COMPLIANCE AUDIT

Portage Volunteer Fire Company No. 1 Relief Association of Portage, PA

Cambria County

For the Period
January 1, 2023, to December 31, 2025

September 2026

Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Mr. Christopher McCall, President
Portage Volunteer Fire Company No. 1
Relief Association of Portage, PA
Cambria County

We have conducted a compliance audit of the Portage Volunteer Fire Company No. 1 Relief Association of Portage, 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 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.

We were not able to obtain independent confirmations of the cash balance and the investment balance directly from the financial institutions. Therefore, while the relief association provided statements that indicated that, as of December 31, 2025, the relief association had a cash balance of $51,091 and an investment balance with a fair value of $127,843, we were not able to verify those cash and investment balances.

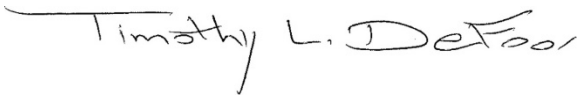
Based on our audit procedures, we conclude that, except for the effects, if any, of the matter described in the preceding paragraph, for the period January 1, 2023, to December 31, 2025:

- The relief association 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 – Failure To Update Relief Association Bylaws

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 16, 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.

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

Municipality	County	2023	2024	2025
Cassandra Borough	Cambria	$ 659	$ 668	$ 731
Portage Borough	Cambria	$10,803	$10,981	$11,718
Portage Township	Cambria	$16,955	$17,197	$18,446

[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 $178,934, as illustrated below:

Cash	$	51,091
Fair Value of Investments		127,843
Total Cash and Investments	$	178,934

Based on the relief association's records, its total expenditures for the period January 1, 2023, to December 31, 2025, were $56,965, 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	$	5,570
Death benefits		2,000
Total Benefit Services	$	7,570
Fire Services:		
Equipment purchased	$	19,133
Equipment maintenance		18,231
Training expenses		4,763
Fire prevention materials		5,891
Total Fire Services	$	48,018
Administrative Services:		
Bond premiums	$	818
Officer compensation		500
Other administrative expenses		59
Total Administrative Services	$	1,377
Total Expenditures	$	56,965

[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:

Portage Volunteer Fire Company No. 1

PORTAGE VOLUNTEER FIRE COMPANY NO. 1 RELIEF ASSOCIATION OF PORTAGE, PA
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:

- Failure To Maintain Surety (Fidelity) Bond Coverage

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

- Payment Of Pennsylvania Sales Tax

  By furnishing a Pennsylvania sales tax exemption certificate to all vendors from which the relief association purchases equipment and/or services and by receiving reimbursement in the amount of $327 from the Pennsylvania Department of Revenue for sales tax paid in the prior audit period.

PORTAGE VOLUNTEER FIRE COMPANY NO. 1 RELIEF ASSOCIATION OF PORTAGE, PA
FINDING AND RECOMMENDATION

Finding – Failure To Update Relief Association Bylaws

Condition: In the prior audit period, a verbal observation was communicated to the relief association noting that its existing bylaws contained outdated language related to conducting business based on Act 84 of June 11, 1968, rather than the VFRA Act. No corrective action was taken in regard to the matter in the current audit period.

Criteria: Prudent business practice dictates that the relief association should update its bylaws to ensure that the relief association conducts its affairs in compliance with the VFRA Act.

Cause: Relief association officials indicated that this condition was caused by a failure to keep up with relief association guidelines.

Effect: As a result of the relief association not updating its bylaws, the relief association may not have conducted its affairs in compliance with the VFRA Act.

Recommendation: We recommend that the relief association officials review and update the bylaws governing its organization to ensure it conducts its affairs in compliance with the VFRA Act. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management 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: Compliance will be subject to verification during the next audit.

PORTAGE VOLUNTEER FIRE COMPANY NO. 1 RELIEF ASSOCIATION OF PORTAGE, PA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Portage Volunteer Fire Company No. 1 Relief Association of Portage, PA Governing Body:

Mr. Christopher McCall
President

Mr. Lawrence Duray
Vice President

Mr. Brett Litzinger
Secretary

Mr. Edmund Myers
Treasurer

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

Ms. Sharon Nolan
Secretary
Cassandra Borough

Ms. Sharon Squillario
Secretary
Portage Borough

Ms. Michelle Kostan
Secretary
Portage Township

PORTAGE VOLUNTEER FIRE COMPANY NO. 1 RELIEF ASSOCIATION OF PORTAGE, PA
REPORT DISTRIBUTION LIST

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