

# COMPLIANCE AUDIT

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## The Fireman's Relief Association of Towamencin Township, PA Montgomery County, Pennsylvania For the Period January 1, 2021, to December 31, 2024

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January 2026



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR  
AUDITOR GENERAL

Mr. Erich Greiner, President  
The Fireman's Relief Association of  
Towamencin Township, PA  
Montgomery County

We have conducted a compliance audit of The Fireman's Relief Association of Towamencin Township, PA (relief association) for the period January 1, 2021, 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, 2021, 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, except as noted in the findings listed below and discussed later in this report.

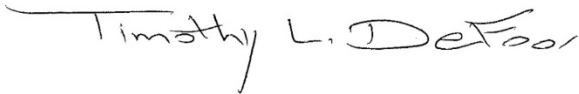
Finding No. 1 – Failure To Maintain A Complete And Accurate Membership Roster

Finding No. 2 – Inadequate Signatory Authority For The Disbursement Of Funds

We have also issued the observation below as detailed in the Observation section of this report.

Observation – Federal Deposit Insurance Corporation Coverage Limits Exceeded

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  
December 18, 2025

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## BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania,<sup>1</sup> Section 403 of The Fiscal Code,<sup>2</sup> and the Volunteer Firefighters' Relief Association Act ("VFRA Act"),<sup>3</sup> 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,<sup>4</sup> 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.

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<sup>1</sup> Pa. Const. Art. VIII § 10.

<sup>2</sup> 72 P.S. § 403.

<sup>3</sup> 35 Pa.C.S. § 7411 *et seq.*

<sup>4</sup> 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towamencin Township	Montgomery	\$112,587	\$139,363	\$139,514	\$140,948

Based on the relief association’s records, its total cash and investments as of December 31, 2024, were \$648,994, as illustrated below:

Cash	\$ 351,501
Fair Value of Investments	<u>297,493</u>
Total Cash and Investments	<u>\$ 648,994</u>

## BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period January 1, 2021, to December 31, 2024, were \$774,624, 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.<sup>5</sup> 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	\$ 246,522
Relief benefits	27,575
Tokens of sympathy and goodwill	245
Total Benefit Services	<u>\$ 274,342</u>

#### Fire Services:

Equipment purchased	\$ 124,131
Equipment maintenance	101,327
Training expenses	21,319
Fire prevention materials	1,820
Total Fire Services	<u>\$ 248,597</u>

#### Administrative Services:

Bond premiums	\$ 1,472
Other administrative expenses	35
Total Administrative Services	<u>\$ 1,507</u>

Total Investments Purchased	<u>\$ 250,000</u>
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#### Other Expenditures:

Miscellaneous *	<u>\$ 178</u>
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Total Expenditures	<u>\$ 774,624</u>
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\* On November 15, 2024, and December 23, 2024, the relief association was the victim of electronic transaction theft involving unauthorized withdrawals of \$118 and \$60, respectively, from its checking account. The bank reimbursed the relief association for the \$118 fraudulent transaction on December 19, 2024, and subsequent to the audit period, reimbursed the remaining \$60 on January 10, 2025.

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<sup>5</sup> 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:

Towamencin Volunteer Fire Company

THE FIREMAN'S RELIEF ASSOCIATION OF TOWAMENCIN TOWNSHIP, PA  
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:

- Failure To Maintain A Complete And Accurate Equipment Roster

By maintaining a cumulative inventory roster of all relief association-owned equipment.

THE FIREMAN'S RELIEF ASSOCIATION OF TOWAMENCIN TOWNSHIP, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – Failure To Maintain A Complete And Accurate Membership Roster**

Condition: The relief association officials did not maintain a complete and accurate roster of relief association members. Specifically, the relief association's membership roster did not include members' addresses and dates of birth.

Criteria: Relief association officials should maintain a complete and accurate roster of all current and former relief association's members who qualify for relief association benefits as identified by criteria set forth in the relief association's bylaws.

Article III, Section 6 of the relief association's bylaws states, in part:

It shall be the duty of the Board of Trustees to have in their charge a complete and up to date roster of all members of the fire company/relief association. To include: name, address, phone number, date joined, position and rank, status (i.e. active or inactive) and date of separation.

Prudent business practice dictates that a comprehensive roster of all relief association members should include, at minimum, the following:

- Names of each member
- Members' mailing addresses
- Members' date of birth
- Dates of memberships (start date and resignation or date of death)
- Membership classification, if applicable

Cause: Relief association officials indicated the reason for this condition was a failure to keep records up to date as members join and leave the relief association.

Effect: Failure to maintain a comprehensive membership roster could result in the payment of benefits to nonmembers or exclude eligible relief association members from receiving authorized benefits.

