



**THE HIGHVILLE FIRE COMPANY
RELIEF ASSOCIATION**

LANCASTER COUNTY

COMPLIANCE AUDIT REPORT

FOR THE PERIOD

JANUARY 1, 2008 TO JULY 21, 2011

RELEASED JANUARY 2014

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL





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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Dan Ditzler, President
HIGHVILLE VOLUNTEER FIREFIGHTERS'
RELIEF ASSOCIATION
Lancaster County

We have conducted a compliance audit of the former Highville Volunteer Firefighters' Relief Association pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code, Act of April 9, 1929, (P.L. 343, No. 176), and mandated by the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010 (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, for the period January 1, 2008 to July 21, 2011.

We conducted this compliance audit in accordance with *Government Auditing Standards* applicable to performance audits, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if the volunteer firefighters' relief association took appropriate corrective action to address the findings contained in our prior audit report; and
2. To determine if the volunteer firefighters' relief association received state aid and expended state aid and accumulated relief funds in compliance with applicable state laws, contracts, bylaws and administrative procedures.

Our audit was limited to the areas related to the objectives identified above.

Volunteer firefighters' relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the former Highville Volunteer Firefighters' Relief Association's administration of state aid and accumulated relief funds

complies with applicable state laws, contracts, bylaws and administrative procedures including the safeguarding of assets. In conducting our audit, we obtained an understanding of the volunteer firefighters' relief association's internal controls as they relate to the association's compliance with those requirements and that we considered to be significant within the context of the audit objectives, and assessed whether those significant controls were properly designed and implemented. Our audit procedures also included tests of documentary evidence supporting the former Highville Volunteer Firefighters' Relief Association's recorded financial transactions, tests of the physical existence of inventories, interviews of selected officials and direct confirmation of the former Highville Volunteer Firefighters' Relief Association's cash, investments, and certain other assets and liabilities as of July 21, 2011, with the custodians of the funds, debtors, creditors, and financial institutions to the extent necessary to satisfy the audit objectives. Additionally, we performed procedures to provide a reasonable assurance of detecting instances of violations of legal and regulatory requirements or violations of provisions of contracts that are significant within the context of the audit objectives.

The results of our audit, for the period January 1, 2008 to July 21, 2011, found the former Highville Volunteer Firefighters' Relief Association took appropriate corrective action to address the one of the two findings contained in our prior audit report. However, the former Highville Volunteer Firefighters' Relief Association failed to take appropriate corrective action to address the remaining finding contained in our prior audit report, as listed below and discussed in the Status of Prior Finding section of this report. In addition, the results of our audit found the former Highville Volunteer Firefighters' Relief Association, in all significant respects, received state aid and expended state aid and accumulated relief funds in compliance with applicable state laws, contracts, bylaws and administrative procedures, except as noted in the findings listed below and discussed in detail in the Findings and Recommendations section of this report. The results of our tests also indicated the former Highville Volunteer Firefighters' Relief Association expended funds as presented in the Accompanying Expenditure Information. However, as of July 21, 2011, the former Highville Volunteer Firefighters' Relief Association dissolved.

Finding No. 1 – Noncompliance with Prior Audit Recommendation – Failure to Maintain a Complete and Accurate Equipment Roster

Finding No. 2 – Undocumented Expenditures

Finding No. 3 – Unauthorized Expenditures

Finding No. 4 – Inadequate Minutes of Meetings

Finding No. 5 – Inadequate Signatory Authority for the Disbursement of Funds

The contents of this report were discussed with the management of the former Highville Volunteer Firefighters' Relief Association and, where appropriate, their responses have been included in the report. As a result of the dissolution, the former Highville Volunteer Firefighters' Relief Association's monetary assets and equipment were transferred to the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association.

May 7, 2012

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke at the end.

EUGENE A. DEPASQUALE
Auditor General

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BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code, Act of April 9, 1929, (P.L. 343, No. 176), and the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010, (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, 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, Act of December 18, 1984, (P.L. 1005, No. 205), as amended, 53 P.S. § 895.701 *et seq.* (commonly referred to as Act 205), are properly expended.

