

COMPLIANCE AUDIT

Volunteer Fireman's Relief Association of East Cocalico Township, Lancaster 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



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

TIMOTHY L. DEFOOR
AUDITOR GENERAL

Mr. Joseph Zimmerman, President
Volunteer Fireman's Relief Association
of East Cocalico Township,
Lancaster County, Pennsylvania

We have conducted a compliance audit of the Volunteer Fireman's Relief Association of East Cocalico Township, Lancaster County, Pennsylvania (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.

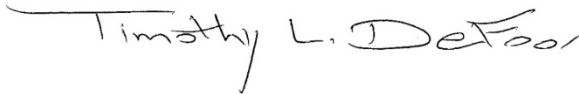
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative 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 the finding contained in our prior audit 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 – Inadequate Relief Association Bylaws

The contents of this report were discussed with the management of the relief association and, where appropriate, their response has 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
February 3, 2026

CONTENTS

	<u>Page</u>
Background	1
Status of Prior Findings	3
Finding and Recommendation:	
Finding – Inadequate Relief Association Bylaws	4
Report Distribution List	5

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.

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>
East Cocalico Township	Lancaster	\$81,291	\$80,361	\$81,701
Ephrata Township	Lancaster	\$ 2,177	\$ 2,173	\$ 2,207

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)

Based on the relief association’s records, its total cash as of December 31, 2024, was \$178,039, as illustrated below:

Cash	<u>\$ 178,039</u>
------	-------------------

Based on the relief association’s records, its total expenditures for the period January 1, 2022, to December 31, 2024, were \$199,730, 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>\$ 22,348</u>
Fire Services:	
Equipment purchased	\$ 115,676
Equipment maintenance	32,477
Training expenses	13,108
Fire prevention materials	<u>11,948</u>
Total Fire Services	<u>\$ 173,209</u>
Administrative Services:	
Bond premiums	\$ 873
Other administrative expenses *	<u>3,300</u>
Total Administrative Services	<u>\$ 4,173</u>
Total Expenditures	<u>\$ 199,730</u>

* A majority of the other administrative expenses represent \$3,000 incurred in calendar years 2022 to 2024 for accounting fees.

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:

Cocalico Area Fire Department

Stevens Fire Company

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

VOLUNTEER FIREMAN'S RELIEF ASSOCIATION OF EAST COCALICO TOWNSHIP,
LANCASTER COUNTY, PENNSYLVANIA
STATUS OF PRIOR FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

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

- Unauthorized Expenditures

By receiving reimbursement of \$2,901 from the affiliated fire company for the unauthorized expenditures made in the prior audit period.

- Failure To Maintain A Complete And Accurate Equipment Roster

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

VOLUNTEER FIREMAN'S RELIEF ASSOCIATION OF EAST COCALICO TOWNSHIP,
LANCASTER COUNTY, PENNSYLVANIA
FINDING AND RECOMMENDATION

Finding – Inadequate Relief Association Bylaws

Condition: During the prior audit, a verbal observation was communicated to the relief association indicating that while a signatory provision for negotiable instruments is included in the bylaws, the provision does not address the mandatory requirement of Section 7415(c) of the VFRA Act that one of the signatures must be that of the disbursing officer.

Criteria: The relief association's bylaws did not adequately address the following provision 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.

Article III, Section D of the relief association bylaws states, in part:

All disbursements are to be made by check, signed by **any** two (2) of the following officers: President, Vice-President, or Treasurer. [Emphasis added.]

Cause: The relief association officials did not provide a reason why the bylaws were not updated to modify the signatory provision.

Effect: As a result of the signatory provision in the bylaws not being fully aligned with Section 7415(c) of the VFRA Act, the relief association may not have conducted its affairs in compliance with the VFRA Act or with proper authorization.

Recommendation: We again recommend that the relief association officials review and update the bylaws governing their organization to meet the requirements set forth in the VFRA Act. 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.

VOLUNTEER FIREMAN'S RELIEF ASSOCIATION OF EAST COCALICO TOWNSHIP,
LANCASTER COUNTY, PENNSYLVANIA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Volunteer Fireman's Relief Association of East Cocalico Township, Lancaster County,
Pennsylvania Governing Body:

Mr. Joseph Zimmerman
President

Ms. Kelly Morgan
Vice President

Ms. Suzanne Gamler
Secretary

Mr. Timothy Frey
Treasurer

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

Mr. Dan Burton
Secretary
East Cocalico Township

Mr. Anthony Haws
Secretary
Ephrata 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.