Recommendation: We recommend that the relief association officials compile and maintain a complete and accurate roster of all current and former relief association's members. For additional guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

THE FIREMAN'S RELIEF ASSOCIATION OF TOWAMENCIN TOWNSHIP, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – (Continued)**

Management Response: Relief association management agreed with the finding as presented at the audit exit conference and indicated they will build a better spreadsheet for relief association membership tracking.

Auditor's Conclusion: Compliance will be subject to verification during the next audit.

**Finding No. 2 – Inadequate Signatory Authority For The Disbursement Of Funds**

Condition: During the current audit period, we identified 30 of 194 checks issued from the relief association's checking account that did not contain the required signatory authority. Although each of the 30 checks had two signatures, 27 did not contain the president's signature and 3 did not contain the treasurer's signature, as required by the relief association bylaws. Furthermore, subsequent to the audit period, we noted one check that was signed by the president and the secretary rather than the president and the treasurer, as specified in the bylaws.

Criteria: Section 7415(c)(3) of the VFRA Act states, in part:

The bylaws shall require that the signatures of at least two officers, one of whom shall be the disbursing officer, shall be required to bind the association by formal contract or to issue a negotiable instrument.

In addition, Article III, Section 4 of the relief association's bylaws states, in part:

The Treasurer shall not disburse any money except by check or electronic payment. All checks must be counter-signed by the President and for electronic payments the invoice must be signed by both the Treasurer and President.

Cause: Relief association officials indicated the reason for this was that the long-standing treasurer stepped down and the position had not been filled, although the treasurer did not step down until November 2024.

Effect: As a result of the relief association officers issuing checks without the proper authorized signatures, the relief association was not in compliance with the VFRA Act or its bylaws and increased the risk of misappropriation and undetected errors.

THE FIREMAN'S RELIEF ASSOCIATION OF TOWAMENCIN TOWNSHIP, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2 – (Continued)**

Recommendation: We recommend that the relief association officials establish adequate internal control procedures to ensure that all negotiable instruments contain the signatures of the president and the disbursing officer (treasurer), two authorized relief association officers, as required by the VFRA Act and the relief association's bylaws. 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 fill the treasurer position and ensure the negotiable instruments contain the required signatures.

Auditor's Conclusion: Compliance will be subject to verification during the next audit.

THE FIREMAN'S RELIEF ASSOCIATION OF TOWAMENCIN TOWNSHIP, PA  
OBSERVATION

**Observation – Federal Deposit Insurance Corporation Coverage Limits Exceeded**

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the United States government that protects depositors against loss of their insured deposits in the event that an FDIC-insured bank and savings association fails. FDIC insurance is backed by the full faith and credit of the United States government.

Deposit accounts which are insured by the FDIC include:

- Checking accounts
- Savings accounts
- Money market accounts
- Certificates of deposit

FDIC insurance does not cover other financial products and services that banks may offer, such as stocks and bonds, mutual funds, life insurance policies, annuities, crypto assets, municipal securities, and safe deposit contents. Deposits are insured up to at least \$250,000 per depositor, per insured bank, for each account ownership category.

As disclosed in a verbal observation in the two previous audits, the relief association again failed to ensure that all cash balances were adequately covered by FDIC insurance. As of December 31, 2024, the relief association's ending cash balance with the financial institution was \$351,501.

Section 7413 of the VFRA Act, Statement of Purpose, states that the purpose of this subchapter is to encourage individuals to take part in the fire service as volunteer firefighters by establishing criteria and standards for orderly administration and conduct of affairs of firefighters' relief associations to ensure as far as circumstances will reasonably permit, that the funds shall be available for the protection of the volunteer firefighters' and their heirs.

Furthermore, prudent business practice dictates that in addition to performing monthly bank reconciliations, the relief association should ensure the relief association's cash balance is adequately covered by FDIC insurance. Lack of effective monitoring of relief association cash balances places the relief association funds at greater risk for loss.

The relief association should monitor all cash balances and ensure that the cash balances have adequate FDIC coverage.

THE FIREMAN'S RELIEF ASSOCIATION OF TOWAMENCIN TOWNSHIP, PA  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Joshua D. Shapiro**  
Governor  
Commonwealth of Pennsylvania

The Fireman's Relief Association of Towamencin Township, PA Governing Body:

**Mr. Erich Greiner**  
President

**Mr. Cesar Molina**  
Vice President

**Ms. Amanda Palo**  
Secretary

**Mr. Glen Roetman**  
Treasurer

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

**Mr. Kofi Osei**  
Secretary  
Towamencin Township

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).