The former Highville Fire Company Relief Association, herein referred to as Highville Volunteer Firefighters' 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.

Act 118 governs the overall operation of the volunteer firefighters' relief association. The relief association's bylaws define the specific operational procedures by which the volunteer firefighters' relief association conducts business. To fulfill its primary purpose, Act 118 authorizes specific types of expenditures and prescribes appropriate volunteer firefighters' relief association investment options. Within the parameters established by Act 118, it is the responsibility of the volunteer firefighters' relief association to choose investments in a proper and prudent manner.

Volunteer firefighters' relief associations receive public tax monies, and the association officers therefore have a responsibility to the public to conduct the association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the 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, which is or are recognized as providing the service to the municipality.

BACKGROUND (Continued)

The former Highville Volunteer Firefighters' Relief Association was allocated state aid from the following municipality:

<u>Municipality</u>	<u>County</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Manor Township	Lancaster	\$44,437	\$39,943	\$44,959	*

*However, as of July 21, 2011, the Highville Volunteer Firefighters' Relief Association dissolved its organization. Thereafter, it did not receive any further state aid allocations. (See Accompanying Expenditure Information on page 14).

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

Highville Fire Company

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
STATUS OF PRIOR FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

The Highville Volunteer Firefighters' Relief Association has complied with the following prior audit finding and recommendation:

- Inadequate Financial Record-Keeping System

By establishing adequate accounting procedures that meet the minimum financial record-keeping requirements of this department.

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The Highville Volunteer Firefighters' Relief Association has not complied with one of the two prior audit findings. This finding is noted below and discussed in detail in the Findings and Recommendations section of this report:

- Noncompliance With Prior Audit Recommendation –
Failure to Maintain a Complete and Accurate Equipment Roster

We are concerned with the former volunteer firefighters' relief association's failure to correct the previously reported audit finding. Since the former Highville Volunteer Firefighters' Relief Association dissolved its organization and consequently transferred its monetary assets to the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association, Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association's management should strive to implement the recommendation and corrective action noted in this audit report.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation –
Failure to Maintain a Complete and Accurate Equipment Roster

Condition: As cited in our prior two audit reports, the former relief association officials failed to maintain a complete and accurate roster of equipment owned by the relief association. While an equipment roster was provided during the current audit, it did not contain all dates of purchase, unit costs, names of suppliers, or serial numbers, where available, to accurately identify equipment owned. As such, it was impossible to determine if all items purchased by the relief association during the audit period had been accurately recorded. Furthermore, there was no indication that a physical inventory of equipment was conducted on an annual basis, nor whether such inventory accounted for all of the relief association's equipment. Equipment purchases in the prior audit period and current audit period totaled \$391,417.

Criteria: Prudent business practice dictates the relief association should establish adequate internal control procedures to ensure the maintenance of a cumulative equipment roster of all items purchased by the relief association in order to provide an effective accounting control over the relief association's equipment. A cumulative equipment roster of all relief association equipment should include the following:

- Types of equipment purchased;
- Dates of purchase;
- Unit costs;
- Names of suppliers;
- Serial numbers, if applicable;
- Current locations of items;
- Final dispositions of sold or damaged equipment; and
- Evidence of the performance and results of an annual physical inventory.

Cause: Even though notified of this condition during our prior audit, relief association officials, again, neglected to establish adequate internal control procedures over equipment requiring the maintenance of a cumulative equipment roster and the performance of an annual physical inventory of equipment.

Effect: The failure to properly record equipment purchases in a detailed equipment roster prevents officials from effectively monitoring the relief association's equipment purchases. In addition, the failure to maintain a detailed equipment roster and perform an annual physical inventory of equipment prevents adequate accountability for, and safeguarding of, relief association equipment.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 1 – (Continued)

Recommendation: Due to the dissolution of the former Highville Volunteer Firefighters' Relief Association, we are providing officials of the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association with copies of this report so they are aware of conditions that were detected during the audit. We recommend the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association's officials ensure that all former Highville Volunteer Firefighters' Relief Association owned equipment is properly transferred to and adequately recorded on the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association's equipment roster. Furthermore, Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association should ensure that it performs an annual physical inventory of all operable equipment and that the completion of the inventory be sufficiently documented. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's 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.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 2– Undocumented Expenditures

