

COMPLIANCE AUDIT

Big Valley Ambulance Club Relief Fund

Mifflin County, Pennsylvania
For the Period
January 1, 2016 to December 4, 2018

February 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Ms. Joy C. Byler, President
Big Valley Ambulance Club Relief Fund
Mifflin County

We have conducted a compliance audit of the former Big Valley Ambulance Club Relief Fund (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, 2016 to December 4, 2018.

The objectives of the audit were:

1. To determine if the former relief association took appropriate corrective action to address the finding contained in our prior audit report.
2. 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 objectives identified above and was not required to be and was not 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 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, 2016 to December 4, 2018:


- The former relief association took appropriate corrective action to address the finding contained in our prior audit report.
- 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 December 4, 2018, the former relief association completed the process of dissolution. Consequently, all remaining assets and equipment were transferred to the Allensville Volunteer Fire Company Firemen's Relief Association. As of December 4, 2018 the relief association did not have any remaining monetary assets to be transferred (See Supplementary Financial Information on page 4).

The supplementary financial information contained in this report is presented for purposes of additional disclosure and analysis. We performed only limited procedures on the supplementary financial information and, accordingly, express no form of assurance on it.

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.

January 23, 2019



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 relief association was a charitable organization that was formed primarily to provide ambulance personnel of its assigned territory with protection from misfortune suffered as a result of their participation in the ambulance service.

Act 118 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, 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 relief associations 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 that is or are recognized as providing the service to the municipality.

BACKGROUND – (Continued)

The former relief association was allocated no state aid from any municipalities.

**As of December 4, 2018, the former relief association dissolved its organization. Thereafter, it did not receive any further state aid allocations.

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:

Big Valley Ambulance Club

BIG VALLEY AMBULANCE CLUB RELIEF FUND
STATUS OF PRIOR FINDING AND WRITTEN OBSERVATION

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The former relief association has complied with the prior audit finding and recommendation, as follows:

- Insufficient Surety (Fidelity) Bond Coverage

By increasing the Surety (Fidelity) bond coverage to an amount greater than the balance of the relief association's cash assets.

COMPLIANCE WITH PRIOR AUDIT WRITTEN OBSERVATION

The former relief association has complied with the prior audit written observation, as follows:

- Association May Not Comply With The Requirements Of Act 118

By dissolving and transferring all remaining assets to another relief association.

We commend the former relief association management for its efforts in complying with the finding and recommendation, along with the written observation, contained in the prior audit report. Since the former relief association dissolved its organization and consequently transferred its remaining assets to the Allensville Volunteer Fire Company Firemen's Relief Association, the Allensville Volunteer Fire Company Firemen's Relief Association's management should strive to remain in compliance with all applicable state laws, contracts, bylaws and administrative procedures.

BIG VALLEY AMBULANCE CLUB RELIEF FUND
SUPPLEMENTARY FINANCIAL INFORMATION
CASH BALANCE
AS OF DECEMBER 4, 2018

| | |
|------|-------------|
| Cash | <u>\$ 0</u> |
|------|-------------|

BIG VALLEY AMBULANCE CLUB RELIEF FUND
SUPPLEMENTARY FINANCIAL INFORMATION
SUMMARY OF EXPENDITURES
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 4, 2018

Expenditures:

| | |
|-------------------------------|-------------------------------|
| Benefit Services: | |
| Insurance premiums | <u>\$ 6,386</u> |
| Fire Services: | |
| Equipment purchased | <u>\$ 3,096</u> |
| Administrative Services: | |
| Other administrative expenses | \$ 16 |
| Bond premiums | <u> 100</u> |
| Total Administrative Services | \$ 116 |
| Total Expenditures | <u><u>\$ 9,598</u></u> |

BIG VALLEY AMBULANCE CLUB RELIEF FUND
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

Big Valley Ambulance Club Relief Fund Governing Body:

Ms. Joy C. Byler
President

Mr. Michael Frank
Vice President

Ms. Shari A. Spicher
Secretary

Ms. Beverly J. Eichhorn
Treasurer

A report was also distributed to the following receiving relief association:

Allensville Volunteer Fire Company Firemen's Relief Association

Mr. Bradley O. Yode
President

Ms. Tara Eckley
Treasurer

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.