

# COMPLIANCE AUDIT

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## Northern Lebanon Fire and Emergency Services Relief Association Lebanon County, Pennsylvania For the Period August 15, 2018 to December 31, 2020

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August 2021



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR  
AUDITOR GENERAL

Mr. Noah Weaver, President  
Northern Lebanon Fire and Emergency  
Services Relief Association  
Lebanon County

We have conducted a compliance audit of the Northern Lebanon Fire and Emergency Services Relief Association (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 August 15, 2018 to December 31, 2020.

The objectives of the audit were:

1. To determine if the relief association took appropriate corrective action to address the findings contained in our prior audit reports of the former relief associations that merged to form the new relief association. The former relief associations that merged were the Ono Fire Company Relief Association, the Greenpoint Firemen's Relief Association, the Lickdale Community Fire Company Relief Association, and the Perseverance Fire Company Volunteer Firemen's Relief Association.
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 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 August 15, 2018 to December 31, 2020:

- The relief association took appropriate corrective action to address one of the 11 findings contained in our prior audit reports of the former Ono Fire Company Relief Association, the former Greenpoint Firemen's Relief Association, the former Lickdale Community Fire Company Relief Association and the former Perseverance Fire Company Volunteer Firemen's Relief Association. However, the relief association failed to take appropriate corrective action to address the 10 remaining findings (six findings combined in total due to some of the former relief associations having findings for the same issues), as listed below and discussed in the Status of Prior Findings section of this 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 – Noncompliance With Prior Audit Recommendation – Failure To Obtain Surety (Fidelity) Bond Coverage

Finding No. 2 – Noncompliance With Prior Audit Recommendation – Failure To Deposit State Aid

Finding No. 3 – Noncompliance With Prior Audit Recommendation – Failure To Maintain A Complete And Accurate Equipment Roster

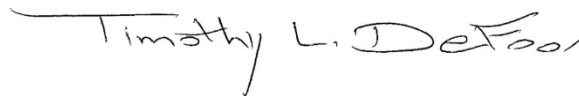
Finding No. 4 – Noncompliance With Prior Audit Recommendation – Undocumented Expenditures

Finding No. 5 – Noncompliance With Prior Audit Recommendation – Failure To Maintain A Pennsylvania Sales Tax Exemption Number

Finding No. 6 – Noncompliance With Prior Audit Recommendation – Unauthorized Expenditure

All of the audit findings contained in this report cite conditions that existed in the operation of at least one of the four former relief associations noted above that merged to form the new relief association. The recommendations in our prior reports were communicated to the new relief association to be aware of the conditions that were detected. We are concerned by the number of findings noted and strongly encourage timely implementation of the recommendations noted in this audit report.

The contents of this report were discussed with the management of the relief association and, where appropriate, their responses have 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.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor  
Auditor General

July 30, 2021

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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 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.

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 relief association was allocated state aid from the following municipalities:

<u>Municipality</u>	<u>County</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Jonestown Borough	Lebanon	\$8,260*	\$ 8,877	\$ 8,948
East Hanover Township	Lebanon	**	\$19,778	\$19,853
Cold Spring Township	Lebanon	**	\$ 419	\$ 422
Union Township	Lebanon	**	\$21,915	\$23,085

\* The 2018 state aid allocation from Jonestown Borough was not received and deposited by the relief association until January 15, 2020 as disclosed in Finding No. 2 in this report.

\*\* During the current audit period, the relief association did not receive an allocation of state aid from East Hanover Township, Cold Spring Township and Union Township in 2018. Municipalities have sole discretion to distribute their annual allocation of state aid received to any relief association providing fire service to the municipality.

Based on the relief association’s records, its total cash as of December 31, 2020 was \$161,052, as illustrated below:

Cash	<u>\$ 161,052</u>
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## BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period August 15, 2018 to December 31, 2020 were \$162,921, 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>1</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	<u>\$ 4,375</u>
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#### Fire Services:

Equipment purchased	\$ 130,912
Equipment maintenance	14,060
Training expenses	<u>13,031</u>

Total Fire Services	<u>\$ 158,003</u>
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#### Administrative Services:

Other administrative expenses	<u>\$ 200</u>
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#### Other Expenditures:

Unauthorized expenditures	<u>\$ 343</u>
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Total Expenditures	<u><u>\$ 162,921</u></u>
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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:

Northern Lebanon Fire and Emergency Services of Jonestown, PA

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<sup>1</sup> Accuracy was evaluated for a selection of transactions based on dollar amount, category, and/or random selection.



NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
STATUS OF PRIOR AUDIT FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

Due to the dissolution of the former Ono Firemen's Relief Association, the former Greenpoint Firemen's Relief Association, the former Lickdale Community Fire Company Relief Association and the former Perseverance Fire Company Volunteer Firemen's Relief Association, officials of the Northern Lebanon Fire and Emergency Services Relief Association were provided copies of those entity's final close-out audit reports so that officials were made aware of the conditions that were detected in the operations of the former Ono Firemen's Relief Association, the former Greenpoint Firemen's Relief Association, the former Lickdale Community Fire Company Relief Association and the former Perseverance Fire Company Volunteer Firemen's Relief Association during the course of their audits.

The relief association has complied with one of the 11 prior audit findings and recommendations, as follows:

- Inadequate Minutes Of Meetings (Former Greenpoint)

By maintaining detailed minutes of all relief association meetings held during the period.

NONCOMPLIANCE WITH AUDIT FINDINGS AND RECOMMENDATIONS

The relief association has not complied with 10 (six findings combined in total for this report) of the 11 prior audit findings and recommendations of the former Ono Firemen's Relief Association, the former Greenpoint Firemen's Relief Association, the former Lickdale Community Fire Company Relief Association and the former Perseverance Fire Company Volunteer Firemen's Relief Association, as follows:

- Failure To Maintain Surety (Fidelity) Bond Coverage (Former Lickdale, Greenpoint and Perseverance)
- Untimely Receipt And Deposit Of State Aid (Former Greenpoint)
- Failure To Maintain A Complete And Accurate Equipment Roster (Former Lickdale, Greenpoint and Perseverance)
- Undocumented Expenditures (Former Greenpoint)
- Failure To Maintain A Pennsylvania State Sales Tax Exemption Number (Former Perseverance)
- Unauthorized Expenditure (Former Ono)

We are concerned by the relief association's failure to correct those previously reported audit findings. The association management should strive to implement the recommendations and corrective actions noted in this audit report.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – Noncompliance With Prior Audit Recommendation – Failure To Obtain Surety (Fidelity) Bond Coverage**

Condition: The relief association failed to obtain Surety (Fidelity) bond coverage on its authorized disbursing officer, as required by Act 118. The relief association did not obtain Surety (Fidelity) bond coverage at any time during the audit period or subsequent to the period under review. As of December 31, 2020, the relief association's cash assets totaled \$161,052.

A similar condition was noted in our prior audit reports of the former Greenpoint Firemen's Relief Association, the former Lickdale Community Fire Company Relief Association and the former Perseverance Fire Company Volunteer Firemen's Relief Association where each entity allowed their bond coverage to lapse.

Criteria: Section 7415(c)(4) of Act 118 states, in part, that:

. . . the disbursing officer, whether designated treasurer, comptroller, financial secretary or otherwise, shall be bonded by corporate surety for faithful performance of duty. The amount of the bond shall be at least as great as the maximum cash balance in current funds of the association at any time during the fiscal year, and the premium on the bond shall be a proper charge against the funds of the association.

Cause: The relief association officials stated that with the merger of the four relief associations, the purchase of a bond policy was inadvertently overlooked.

Effect: As a result of the authorized disbursing officer of the relief association not being bonded, the relief association's cash assets were not adequately safeguarded.

Recommendation: We again recommend that the relief association officials obtain Surety (Fidelity) bond coverage on the relief association's authorized disbursing officer in an amount greater than the relief association's maximum cash balance, as required 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, as a result of our audit, the relief association officials increased the bond coverage to \$250,000, retroactive to January 1, 2021, to comply with the recommendation on February 24, 2021.

Auditor's Conclusion: We reviewed documentation verifying that bond coverage for the disbursing officer was obtained on February 24, 2021. Compliance for maintaining bond coverage during the next audit period will be subject to verification through our next audit.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2 – Noncompliance With Prior Audit Recommendation – Untimely Deposit Of State Aid**

Condition: The relief association did not receive and deposit the 2018 state aid distributed by Jonestown Borough, in the amount of \$8,260, into the relief association account until January 15, 2020. The foreign fire insurance tax allocation was distributed to the municipal treasurer on September 17, 2018, who forwarded this state aid to the relief association on September 25, 2018, which is within 60 days of receipt, as required by Section 706 (b)(2) of the Act of December 18, 1984, (P.L. 1005, No. 205); however, even though the check was written out to the relief association and the 2018 706B Form allocated the state aid to the relief association, the monies were deposited directly and inappropriately into the account of the former Perseverance Fire Company Volunteer Firemen’s Relief Association. The former Perseverance Fire Company Volunteer Firemen’s Relief Association continued to operate until January 15, 2020 when the process of dissolution was completed and all monetary assets totaling \$9,087 were eventually transferred to the relief association.