Condition: The former relief association was unable to provide adequate supporting documentation for the following expenditures:

<u>Date</u>	<u>Check No.</u>	<u>Description</u>	<u>Amount</u>
01/01/08	904	Equipment Vendor	\$ 37
05/01/08	935	Member	200
06/16/08	949	Gas Station	145
08/25/08	964	Food Store	103
12/08/08	1032	Gas Station	104
01/02/09	1038	Gas Station	66
03/05/09	1053	Credit Card Company	353
03/20/09	1058	Credit Card Company	125
05/10/10	1128	Equipment Vendor	1,612
04/13/10	1164	Equipment Vendor	28
05/23/10	1173	Gas Station*	199
05/23/10	1173	Credit Card Company*	39
06/27/10	1178	Member	190
07/25/10	1186	Gas Station*	19
07/25/10	1186	Food Store*	32
08/30/10	1200	Gas Station	120
09/20/10	1203	Credit Card Company	30
10/25/10	1212	Gas Station	116
11/01/10	1218	Gas Station	41
11/29/10	1224	Gas Station	101
02/01/11	1235	Auto Supplies Store*	54
02/01/11	1235	Gas Station*	78
04/23/11	1256	Gas Station	389
05/01/11	1264	Gas Station	151
			\$ 4,332

*checks made payable to a credit card vendor for multiple purchases.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 2 – (Continued)

Criteria: Act 118 at 35 Pa.C.S. § 7418(a) states:

The Office of Auditor General shall have the power and its duty shall be to audit the accounts and records of every volunteer firefighters' relief association receiving money under Chapter 7 of the Act of December 18, 1984 (P.L. 1005, No. 205), [FN1] known as the Municipal Pension Plan Funding Standard and Recovery Act, as far as may be necessary to satisfy the Auditor General that the money received was or is being expended for no purpose other than that authorized by this subchapter. Copies of all audits shall be furnished to the Governor.

Without adequate supporting documentation, such as invoices, this department is unable to determine whether relief association funds were expended for purposes authorized by Act 118. Furthermore, prudent business practices dictate that supporting documentation be maintained to verify the propriety of all financial transactions.

Cause: Former relief association officials failed to establish adequate internal control procedures to ensure supporting documentation is maintained for all expenditures.

Effect: Lack of supporting documentation, such as invoices made it impossible to determine if the expenditures were made in accordance with Act 118 at 35 Pa.C.S. § 7416(f). In addition, the failure to maintain adequate supporting documentation for relief association expenditures can lead to an increased risk of errors occurring and funds being misappropriated.

Recommendation: Due to the dissolution of the former Highville Volunteer Firefighters' Relief Association we are providing officials of the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association with copies of this report so they are aware of the conditions that were detected during the audit. We recommend that the Blue Rock Fire and Rescue Volunteer Firefighters Relief Association provide this department with adequate supporting documentation, such as invoices, to determine the validity of the expenditures. If documentation cannot be provided, we recommend the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association seek reimbursement of \$4,332 from the Highville Fire Company for the undocumented expenditures. We also recommend that relief officials maintain supporting documentation for all future expenditures. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's 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.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 3 – Unauthorized Expenditures

Condition: The former relief association expended funds for the following items that are not authorized by Act 118:

