

COMPLIANCE AUDIT

Firemen's Relief Association of Good Will Hose Company, No. 3 Bucks County, Pennsylvania For the Period January 1, 2021, to December 31, 2024

July 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Mr. Paul Gosline, Sr., President
Firemen's Relief Association of
Good Will Hose Company, No. 3
Bucks County

We have conducted a compliance audit of the Firemen's Relief Association of Good Will Hose Company, No. 3 (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.

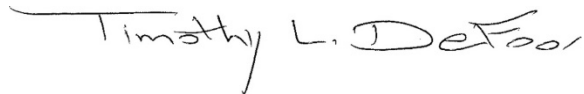
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative 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 did not take appropriate corrective action to address the finding contained in our prior audit report, as detailed below, and discussed in the Status of Prior Finding 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 finding listed below and discussed later in this report.

Finding – Noncompliance With Prior Audit Recommendation – Failure To Hold Relief Association Meetings And Inadequate Minutes Of Relief Association Meetings

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
July 7, 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.

The relief association was allocated state aid from the following municipality:

<u>Municipality</u>	<u>County</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bristol Borough	Bucks	\$11,710	\$14,542	\$14,866	\$15,126

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, 2024, were \$96,971, as illustrated below:

Cash	\$ 45,820
Fair Value of Investments	<u>51,151</u>
Total Cash and Investments	<u>\$ 96,971</u>

Based on the relief association's records, its total expenditures for the period January 1, 2021, to December 31, 2024, were \$69,040, 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>\$ 18,140</u>
Administrative Services:	
Bond premiums	<u>\$ 900</u>
Total Investments Purchased	<u>\$ 50,000</u>
Total Expenditures	<u>\$ 69,040</u>

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:

Good Will Hose Company, No. 3

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

FIREMEN'S RELIEF ASSOCIATION OF GOOD WILL HOSE COMPANY, NO. 3
STATUS OF PRIOR FINDING

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has not complied with the following prior audit finding. This finding is noted below and discussed in detail in the Finding and Recommendation section of this report:

- Failure To Hold Relief Association Meetings And Inadequate Minutes Of Relief Association Meetings

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 recommendation and corrective action noted in this audit report.

FIREMEN'S RELIEF ASSOCIATION OF GOOD WILL HOSE COMPANY, NO. 3
FINDING AND RECOMMENDATION

Finding – Noncompliance With Prior Audit Recommendation – Failure To Hold Relief Association Meetings And Inadequate Minutes Of Relief Association Meetings

Condition: The relief association failed to hold regular meetings as required by the VFRA Act and the relief association's bylaws. Specifically, the relief association's meetings were only held in four months during calendar year 2021, five months during calendar year 2022, three months during calendar year 2023, and three months during calendar year 2024. 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 majority of the meeting minutes provided for audit during the current audit period were not signed and dated by the recording officer (secretary) of the relief association.

A similar condition was noted in our prior audit report.

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 2, Section 1 states, in part:

Regular meetings of this association shall be held on the second Tuesday of the month immediately following the regular meetings of the Good Will Hose Company, No. 3.

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

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

Furthermore, prudent business practice dictates that the relief association officials should ensure that meeting minutes are signed and dated by the secretary of the relief association.

Cause: The relief association officials indicated they were unaware that they needed to have monthly meetings as required by the relief association's bylaws despite the relief association being notified of this condition during the prior audit period. In addition, the relief association officials did not provide a reason why the secretary of the relief association did not sign and date the meeting minutes.

FIREMEN'S RELIEF ASSOCIATION OF GOOD WILL HOSE COMPANY, NO. 3
FINDING AND RECOMMENDATION

Finding – (Continued)

Effect: Without holding regular meetings and maintaining detailed minutes of meetings that address all financial-related transactions and that are signed and dated by the secretary, there is insufficient evidence that relief association business was documented and presented before the membership for approval.

Recommendation: We again recommend that the relief association officials hold all required meetings and maintain detailed 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 secretary 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.

Management's 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: We are concerned by the relief association's failure to correct this previously reported audit finding and strongly encourage timely implementation of the recommendation noted in this audit report.

FIREMEN’S RELIEF ASSOCIATION OF GOOD WILL HOSE COMPANY, NO. 3
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Firemen’s Relief Association of Good Will Hose Company, No. 3 Governing Body:

Mr. Paul Gosline, Sr.
President

Mr. Paul Gosline, Jr.
Vice President

Mr. Michael Brannigan
Secretary

Mr. David Albright
Treasurer

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

Mr. Joseph Larrisey
Secretary
Bristol 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.