

COMPLIANCE AUDIT

Reliance Fire Company Relief Association of West York Borough, Pennsylvania York County For the Period January 1, 2022, 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. John Love, President
Reliance Fire Company Relief Association
of West York Borough, Pennsylvania
York County

We have conducted a compliance audit of the Reliance Fire Company Relief Association of West York Borough, Pennsylvania (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 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 an independent confirmation of a portion of the cash balance and the investment balance directly from the financial institution. Therefore, while the relief association provided bank and investment statements that indicated that, as of December 31, 2024, the relief association had a cash balance of \$19,702 and an investment balance with a fair value of \$26,023, we were not able to verify a portion of the cash balance and the investment balance.

Based on our audit procedures, we conclude that, for the period January 1, 2022, to December 31, 2024:

- The relief association did not take appropriate corrective action to address the findings 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 findings listed below and discussed later in this report.

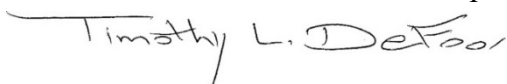
Finding No. 1 – Noncompliance With Prior Audit Recommendation – Failure To Maintain A Complete And Accurate Cumulative Equipment Roster And Failure To Conduct An Annual Physical Inventory Of Equipment

Finding No. 2 – Noncompliance With Prior Audit Recommendation – Failure To Hold Relief Association Meetings And Failure To Properly Document Minutes Of Relief Association Meetings

Finding No. 3 – Noncompliance With Prior Audit Recommendation – Relief Association Investment Account Registered Under Unknown Federal Tax Identification Number

The findings contained in this report cite conditions that existed in the operation of the relief association during the prior audit period and were not corrected during the current audit period. We are concerned by the number of findings noted and strongly encourage timely implementation of the recommendations noted in this audit report.

The contents of this report were discussed with the management of the relief association and, where appropriate, their responses have 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
March 11, 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 municipality:

| <u>Municipality</u> | <u>County</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---------------------|---------------|-------------|-------------|-------------|
| West York Borough | York | \$21,022 | \$20,606 | \$20,906* |

* Although West York Borough prepared and returned a Certification Form AG 385 for 2024, West York Borough failed to complete the 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 2024 state aid allocation.

West York Borough is required to complete a 2024 Receipt And Distribution Of Foreign Fire Insurance Premium Tax Form 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 and investments as of December 31, 2024, were \$45,725, as illustrated below:

| | |
|----------------------------|------------------|
| Cash | \$ 19,702 |
| Fair Value of Investments | <u>26,023</u> |
| Total Cash and Investments | <u>\$ 45,725</u> |

BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period January 1, 2022, to December 31, 2024, were \$58,867, 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>\$ 6,234</u> |
|--------------------|-----------------|

Fire Services:

| | |
|---------------------|-----------|
| Equipment purchased | \$ 38,411 |
|---------------------|-----------|

| | |
|-----------------------|--------|
| Equipment maintenance | 13,193 |
|-----------------------|--------|

| | |
|-------------------|------------|
| Training expenses | <u>450</u> |
|-------------------|------------|

| | |
|---------------------|------------------|
| Total Fire Services | <u>\$ 52,054</u> |
|---------------------|------------------|

Administrative Services:

| | |
|---------------|--------|
| Bond premiums | \$ 300 |
|---------------|--------|

| | |
|-------------------------------|------------|
| Other administrative expenses | <u>233</u> |
|-------------------------------|------------|

| | |
|-------------------------------|---------------|
| Total Administrative Services | <u>\$ 533</u> |
|-------------------------------|---------------|

Other Expenditures:

| | |
|------------------|--------------|
| Sales tax paid * | <u>\$ 46</u> |
|------------------|--------------|

| | |
|--------------------|------------------|
| Total Expenditures | <u>\$ 58,867</u> |
|--------------------|------------------|

* In 2023, the relief association made an insignificant disbursement of \$46 for the unauthorized payment of sales tax on a purchase that was authorized under the VFRA Act. We disclosed this issue to the relief association officials on April 21, 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:

Reliance Fire Company

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

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
STATUS OF PRIOR FINDINGS

NONCOMPLIANCE WITH PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

The relief association has not complied with the following prior audit findings. These findings are noted below and discussed in detail in the Findings and Recommendations section of this report:

- Failure To Maintain A Complete And Accurate Equipment Roster
- Inadequate Minutes Of Meetings
- Relief Association Investment Account Registered Under Unknown Federal Tax Identification Number

We are concerned by the relief association's failure to correct these previously reported audit findings. The relief association management should strive to implement the recommendations and corrective actions noted in this audit report.

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Failure To Maintain A Complete And Accurate Cumulative Equipment Roster And Failure To Conduct An Annual Physical Inventory Of Equipment

Condition: The relief association failed to maintain a complete and accurate cumulative roster of equipment owned by the relief association. Although a roster of relief association owned equipment was provided during the current audit, the roster was incomplete and did not accurately identify all the equipment owned by the relief association. In addition, there was no evidence that a physical inventory of equipment was conducted on an annual basis to account for the equipment owned by the relief association.

A similar condition was noted in the two prior audit reports.