We reported the untimely deposit of state aid in our prior audit report of the former Greenpoint Firemen’s Relief Association.

Criteria: Section 706 (b)(2) of the Act of December 18, 1984, (P.L. 1005, No. 205), states:

The foreign fire insurance premium tax amount applicable to a municipality served solely by volunteer firefighters shall be paid to the municipality, which shall within 60 days of the date of the receipt of the moneys from the State Treasurer pay the amount received to the relief association fund of the fire department or departments, or fire company or companies, now existing or hereafter organized, inside or outside of the municipality, which is or are actively engaged in the service of the municipality and duly recognized by the governing body of the municipality.

Furthermore, prudent business practice dictates that upon receipt of its state aid allocation, the relief association should establish adequate internal control procedures to ensure the funds are deposited in a timely manner.

Cause: The relief association officials stated that the new relief association had been established at that point, but the relief association was not actively doing business. Therefore, while Jonestown Borough wrote the check to the relief association instead of to the former Perseverance Fire Company Volunteer Firemen’s Relief Association, relief association officials believed the funds were to be deposited into the former relief association’s account.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2 – (Continued)**

Effect: As a result of the untimely deposit into the new relief association, funds were not available to the new relief association to pay general operating expenses or for investment purposes. In addition, an untimely deposit of receipts increases the risk that funds could be lost or misappropriated.

Recommendation: We recommend that the relief association officials should establish accounting and internal control procedures to ensure that all state aid is received in a timely manner and deposited into a relief association account. 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.

Auditor's Conclusion: We are concerned by the relief association's failure to correct this previously reported audit finding and strongly encourage timely implementation of the recommendation noted in this audit report.

**Finding No. 3 – Noncompliance With Prior Audit Recommendation – Failure To Maintain A Complete And Accurate Equipment Roster**

Condition: The relief association failed to maintain a complete and accurate roster of equipment owned by the relief association. Although a listing of relief association owned equipment was provided during the current audit period, this listing was incomplete and did not accurately identify all of the equipment owned by the relief association. The relief association purchased \$130,912 of equipment during the current audit period, but the equipment for \$20,614 of those purchases was not properly accounted for on the relief association's equipment roster. In addition, there was no evidence the merging entities had provided a copy of their respective equipment roster to the newly formed relief association. Furthermore, there was no indication that a physical inventory of equipment was conducted on an annual basis to account for the equipment owned by the relief association.

A similar condition was noted in our prior audit reports of the former Greenpoint Firemen's Relief Association, the former Lickdale Community Fire Company Relief Association and the former Perseverance Fire Company Volunteer Firemen's Relief Association

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 3 – (Continued)**

Criteria: Prudent business practice dictates that 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 all of 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
- Evidence of the performance and results of an annual physical inventory

Cause: The relief association officials stated that during the merger of the four relief associations, some of the rosters were misplaced and therefore a complete equipment roster could not be compiled.

Effect: The continued 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.

Recommendation: We again recommend that the relief association officials maintain a cumulative equipment roster of all equipment owned by the relief association. Furthermore, the relief association should ensure 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.

Auditor's Conclusion: We are concerned by the relief association's failure to correct this previously reported audit finding and strongly encourage timely implementation of the recommendation noted in this audit report.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 4 – Noncompliance With Prior Audit Recommendation – Undocumented Expenditures**

Condition: During the prior audit period, the former Greenpoint Firemen’s Relief Association was unable to provide adequate supporting documentation for expenditures amounting to \$250, and the relief association officials did not take corrective action to address the undocumented expenditures prior to the current audit period ending December 31, 2020.

Criteria: Section 7418(a) of Act 118 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), 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.

Prudent business practice dictates that supporting documentation be maintained to evidence the propriety of all financial transactions.

Cause: The relief association officials did not provide a reason for why corrective action was not taken prior to December 31, 2020.

Effect: Lack of supporting documentation, such as invoices, itemized receipts and detailed minutes of meetings, made it impossible to determine if the expenditures were made in accordance with Section 7416(f) of Act 118. 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: We recommend that the relief association officials provide this department with adequate supporting documentation, such as invoices and/or itemized receipts, to ensure the propriety of the expenditures or that the relief association be reimbursed \$250 for the undocumented expenditures. We also recommend that the relief association 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.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 4 – (Continued)**

Management’s Response: Relief association management agreed with the finding as presented at the audit exit conference and, as a result of our audit, the affiliated fire company reimbursed the relief association \$628 on July 13, 2021.

