

COMPLIANCE AUDIT

Volunteer Fireman's Relief Association of Springtown, Pennsylvania

Bucks County, Pennsylvania

For the Period

January 1, 2021, to November 22, 2023

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. Sean Queen, President
Volunteer Fireman's Relief Association
of Springtown, Pennsylvania
Bucks County

We have conducted a compliance audit of the former Volunteer Fireman's Relief Association of Springtown, Pennsylvania (relief association) for the period January 1, 2021, to November 22, 2023. 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.

On November 22, 2023, the relief association completed the process of dissolution and together with Riegelsville Community Volunteer Firefighters' Relief Fund Association merged into Palisades Regional Fire Rescue Relief Association (formerly known as Ottsville Volunteer Fire Company Relief Association). Consequently, all remaining monetary assets and equipment were transferred to the Palisades Regional Fire Rescue Relief Association.

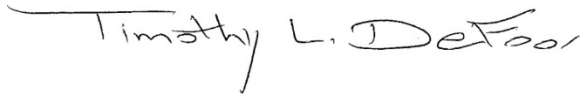
The objective of the audit was to determine if the former relief association complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds. Our audit was limited to the areas related to the objective 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 November 22, 2023, the former 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 – Duplicate Payment

The contents of this report were discussed with the management of the former relief association and, where appropriate, their response has been included in the report. We would like to thank former 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, flowing style.

Timothy L. DeFoor
Auditor General
May 19, 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 former relief association was 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 former 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>
Springfield Township	Bucks	\$25,157	\$31,210	\$30,799

As of November 22, 2023, the former relief association dissolved its organization. Thereafter, it did not receive any further state aid allocations.

Based on the former relief association's records, its total cash as of November 22, 2023, was \$0, as illustrated below:

Cash	<u>\$</u>	<u>0</u>
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BACKGROUND – (Continued)

Based on the former relief association's records, its total expenditures for the period January 1, 2021, to November 22, 2023, were \$139,411, as noted below. The accuracy of these expenditures was evaluated as part of the Department's audit to conclude on the former 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 former relief association's 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>\$ 6,788</u>
Fire Services:	
Equipment purchased	\$ 41,282
Equipment maintenance	12,899
Training expenses	<u>3,600</u>
Total Fire Services	<u>\$ 57,781</u>
Administrative Services:	
Bond premiums	\$ 300
Other Administrative Services	<u>410</u>
Total Administrative Services	<u>\$ 710</u>
Other Expenditures:	
Transfer of monetary assets *	\$ 73,159
Payment of Sale Tax **	63
Duplicate expenditure – see Finding	<u>910</u>
Total Other Expenditures	<u>\$ 74,132</u>
Total Expenditures	<u><u>\$ 139,411</u></u>

* Transfer of Monetary Assets/Dissolution of Relief Association.

On November 22, 2023, the former relief association completed the process of dissolution and together with Riegelsville Community Volunteer Firefighters' Relief Fund Association merged into Palisades Regional Fire Rescue Relief Association (formerly known as Ottsville Volunteer Fire Company Relief Association). Consequently, all remaining monetary assets and equipment were transferred to the Palisades Regional Fire Rescue Relief Association. Due to the dissolution of the former relief association, we are providing officials of Palisades Regional Fire Rescue Relief Association with copies of this report.

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

BACKGROUND – (Continued)

** During calendar years 2021 and 2022, the former relief association made disbursements in the amounts of \$27 and \$36, respectively, for the unauthorized payment of sales tax on purchases that were authorized under the VFRA Act. We disclosed these issues to former relief association officials on February 7, 2025, but we did not include a finding in this report due to the immaterial dollar amounts.

The volunteer firefighters' relief association and the affiliated fire service organization are separate, legal entities. The former relief association was affiliated with the following fire service organization:

Springtown Community Volunteer Fire Company

VOLUNTEER FIREMAN'S RELIEF ASSOCIATION OF SPRINGTOWN, PENNSYLVANIA
FINDING AND RECOMMENDATION

Finding – Duplicate Payment

Condition: On May 10, 2022, the former relief association expended \$910 for maintenance service on an air compressor. On June 12, 2022, the former relief association erroneously made a duplicate payment of \$910 for the same services. As such, the second payment is considered unauthorized because no goods or services were received for the payment. The former relief association failed to obtain reimbursement for the duplicate payment during the current audit period.

Criteria: Adequate accounting and internal control procedures should be implemented to prevent duplicate payment of invoices and to ensure duplicate payments are identified and reimbursement is received timely.

Cause: Former relief association officials indicated that this duplicate payment was caused by human error.

Effect: As a result of failing to obtain reimbursement for the duplicate payment, the former relief association was unable to use these funds for other general operating expenses or for investment purposes.

Recommendation: Due to the dissolution of the former relief association, we are providing officials of the Palisades Regional Fire Rescue Relief Association with copies of this report so that they are aware of the conditions that were detected in the operations of the former relief association during the current audit period. We recommend that the Palisades Regional Fire Rescue Relief Association be reimbursed \$910 for the erroneous duplicate payment. The Palisades Regional Fire Rescue Relief Association officials should consider contacting the vendor to recover the duplicate payment. In addition, the Palisades Regional Fire Rescue Relief Association officials should establish accounting and internal control procedures to monitor future relief association expenditures. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's Response: Former relief association management agreed with the finding as presented at the audit exit conference. As a result of the audit, on February 10, 2025, the Palisades Regional Fire Company reimbursed Palisades Regional Fire Rescue Relief Association \$910 for the duplicate payment.

Auditor's Conclusion: We reviewed documentation verifying that the reimbursement of \$910 was received by Palisades Regional Fire Rescue Relief Association. Compliance will be subject to verification during the next audit of the newly formed relief association.

VOLUNTEER FIREMAN'S RELIEF ASSOCIATION OF SPRINGTOWN, PENNSYLVANIA
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Volunteer Fireman's Relief Association of Springtown, Pennsylvania Governing Body:

Mr. Sean Queen
President

Mr. Jeffrey Mease
Vice President

Ms. Suzanne Hershey
Secretary

Ms. Melissa Hoffman
Treasurer

Palisades Regional Fire Rescue Relief Association Governing Body:

Mr. Jeff Lauble
President

Mr. Pete Cox
Vice President

Mr. Colby B. Shick
Secretary

Mr. Robert Milligan
Treasurer

Mr. Dave Wolfinger
Trustee

VOLUNTEER FIREMAN'S RELIEF ASSOCIATION OF SPRINGTOWN, PENNSYLVANIA
REPORT DISTRIBUTION LIST

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

Mr. Richard Pursell
Township Manager
Springfield 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.