

COMPLIANCE AUDIT

Emsworth Volunteer Firemen's Relief Association of Emsworth Borough, Allegheny County, Pennsylvania

For the Period
January 1, 2021, 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. Joseph W. Koehler, President
Emsworth Volunteer Firemen's Relief
Association of Emsworth Borough,
Allegheny County, Pennsylvania

We have conducted a compliance audit of the Emsworth Volunteer Firemen's Relief Association of Emsworth Borough, Allegheny County, Pennsylvania (relief association) for the period January 1, 2021, 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 finding 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.

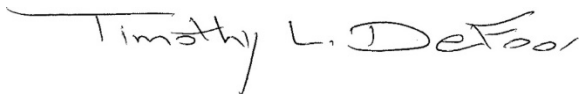
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative 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, 2021, 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 finding listed below and discussed later in this report.

Finding – Untimely Receipt And Deposit Of State Aid

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 17, 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Ben Avon Borough	Allegheny	\$ 9,252	\$11,952	\$11,883	\$12,091
Emsworth Borough	Allegheny	\$10,528	\$13,150	\$13,280	\$13,505
Glenfield Borough	Allegheny	\$ 940	\$ 1,176	\$ 1,184	\$ 1,201*
Kilbuck Township	Allegheny	\$ 2,319**	\$ 5,968**	\$ 5,835	\$ 5,895**

* On November 19, 2024, the 2024 state aid allocation received by Glenfield Borough was initially distributed to Emsworth Borough rather than the relief association. Emsworth Borough forwarded the state aid allocation to the relief association on January 5, 2025. The relief association did not deposit the state aid allocation until February 12, 2025, see the Finding and Recommendation section of this report.

** Although Kilbuck Township prepared and returned a Certification Form AG 385 for 2021, 2022, and 2024, Kilbuck Township failed to complete the 2021, 2022, and 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 2021, 2022, and 2024 state aid allocation.

Kilbuck Township is required to complete the 2021, 2022, and 2024 Receipt And Distribution Of Foreign Fire Insurance Premium Tax Forms 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 \$77,439, as illustrated below:

Cash	\$ 77,439
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BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period January 1, 2021, to December 31, 2024, were \$74,920, 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>\$ 57,496</u>
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Fire Services:

Equipment purchased	\$ 9,771
Equipment maintenance	<u>6,231</u>

Total Fire Services	<u>\$ 16,002</u>
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Administrative Services:

Bond premiums	\$ 900
Officer compensation	<u>280</u>

Total Administrative Services	<u>\$ 1,180</u>
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Other Expenditures:

Unauthorized expenditure *	<u>\$ 242</u>
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Total Expenditures	<u><u>\$ 74,920</u></u>
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* During calendar year 2021, the relief association made an insignificant disbursement in the amount of \$242 for the unauthorized payment of sales tax on a purchase that was authorized under the VFRA Act. We disclosed this issue to relief association officials on October 15, 2025, but we did not include a finding in this report due to the relatively low dollar amount.

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:

Emsworth Volunteer Fire Company

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

EMSWORTH VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF EMSWORTH
BOROUGH, ALLEGHENY COUNTY, PENNSYLVANIA
STATUS OF PRIOR FINDING

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has complied with the prior audit finding and recommendation, as follows:

- Failure To Obtain A Pennsylvania Sales Tax Exemption Number

By obtaining a Pennsylvania sales tax exemption number and providing a sales tax exemption certificate to all vendors from which the relief association purchases equipment and/or services.

EMSWORTH VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF EMSWORTH
BOROUGH, ALLEGHENY COUNTY, PENNSYLVANIA
FINDING AND RECOMMENDATION

Finding – Untimely Receipt And Deposit Of State Aid

Condition: During the audit period, the relief association did not receive and deposit its 2024 state aid allocation from Glenfield Borough timely. Glenfield Borough incorrectly forwarded the 2024 state aid allocation in the amount of \$1,201 to Emsworth Borough on November 19, 2024, within the municipality's 60-day requirement. Upon discovering the error, Emsworth Borough then forwarded the 2024 state aid allocation to the relief association on January 5, 2025. The relief association did not deposit the state aid until February 12, 2025.

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.

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 did not provide a reason why it did not follow up with Glenfield Borough regarding the untimely distribution of the state aid allocation. The relief association officials stated that the check was not received until after the relief association's January 6, 2025 monthly meeting. In addition, the relief association official's indicated that the state aid check may have been filed incorrectly, or the relief association officials did not see the check in order to deposit it timely.

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

Recommendation: We 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.

EMSWORTH VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF EMSWORTH
BOROUGH, ALLEGHENY COUNTY, PENNSYLVANIA
FINDING AND RECOMMENDATION

Finding – Continued

Management Response: Relief association management agreed with the finding as presented at the audit exit conference and indicated they will notify all relief officers of the finding to discuss and implement procedures to rectify the late receipt and deposit of state aid. Going forward, all receipts will be deposited in a timely manner. In addition, the boroughs and townships who disburse state aid to the relief association will be notified and instructed to send the checks directly to the attention of the relief association treasurer.

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

EMSWORTH VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF EMSWORTH
BOROUGH, ALLEGHENY COUNTY, PENNSYLVANIA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Emsworth Volunteer Firemen's Relief Association of Emsworth Borough, Allegheny County,
Pennsylvania Governing Body:

Mr. Joseph W. Koehler
President

Mr. Richard Hamilton, Sr.
Vice President

Mr. Richard J. Koehler
Secretary

Mr. Sean Boaks
Treasurer

EMSWORTH VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF EMSWORTH
BOROUGH, ALLEGHENY COUNTY, PENNSYLVANIA
REPORT DISTRIBUTION LIST

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

Ms. Theresa Patsch
Secretary
Ben Avon Borough

Ms. Cathy Jones
Secretary
Emsworth Borough

Ms. Connie Klauck
Secretary
Glenfield Borough

Mr. Andrew Wright
Secretary
Kilbuck 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.