deposit its state aid timely 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.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Untimely Receipts And Deposits Of State Aid

Condition: During the prior audit period, the relief association did not deposit the state aid allocations timely. In the current audit period, the relief association failed to receive and deposit its state aid timely. As illustrated below, Darlington Borough did not forward the state aid allocations within the municipality's 60-day requirement. Also, the relief association did not deposit its state aid allocations timely.

2023 Allocations Received and Deposited Untimely

Municipality	Amount	Date To Municipality	Days To Relief Association	Days Till Deposited
Darlington Borough	\$1,189	September 21, 2023	146	22

2024 Allocations Received and Deposited Untimely

Municipality	Amount	Date To Municipality	Days To Relief Association	Days Till Deposited
Darlington Borough	\$1,206	September 18, 2024	320*	23*

* The state aid allocation check was erroneously issued to the affiliated fire company and was deposited into the affiliated fire company's bank account. On August 26, 2025, the affiliated fire company issued a check to the relief association for the 2024 state aid allocation. The relief association deposited the state aid allocation into the relief association's account on August 27, 2025.

A similar condition was noted in our prior audit report.

Criteria: Section 706 (b)(2) of the Municipal Pension Plan Funding Standard and Recovery Act of December 18, 1984, (P.L. 1005, No. 205), requires municipalities to forward the foreign fire insurance premium tax funds received in September of each year, to one or more relief associations within 60 days.

Prudent business practice dictates that if a municipality provided the relief association with a state aid allocation in the prior year, and that state aid has not been received by December 1st, the relief association should contact the municipality to inquire about the state aid allocation for that year. This inquiry should result in documentation as to whether the relief association will receive an allocation for that year, and why the municipality is beyond the 60-day requirement.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Prudent business practices also dictate that, upon receipt of its state aid allocation, the relief association should establish adequate internal control procedures to ensure the funds are deposited into the relief association account in a timely manner.

Cause: The relief association officials indicated that they are not receiving the state aid allocations from Darlington Borough in a timely manner. In addition, the state aid allocation from Darlington Borough was erroneously deposited into the affiliated fire company's account.

Effect: As a result of the untimely receipt and deposit of the state aid allocations, funds were not available to pay general operating expenses or for investment purposes. In addition, an untimely receipt and untimely deposit of funds increases the risk that funds could be lost or misappropriated.

Recommendation: We again recommend that the relief association officials adopt internal control procedures to ensure the timely receipt and deposit of all state aid allocations. 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 by continuing to meet with Darlington Borough to ensure timely receipt of the state aid allocations.

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

Finding No. 2 – Failure To Hold Relief Association Meetings And Failure To Properly Document Minutes Of Relief Association Meetings

Condition: The relief association failed to hold regular monthly meetings as required by the relief association's bylaws. Meetings were only held in four months during calendar year 2022, four months during calendar year 2023, and seven months during calendar year 2024. In addition, in the 2025 post-audit period, relief association meetings were only held in two months through April 2025. As such, the relief association's records may not reflect the approval of all financial transactions that occurred during the audit period. In addition, the relief association meeting minutes for January, April, and June 2022 and January, April, July, August and October 2024 did not contain the signature of the recording officer.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (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.

The relief association's bylaws at Article II, Section 1 states:

Regular meetings of the association shall be held on the first Tuesday of each month directly following the regular Darlington Volunteer Fire Department Meeting. Five members shall constitute a quorum.

In addition, the relief association's bylaws at Article III, Section 3 states, in part:

The secretary shall keep a true record of the proceedings of every meeting in the minutes. The minutes shall note authorization by the membership of all association financial transactions and all other pertinent business discussed at meetings.

Furthermore, 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 that the previous relief association officials indicated that meetings did not need to be held monthly. The relief association officials did not provide a reason why all financial transactions were not addressed within the meeting minutes or why the recording officer (secretary) of the relief association did not sign the meeting minutes.

Effect: Without holding regular meetings and properly documenting 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 hold all required meetings and properly document minutes of meetings as required by the VFRA Act and the relief association's bylaws, 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 of the relief association 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.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (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 by holding monthly meetings.

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

Finding No. 3 – Failure To Maintain A Complete And Accurate Cumulative Equipment Roster And Failure To Conduct An Annual Physical Inventory Of Equipment

Condition: The relief association failed to maintain a complete and accurate cumulative roster of equipment owned by the relief association. Although a roster of relief association owned equipment was provided during the current audit, the roster was incomplete and did not accurately identify all the equipment owned by the relief association. In addition, there was no evidence that a physical inventory of equipment was conducted on an annual basis to account for the equipment owned by the relief association.

Criteria: Prudent business practice dictates that the relief association establish adequate internal control procedures to ensure the maintenance of a complete and accurate cumulative roster of equipment purchased by the relief association and that the performance of an annual physical inventory of all equipment is documented. A complete and accurate cumulative equipment roster of all relief association purchased equipment should include the following:

- Types of equipment purchased
- Dates of purchase
- Unit costs
- Names of suppliers from which the equipment was purchased
- Serial numbers, if applicable
- Current location(s) of items
- Final dispositions if damaged, sold or disposed of
- Evidence of the performance, date, and results of an annual physical inventory

Cause: The relief association officials did not provide a reason why these conditions occurred.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

Effect: Failure to properly record equipment purchases in a complete and accurate cumulative equipment roster prevents relief association officials from effectively monitoring the relief association's equipment purchases. In addition, failure to maintain a complete and accurate cumulative equipment roster and failure to perform an annual physical inventory of the equipment prevents adequate accountability for, and safeguarding of, relief association assets.

Recommendation: We recommend that the relief association officials maintain a complete and accurate cumulative equipment roster of all relief association equipment. Furthermore, the relief association should ensure an annual physical inventory of all relief association purchased equipment is performed and documented. 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.

Finding No. 4 – Inadequate Relief Association Bylaws And Failure To Update The Relief Association Bylaws

Condition: The existing bylaws of the relief association do not contain certain mandatory provisions required by Section 7415(c) of the VFRA Act. Specifically, the bylaws do not address the requirement that the signatures of at least two officers, one of whom shall be the disbursing officer, shall be required to bind the association by formal contract or to issue a negotiable instrument.

In addition, the existing bylaws contain outdated language related to conducting business based on Act 84 of June 11, 1968, rather than the VFRA Act.

Criteria: The relief association's bylaws did not contain the following provisions as defined in Section 7415(c) of the VFRA Act:

- (3) Require that the signatures of at least two officers, one of whom shall be the disbursing officer, shall be required to bind the association by formal contract or to issue a negotiable instrument.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 4 – (Continued)

Furthermore, 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 and with proper authorization.

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

Effect: As a result of the mandatory provisions not being included in the bylaws and the relief association not updating the bylaws, the relief association may not have conducted its affairs in compliance with the VFRA Act and with proper authorization.

Recommendation: We recommend that the relief association officials review and update the bylaws governing the organization to meet the requirements set forth in the VFRA Act and ensure it conducts its affairs with proper authorization. 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.

DARLINGTON TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Darlington Township Volunteer Firemen's Relief Association Governing Body:

Mr. Adam Wade
President

Mr. Christopher Laderer
Vice President

Ms. Jennifer Drabick
Secretary

Ms. Pamela J. Omler
Treasurer

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

Ms. Erica St. Esprit
Secretary
Darlington Borough

Ms. Brenna Boyde
Secretary
Darlington 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.