COMPLIANCE AUDIT

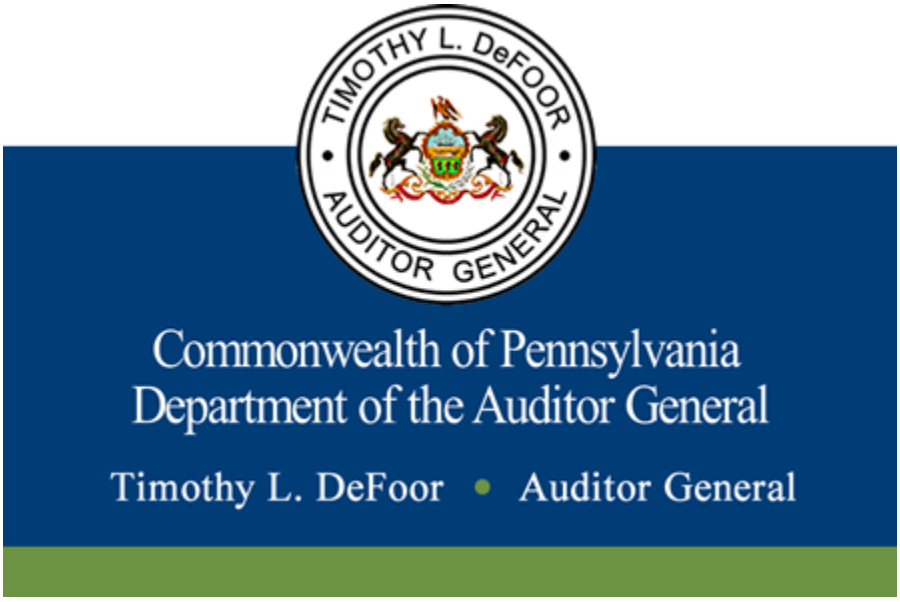
The Volunteer Firemen's Relief Association of Ellwood City, PA

Lawrence County, Pennsylvania

For the Period

January 1, 2023, to December 31, 2025

August 2026



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. Michael Butler, President
The Volunteer Firemen's Relief
Association of Ellwood City, PA
Lawrence County

We have conducted a compliance audit of The Volunteer Firemen's Relief Association of Ellwood City, PA (relief association) for the period January 1, 2023, to December 31, 2025. 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 objective of the audit was 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.

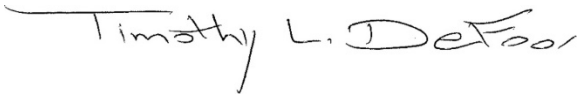
Our audit was limited to the areas related to the objective identified above and was not, nor was it required to be, conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

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 objective. We believe that our audit provides a reasonable basis for our conclusions.

We were not able to obtain an independent confirmation of the investment balance directly from the financial institution. Therefore, while the relief association provided copies of investment statements that indicated that, as of December 31, 2025, the relief association had an investment balance with a fair value of $161,660, we were not able to verify this investment balance.

Based on our audit procedures, we conclude that, except for the effects, if any, of the matter described in the preceding paragraph, for the period January 1, 2023, to December 31, 2025, 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.

The contents of this report were discussed with the management of the relief association. 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
June 9, 2026

CONTENTS

Page

Background 1

Report Distribution List 4

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 municipality:

Municipality	County	2023	2024	2025
Ellwood City Borough	Lawrence	$36,136	$35,515	$38,177

[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 and investments as of December 31, 2025, were $224,474, as illustrated below:

Cash	$	62,814
Fair Value of Investments		161,660
Total Cash and Investments	$	224,474

Based on the relief association's records, its total expenditures for the period January 1, 2023, to December 31, 2025, were $120,100, 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	$	59,585
Fire Services:		
Equipment purchased	$	28,824
Equipment maintenance		19,371
Training expenses		6,465
Total Fire Services	$	54,660
Administrative Services:		
Bond premiums	$	1,181
Officer compensation		3,900
Other administrative expenses		774
Total Administrative Services	$	5,855
Total Expenditures	$	120,100

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

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:

Ellwood City Volunteer Fire Department

THE VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF ELLWOOD CITY, PA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

The Volunteer Firemen's Relief Association of Ellwood City, PA Governing Body:

Mr. Michael Butler
President

Mr. Eric Brandt
Vice President

Mr. Jeffrey Magnifico
Secretary

Ms. Jessica Magnifico
Treasurer

Mr. Brandon Magnifico
Assistant Secretary/Treasurer

Mr. Justin Grogan
Trustee

Mr. Justin Magnifico
Trustee

Mr. Dan Yoder
Trustee

THE VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF ELLWOOD CITY, PA
REPORT DISTRIBUTION LIST

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

Ms. Linda M. List
Secretary
Ellwood City 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.