COMPLIANCE AUDIT

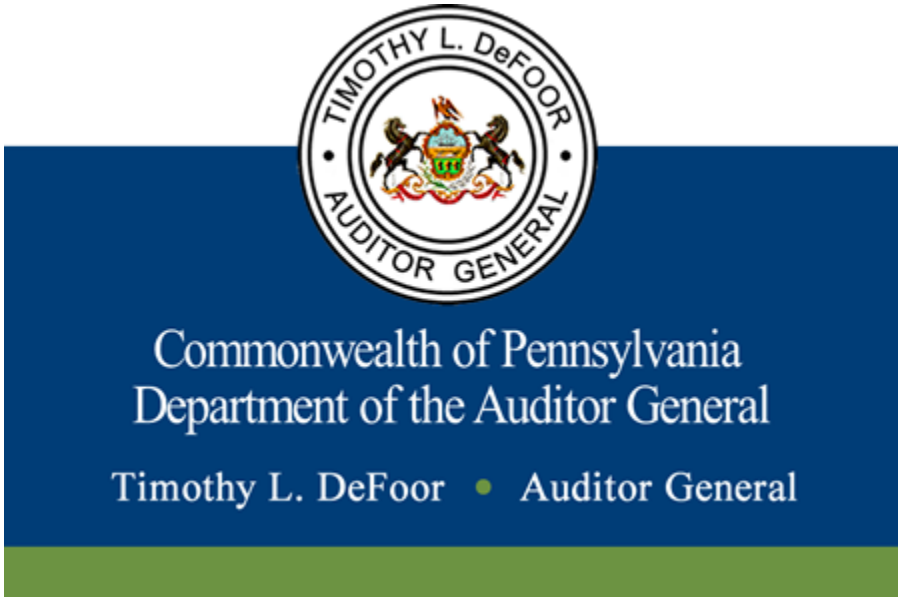
Penn Township Volunteer Firefighters' Relief Association

Cumberland County, Pennsylvania

For the Period

January 1, 2022, to December 31, 2024

November 2025



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Mr. Robert W. Kough, Jr., President
Penn Township Volunteer
Firefighters' Relief Association
Cumberland County

We have conducted a compliance audit of the Penn Township Volunteer Firefighters' Relief Association (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 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.

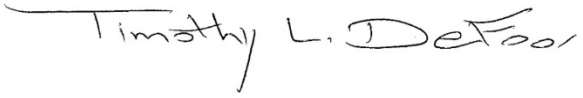
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative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

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
November 13, 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 municipalities:

Municipality	County	2022	2023	2024
Cooke Township	Cumberland	$ 1,515	$ 1,471	$ 1,487
Dickinson Township	Cumberland	$17,312	$17,040	$17,287
Penn Township	Cumberland	$27,044	$26,747	$28,831

[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 $95,643, as illustrated below:

Cash	$ 95,643

Based on the relief association's records, its total expenditures for the period January 1, 2022, to December 31, 2024, were $154,800, 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	$	30,099
Tokens of sympathy and goodwill		471
Total Benefit Services	$	30,570
Fire Services:		
Equipment purchased	$	88,108
Equipment maintenance		19,021
Training expenses		16,105
Total Fire Services	$	123,234
Administrative Services:		
Bond premiums	$	497
Other administrative expenses		362
Total Administrative Services	$	859
Other Expenditures:		
Payment of sales tax *		137
Total Expenditures	$	154,800

* During calendar year 2022, the relief association made insignificant disbursements totaling $137 for the unauthorized payment of sales tax on purchases that were authorized under the VFRA Act. We disclosed this issue to relief association officials on June 9, 2025, but we did not include a finding in this report due to the relatively low dollar amount.

[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:

Penn Township Volunteer Fire Company

PENN TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
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:

- Untimely Deposit Of State Aid

  By timely depositing all state aid received.

We commend the relief association management for its efforts in complying with the finding and recommendation contained in the prior audit report. The relief association management should strive to remain in compliance with all applicable state laws, contracts, bylaws, and administrative procedures.

PENN TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Penn Township Volunteer Firefighters' Relief Association Governing Body:

Mr. Robert W. Kough, Jr.
President

Mr. Douglas Stum
Vice President

Ms. Glenda Burkholder
Secretary

Mr. Denny McGarry
Treasurer

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

Ms. Janet E. Frantz
Secretary
Cooke Township

Ms. Jill N. Lovett
Secretary
Dickinson Township

Ms. Corrie Wadel
Secretary
Penn Township

PENN TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

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