Date	Check No.	Description	Amount
06/06/08	945	Gas and oil for fire company boat	\$ 41
11/22/08	1025	Repair on a fire company vehicle	299
07/27/09	1068	Repair on a fire company vehicle	38
05/01/09	1069	Repair on a fire company vehicle	306
06/11/09	1091	Gas and oil for fire company boat	18
07/16/09	1103	Gas, line, harness and tow, boat hook for fire company boat	79
08/17/09	1115	Repairs on a fire company vehicle	305
10/25/09	1125	Repairs on a fire company vehicle	54
02/28/10	1152	Repairs on a fire company vehicle	660
04/26/10	1169	Repairs on a fire company vehicle	1224
04/26/10	1171	Repairs on a fire company vehicle	137
06/27/10	1183	Repairs on a fire company vehicle	953
06/27/10	1184	Repairs on a fire company vehicle	227
07/16/10	1189	Repairs on a fire company vehicle	720
07/25/10	1190	Repairs on a fire company vehicle	3009
07/25/10	1193	Repairs on a fire company vehicle	117
09/20/10	1206	Inspection on a fire company vehicle	77
10/14/10	1215	Repairs on a fire company vehicle	675
10/14/10	1216	Inspections on (2) fire company vehicles, Repairs on (1) fire company vehicle	283
11/01/10	1222	Inspections of (2) fire company vehicles	515
11/29/10	1227	Repairs on a fire company vehicle	904
02/01/11	1239	Oil and engine cleaner for fc boat	212
04/23/11	1257	Repairs on a fire company vehicle	473
04/23/11	1258	Repairs on a fire company vehicle	244
05/01/11	1270	Repairs on a fire company vehicle	1313
05/01/11	1271	Inspection and repairs on a fire company vehicle	64
05/22/11	1269	Repairs on a fire company vehicle	210
06/16/11	1273	Repairs on a fire company vehicle	3207
06/16/11	1275	Propane tank and (2) gift cards	84
Total			<u>\$ 17,048</u>

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 3 – (Continued)

Criteria: Act 118 at 35 Pa.C.S. § 7416(f)(1) states:

The funds of any volunteer firefighters' relief association may be spent:

- (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.

Costs associated with the maintenance and repair of fire company owned vehicles and boats do not qualify as authorized volunteer firefighters' relief association expenditures; consequently, these disbursements are not authorized under Act 118.

Cause: Former relief association officials were unaware that the aforementioned expenditures were not authorized by Act 118.

Effect: As a result of these improper expenditures, relief association funds were not available for investment purposes, or to pay for expenditures authorized by Act 118.

Recommendation: Due to the dissolution of the former Highville Volunteer Firefighters Relief Association, we are providing officials of the Blue Rock Fire and Rescue Volunteer Firefighters Relief Association with copies of this report so they are aware of conditions that were detected during the audit. We recommend that the Blue Rock Fire and Rescue Volunteer Firefighters Relief Association seek reimbursement of \$17,048 from the Highville Fire Company. We also recommend that relief association officials become familiar with Act 118 at 35 Pa. C.S. § 7416(f) to aid them in determining the propriety of future expenditures. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's 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.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 4 – Inadequate Minutes of Meetings

Condition: The former relief association failed to maintain detailed minutes of meetings as required by Act 118. Specifically, the relief association's minutes did not address all of the financial-related transactions that occurred during the audit period. In addition, the November 2008 and December 2008 meeting minutes were not available. Also, 2010 and 2011 meeting minutes did not list if a quorum requirement was met for any of the months and the meeting minutes were scarce and did not differentiate between the fire company and the relief association.

Criteria: Act 118 at 35 Pa.C.S. § 7415(a) 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.

Cause: Former relief association officials were unaware that maintaining detailed minutes of meetings was required by Act 118.

Effect: Without detailed minutes of meetings, evidence that relief association business was presented before the membership for approval does not exist.

Recommendation: We are providing officials of the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association copies of this report so that they are aware of the conditions that were detected at the Highville Volunteer Firefighters' Relief Association during the course of this audit. We recommend the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association maintain detailed minutes of meetings evidencing the discussion and approval of all financial-related business conducted by the relief association. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's 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.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 5 – Inadequate Signatory Authority for the Disbursement of Funds

Condition: During the current audit engagement, we identified 337 checks out of drawn on the relief association's checking account. Of the 337 checks, 130 were co-signed by a member who was not a relief association officer. In addition, 14 of the 337 checks were not signed by the disbursing officer, and 1 check contained only one signature. Issuing checks with the signature of only one officer negates the relief association's internal control over the disbursement process.

Criteria: Act 118 at 35 Pa.C.S. § 7415(c)(3) 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 VIII, Section 1, of the relief association's bylaws states:

The signatures of two officers, one of whom shall be the treasurer, shall required for the issuance of relief association checks, withdrawal from the association savings account, redemption of any relief association investment, or on any other negotiable instrument issued by the association.