Auditor’s Conclusion: The excess reimbursement of \$378 (\$628 minus \$250) was made due to miscommunication between the auditor and relief association officials related to \$378 of undocumented expenditures that were initially noted during one of the prior audits but that were satisfied prior to the issuance of the prior audit. We reviewed the documentation verifying that the reimbursement of \$628 was received and note that the \$378 excess reimbursement may be returned to the affiliated fire company. Compliance for maintaining appropriate documentation for expenditures made during the next audit period will be subject to verification through our next audit.

**Finding No. 5 – Noncompliance With Prior Audit Recommendation – Failure To Obtain A Pennsylvania Sales Tax Exemption Number**

Condition: The relief association failed to obtain a Pennsylvania sales tax exemption number. The relief association may be using the fire service organization’s sales tax exemption number, although the fire service organization and the relief association are separate legal entities.

A similar condition was noted in our prior audit report of the former Perseverance Fire Company Volunteer Firemen’s Relief Association.

Criteria: Section 7415(e) of Act 118 states:

A volunteer firefighters’ relief association organized or conducted in accordance with the requirements of this section shall be regarded as a charitable corporation for all purposes, including the right to establish exemption from the operation of certain taxes.

Cause: The relief association officials disclosed that during the merger, the relief association officials were under the impression that their attorney was applying for a sales tax exemption number on their behalf.

Effect: As a result of the relief association’s failure to obtain a sales tax exemption number, the relief association may be required to pay Pennsylvania sales tax on its purchases, which ultimately reduces the funds otherwise available for general operating expenditures or for investment purposes.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 5 – (Continued)**

Recommendation: We again recommend that the relief association officials immediately obtain a state sales tax exemption number from the Department of Revenue and furnish this exemption number to all vendors from whom the relief association purchases equipment. 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 stated that once they were aware the application was not filed, they immediately began the filing process. To date, they have not yet received their number from the Department of Revenue.

Auditor’s Conclusion: We are concerned by the relief association’s failure to correct this previously reported audit finding and strongly encourage timely implementation of the recommendation noted in this audit report.

**Finding No. 6 – Noncompliance With Prior Audit Recommendation – Unauthorized Expenditures**

Condition: The relief association expended funds for the following items during the current audit period that are not authorized by Act 118:

Date	Check No.	Description	Amount
01/14/2019	106	Verizon-cellular/data service-non-related fire company	\$ 49
02/14/2019	110	Verizon-cellular/data service-non-related fire company	49
03/12/2019	112	Verizon-cellular/data service-non-related fire company	49
04/10/2019	119	Verizon-cellular/data service-non-related fire company	49
05/13/2019	122	Verizon-cellular/data service-non-related fire company	49
06/11/2019	128	Verizon-cellular/data service-non-related fire company	49
07/12/2019	132	Verizon-cellular/data service-non-related fire company	49
Total			<u>\$ 343</u>

A similar condition was noted in our prior audit report for the former Ono Firemen’s Relief Association.



NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

**Finding No. 6 – (Continued)**

Criteria: Section 7416(f) of Act 118 states:

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

- (11) To purchase safeguards for preserving life, health and safety of volunteer firefighters to ensure their availability to participate in the volunteer fire service.

Costs associated with cellular/data service for a non-related fire company do not qualify as authorized volunteer firefighters' relief association expenditures; consequently, these disbursements are not authorized under Act 118.

Cause: When the former Ono Firemen's Relief Association closed, the relief association officials continued paying the Verizon bill because they did not realize the non-related fire company was not paying their portion. This practice had been done in the past and the non-related fire company would reimburse the former relief association for their portion. Upon discovery, the lines were cancelled by the relief association.

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: We recommend that the relief association be reimbursed \$343 for the unauthorized expenditures and that relief association officials become familiar with Section 7416(f) of Act 118 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, as a result of our audit, the affiliated fire company reimbursed the relief association \$343 for the unauthorized expenditures on July 13, 2021.

Auditor's Conclusion: We reviewed the documentation verifying that the reimbursement of \$343 was received. Compliance for expenditures made during the next audit period will be subject to verification through our next audit.

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania

Northern Lebanon Fire and Emergency Services Relief Association Governing Body:

**Mr. Noah Weaver**  
President

**Mr. Allan Hummer**  
Vice President

**Mr. Chad Cunningham**  
Secretary

**Mr. Andrew Martin**  
Treasurer

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

**Ms. Joan Keefer**  
Secretary  
Jonestown Borough

**Mr. Dennis Grubb**  
Secretary  
East Hanover Township

**Mr. Gary Longenecker**  
Secretary  
Cold Spring Township

**Mr. Gary Longenecker**  
Secretary  
Union Township

NORTHERN LEBANON FIRE AND EMERGENCY SERVICES RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

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