Criteria: Prudent business practice dictates that the relief association establish adequate internal control procedures to ensure the maintenance of a complete and accurate cumulative roster of equipment purchased by the relief association and that the performance of an annual physical inventory of all equipment is documented. A complete and accurate cumulative equipment roster of all relief association purchased equipment should include the following:

- Types of equipment purchased
- Dates of purchase
- Unit costs
- Names of suppliers from which the equipment was purchased
- Serial numbers, if applicable
- Current location(s) of items
- Final dispositions if damaged, sold or disposed of
- Evidence of the performance, date, and results of an annual physical inventory

Cause: The relief association officials stated that this oversight occurred because the current officers were not completing a yearly review of equipment.

Effect: The continued repeat failure to properly record equipment purchases in a complete and accurate cumulative equipment roster prevents relief association officials from accurately monitoring the relief association's equipment purchases. In addition, the failure to maintain a complete and accurate cumulative equipment roster and failure to perform an annual physical inventory of the equipment prevents adequate accountability for, and safeguarding of, relief association assets effectively resulting in the inability to ensure that relief association expenditures were appropriate and authorized. Should repeat findings continue to result in placing the relief association assets at risk or if such repeat findings result in unauthorized expenditures, the relief association's future state aid allocations may be withheld until compliance with the finding recommendation.

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Recommendation: We again recommend that the relief association officials maintain a complete and accurate cumulative equipment roster of all relief association equipment. Furthermore, the relief association should ensure an annual physical inventory of all relief association purchased equipment is performed and documented. 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: We are concerned by the relief association’s failure to correct this previously reported audit finding. We strongly encourage timely implementation of the recommendation to prevent potential withholding of future state aid as a finding of this type can also result in future findings related to unauthorized expenditures.

Finding No. 2 – Noncompliance With Prior Audit Recommendation – Failure To Hold Relief Association Meetings And Failure To Properly Document Minutes Of Relief Association Meetings

Condition: The relief association failed to hold regular monthly meetings in April, June, and August 2023 and June, August, and October 2024. In the previously noted months, expenditure transactions were incurred in April 2023 and June 2024. In addition, the relief association failed to properly document the minutes of its meetings held during calendar year 2023 and in February through July 2024 as required by the VFRA Act and the relief association’s bylaws. Furthermore, the minutes that were provided for review during the current audit period did not contain the signature and date of the recording officer. As such, the relief association does not have evidence of approval of all financial transactions that occurred during the audit period.

A similar condition was noted in the two prior audit reports.

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.

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

In addition, Article I, Section I of the relief association’s bylaws states, in part:

The Secretary shall keep accurate minutes of all meetings of the Association. The minutes shall note all pertinent business discussed at meetings.

Also, Article II, Section I of the relief association’s constitution states:

The regular monthly meeting shall be conducted immediately following the regular **monthly** Company membership meeting at the Reliance Fire Company Social Hall or such place and time as designated by the President at the previous meeting or by written notice of at least (1) week. (Emphasis added.)

Furthermore, Article V, Section I of the relief association’s bylaws states, in part:

All expenditures must be approved by a majority vote at an association meeting and recorded in the minutes.

Finally, prudent business practice dictates that the relief association officials ensure that meeting minutes are signed and dated by the recording officer.

Cause: The relief association officials did not provide a reason why monthly meetings were not held, why minutes of all meetings were not documented, or why the Secretary of the relief association did not sign and date the meeting minutes despite the relief association being notified of similar conditions during the prior audit.

Effect: Without holding regular meetings and maintaining detailed minutes of the meetings that address all financial-related transactions and that are signed and dated by the recording officer, 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.

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

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: 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.

Finding No. 3 – Noncompliance With Prior Audit Recommendation – Relief Association Investment Account Registered Under Unknown Federal Tax Identification Number

Condition: The relief association holds an investment account which is registered under an unknown federal tax identification number rather than the relief association's employer identification number. This investment account represents approximately 65 percent of the relief association's monetary assets.

A similar condition was noted in the two prior audit reports.

Criteria: Prudent business practice dictates that the relief association maintain ownership and control of all cash and investment balances as a means of safeguarding its assets from unauthorized use or disposition.

Cause: The relief association officials did not provide a reason why this occurred despite the relief association being notified of this condition during the two prior audit periods.

Effect: As a result of the investment account continuing to be inappropriately registered under an unknown federal tax identification number, relief association assets were not properly safeguarded from unauthorized use or disposition effectively resulting in the inability to ensure that relief association funds are used for authorized purposes. Should repeat findings continue to result in placing the relief association assets at risk or if such repeated finding results in unauthorized use or disposition of funds, the relief association's future state aid allocations may be withheld until compliance with the finding recommendation.

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

Recommendation: We again recommend that the relief association officials immediately secure ownership rights to all investment accounts by ensuring that all investment accounts are registered under the relief association's employer identification number. 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: We are concerned by the relief association's failure to correct this previously reported audit finding. We strongly encourage timely implementation of the recommendation to prevent potential withholding of future state aid as a finding of this type can also result in future findings related to unauthorized use and disposition of relief association funds.

RELIANCE FIRE COMPANY RELIEF ASSOCIATION OF
WEST YORK BOROUGH, PENNSYLVANIA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Reliance Fire Company Relief Association of West York Borough, Pennsylvania Governing
Body:

Mr. John Love
President

Mr. Thomas Dunn
Vice President

Ms. Tammy Dunn
Secretary

Ms. Nancy Love
Treasurer

Ms. Nichole Schmerbeck
Assistant Secretary

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

Mr. Shawn Mauck
Secretary
West York 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.