Furthermore, prudent business practice dictates that the relief association has sufficient internal control procedures in place to ensure the signatures of at least two relief association officials are included on all negotiable instruments. Good internal control procedures require that checks be signed only after the propriety of the expenditures has been determined and the payee, date, and amount to be paid has been confirmed. Additionally, responsible relief association officers should compare this information with supporting documentation, such as invoices, contract, etc., prior to approving the checks.

Cause: Former relief association officials neglected to establish adequate internal control procedures which require the signatures of at least two officers on all negotiable instruments.

Effect: As a result of the improper authority for disbursement of funds, assets were placed at greater risk as expenditures were being made without proper approval to verify the propriety of the expenditures. Having proper approval authority reduces the risk for errors occurring and going undetected, and reduces the risk of misappropriation.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
FINDINGS AND RECOMMENDATIONS (Continued)

Finding No. 5 – (Continued)

Recommendation: Due to the dissolution of the Highville Volunteer Firefighters' Relief Association, we are providing officials of the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association with copies of the report so they are aware of the conditions that were detected during the audit. We recommend that Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association officials establish adequate internal control procedures to ensure that the signatures of at least two officers, one of whom shall be the treasurer, are included on all relief association negotiable instruments as defined by Act 118. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's 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.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
 ACCOMPANYING EXPENDITURE INFORMATION
 FOR THE PERIOD JANUARY 1, 2008 TO JULY 21, 2011

Act 118 at 35 Pa.C.S. § 7412 states: a volunteer firefighters' relief association is an organization formed primarily for the purpose of affording financial protection to volunteer firefighters against the consequences of misfortune suffered as a result of their participation in the fire service. The organization may contain within its membership the members of one or more fire companies and may serve secondary purposes, as set forth in this subchapter, but only if adequate provisions have been first made to serve the primary purpose.

Act 118 at 35 Pa.C.S. § 7416 authorizes the investment of relief association funds and outlines the types of benefits and services that can be provided with volunteer firefighters' relief association funds.

Furthermore, all expenditures must be properly authorized as prescribed in the volunteer firefighters' relief association bylaws and approved at an association meeting.

USES OF FUNDS:

Benefit Services:	
Insurance premiums	\$ 690
Relief benefits	392
Total Benefit Services	\$ 1,082
Fire Services:	
Equipment purchased	\$ 118,430
Equipment maintenance	54,932
Training expenses	7,468
Fire prevention materials	415
Total Fire Services	\$ 181,245
Administrative Services:	
Other administrative expenses	\$ 265
Total Administrative Services	\$ 265

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
ACCOMPANYING EXPENDITURE INFORMATION (Continued)

Other Expenditures:		
Transfer of monetary assets*	\$	26,288
Undocumented expenditures		<u>4,332</u>
Total Other Expenditures	\$	<u>30,620</u>

*Transfer of Monetary Assets/Dissolution of Highville Volunteer Firefighters' Relief Association.

As of July 21, 2011, the Highville Volunteer Firefighters' Relief Association completed the process of dissolution. Consequently, all remaining monetary assets were transferred to Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association. Due to the dissolution of the former Highville Volunteer Firefighters' Relief Association, we are providing officials of the Blue Rock Fire and Rescue and Volunteer Firefighters' Relief Association copies of this report.

HIGHVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania

Highville Volunteer Firefighters' Relief Association Governing Body:

Mr. Dan Ditzler, President

Mr. Glenn Hess, Vice President

Ms. Jenna Enterline, Secretary

Ms. Nicole Fisher, Treasurer

A report was also distributed to officials of the Blue Rock Fire and Rescue Volunteer Firefighters' Relief Association.

Mr. Amos Hess, President

Mr. James F. Knapp, Vice President

Mr. Roy E Keagy Jr., Secretary

Ms. Kathy Fry, Treasurer

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

Mr. Barry L. Smith, Secretary
Manor Township

This report is a matter of public record and is available online at www.auditorgen.state.pa.us. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.