

# COMPLIANCE AUDIT

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## Wallaceton Area Volunteer Firemen's Relief Association of Wallaceton, Wallaceton Borough, Clearfield County in the State of Pennsylvania For the Period January 1, 2023, to November 20, 2023

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June 2025



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Mr. George Rothrock, President  
Wallaceton Area Volunteer Firemen's Relief  
Association of Wallaceton, Wallaceton  
Borough, Clearfield County in the State  
of Pennsylvania

We have conducted a compliance audit of the former Wallaceton Area Volunteer Firemen's Relief Association of Wallaceton, Wallaceton Borough, Clearfield County in the State of Pennsylvania (relief association) for the period January 1, 2023, to November 20, 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.

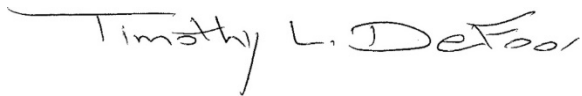
The objective of the audit was to determine if the former relief association complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds. Our audit was limited to the areas related to 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, 2023, to November 20, 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.

In addition, as of November 20, 2023, the former relief association completed the process of dissolution and merged with Morris Township Volunteer Firemen's Relief Association. Consequently, all remaining monetary assets and equipment were transferred to the Morris Township Volunteer Firemen's Relief Association.

The contents of this report were discussed with the management of the former relief association. 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  
June 5, 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 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.

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

<u>Municipality</u>	<u>County</u>	<u>2023</u>
Graham Township	Clearfield	\$ 876
Wallaceton Borough	Clearfield	\$1,321

As of November 20, 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 20, 2023, was \$0, as illustrated below:

Cash	<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, 2023, to November 20, 2023, were \$19,337, 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 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:

#### Fire Services:

Equipment purchased	\$ 3,480
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#### Administrative Services:

Bond premiums	\$ 187
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Other administrative expenses	44
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Total Administrative Services	\$ 231
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#### Other Expenditures:

Transfer of monetary assets *	\$ 15,626
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Total Expenditures	\$ 19,337
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\* Transfer of Monetary Assets/Dissolution of Relief Association.

As of November 20, 2023, the former relief association completed the process of dissolution and merged with Morris Township Volunteer Firemen's Relief Association. Consequently, all remaining monetary assets and equipment were transferred to the Morris Township Volunteer Firemen's Relief Association. Due to the dissolution of the former relief association, we are providing officials of Morris Township Volunteer Firemen's Relief Association copies of this report.

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:

Wallaceton Area Volunteer Fire Company

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

WALLACETON AREA VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF  
WALLACETON, WALLACETON BOROUGH, CLEARFIELD COUNTY IN THE STATE OF  
PENNSYLVANIA  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

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

Wallaceton Area Volunteer Firemen's Relief Association of Wallaceton, Wallaceton Borough,  
Clearfield County in the State of Pennsylvania Governing Body:

**Mr. George Rothrock**  
President

**Mr. Larry J. Johns**  
Vice President

**Ms. Mary Lou English**  
Secretary

**Mr. Barry L. Steinkamp**  
Treasurer

Morris Township Volunteer Firemen's Relief Association Governing Body:

**Mr. James Williams**  
President

**Ms. Julie Lynch**  
Treasurer



WALLACETON AREA VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF  
WALLACETON, WALLACETON BOROUGH, CLEARFIELD COUNTY IN THE STATE OF  
PENNSYLVANIA  
REPORT DISTRIBUTION LIST

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

**Ms. Cathy S. Youcheff**

Secretary  
Graham Township

**Ms. Nicole Ennis**

Secretary  
Wallaceton Borough

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).