

COMPLIANCE AUDIT

Hempfield Township Volunteer Firemen's Relief Association of Mercer County, Inc.

Mercer County, Pennsylvania

For the Period

January 1, 2023, to December 31, 2024

November 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Ms. Amanda Shannon, President
Hempfield Township Volunteer
Firemen's Relief Association of
Mercer County, Inc.
Mercer County

We have conducted a compliance audit of the Hempfield Township Volunteer Firemen's Relief Association of Mercer County, Inc. (relief association) for the period January 1, 2023, 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.

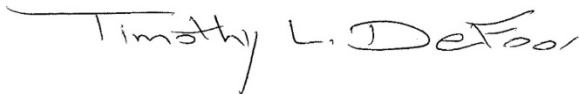
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative 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, 2023, to December 31, 2024:

- The relief association took appropriate corrective action to address the findings 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 – Unauthorized Expenditure

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.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line extending from the left side of the first name.

Timothy L. DeFoor
Auditor General
October 22, 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 expenditure 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>2023</u>	<u>2024</u>
Hempfield Township	Mercer	\$21,348	\$21,694
Sugar Grove Township	Mercer	\$ 5,426	\$ 5,669

Based on the relief association's records, its total cash as of December 31, 2024, was \$57,863 as illustrated below:

Cash	<u>\$ 57,863</u>
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Based on the relief association's records, its total expenditures for the period January 1, 2023, to December 31, 2024, were \$80,605, 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:

Fire Services:

Equipment purchased	\$ 57,195
Equipment maintenance	18,706
Training expenses	<u>3,908</u>
Total Fire Services	<u>\$ 79,809</u>

Other Expenditures:

Unauthorized expenditure – See finding	<u>\$ 796</u>
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Total Expenditures	<u><u>\$ 80,605</u></u>
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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:

Hempfield Township Volunteer Fire Department

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

HEMPFIELD TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF
MERCER COUNTY, INC.
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:

- Inappropriate Ownership Of Rescue Vehicle

By ensuring the title of the rescue vehicle was transferred to the relief association.

- Failure To Maintain Surety (Fidelity) Bond Coverage

By maintaining surety (fidelity) bond coverage in an amount greater than the balance of the relief association's cash assets.

HEMPFIELD TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF
MERCER COUNTY, INC.
FINDING AND RECOMMENDATION

Finding – Unauthorized Expenditure

Condition: During the current audit period, the relief association incurred an expenditure of \$796 for repairs of the affiliated fire company's firehouse door. This expenditure is not authorized under the VFRA Act as the firehouse is not a relief association owned asset.

Criteria: Section 7416(f) of the VFRA Act states:

The funds of any volunteer firefighters' relief association may be spent:

- (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.
- (11) To purchase safeguards for preserving life, health and safety of volunteer firefighters to ensure their availability to participate in the volunteer fire service, including necessary training.

In addition, Section 7418(b) of the VFRA Act states:

- (b) Findings -- If the Auditor General finds that money received by a volunteer firefighters' relief association has been expended for a purpose other than one authorized by this subchapter, the commissioner, upon receiving notice of the finding from the auditor general, shall decline to approve payment to the volunteer firefighters' relief association until the improperly expended amount has been reimbursed to the relief association fund.

Costs associated with payment for repairs of the affiliated fire company's firehouse door do not qualify as an authorized volunteer firefighters' relief association expenditure; consequently, this disbursement is not authorized under the VFRA Act.

Cause: The relief association officials indicated that they believed the expenditure was allowable since it was for a safety issue.

Effect: As a result of the unauthorized expenditure, relief association funds were not available for investment purposes or for expenditures authorized by the VFRA Act.

HEMPFIELD TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF
MERCER COUNTY, INC.
FINDING AND RECOMMENDATION

Finding – (Continued)

Recommendation: We recommend that the relief association be reimbursed \$796 for the unauthorized expenditure and that relief association officials become familiar with Section 7416(f) of the VFRA Act to aid them in determining the propriety of future expenditures. 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, as a result of our audit, the relief association was reimbursed \$796 by the affiliated fire company.

Auditor's Conclusion: We reviewed documentation verifying that reimbursement of \$796 was received from the affiliated fire company. Compliance for authorized expenditures made during the next audit period will be subject to verification.

HEMPFIELD TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF
MERCER COUNTY, INC.
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Hempfield Township Volunteer Firemen's Relief Association of Mercer County, Inc. Governing
Body:

Ms. Amanda Shannon
President

Mr. Paul Pryborowski
Vice President

Ms. Holly Patterson
Secretary

Mr. Andrew Shannon
Treasurer

Ms. Schuyler Shannon
Assistant Treasurer

Mr. Anthony Cantone
Director

Mr. George Kusich
Director

Mr. Earl Stoyer
Director

Ms. Kathie Scobbie
Director

Ms. Charity Pryborowski
Director

HEMPFIELD TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF
MERCER COUNTY, INC.
REPORT DISTRIBUTION LIST

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

Mr. Todd P. Hittle

Secretary
Hempfield Township

Ms. Kara Michaleski

Secretary
Sugar Grove 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.