

# COMPLIANCE AUDIT

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## The Relief Association of The Central Berks Fire Company No. 1., Centerport, PA Berks County, Pennsylvania For the Period January 1, 2019 to December 31, 2021

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June 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania  
Department of the Auditor General  
Harrisburg, PA 17120-0018  
Facebook: Pennsylvania Auditor General  
Twitter: @PAAuditorGen  
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Mr. Dennis Kunkle, President  
The Relief Association of The  
Central Berks Fire Company No. 1.,  
Centerport, PA  
Berks County

We have conducted a compliance audit of The Relief Association of The Central Berks Fire Company No. 1., Centerport, PA (relief association) for the period January 1, 2019 to December 31, 2021. 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 findings 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 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.

We were not able to obtain an independent confirmation of the cash balance and the investment balance directly from the financial institution. Therefore, while the relief association provided bank and investment statements that indicated that, as of December 31, 2021, the relief association had a cash balance of \$80,854 and an investment balance with a fair value of \$6,437, we were not able to verify those cash and investment balances.

Based on our audit procedures, we conclude that, for the period January 1, 2019 to December 31, 2021:

- The relief association did not take appropriate corrective action to address the findings contained in our prior audit report, as detailed below and discussed in the Status of Prior Finding section of this report.
- Except for the effects, if any, of the matter described in the preceding paragraph, 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 –  
Inadequate Relief Association Bylaws

Finding No. 2 – Noncompliance With Prior Audit Recommendation – Failure  
To Maintain A Complete And Accurate Membership Roster

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

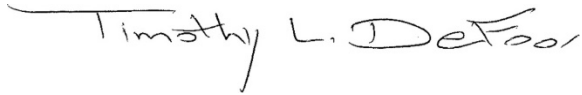
Finding No. 4 – Noncompliance With Prior Audit Recommendation – Failure  
To Provide Documentation Evidencing Propriety Of Death  
Benefits Paid

Finding No. 5 – Noncompliance With Prior Audit Recommendation –  
Inadequate Signatory Authority For The Disbursement Of  
Funds

Finding No. 6 – Failure To Maintain A Pennsylvania Sales Tax Exemption  
Number

Five of the six audit findings contained in this report cite conditions that existed in the operation of the relief association during the prior audit period and were not corrected during the current audit period. 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 horizontal line above the first name.

Timothy L. DeFoor  
Auditor General  
April 6, 2022

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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<sup>1</sup>, and the Volunteer Firefighters' Relief Association Act<sup>2</sup> ("VFRA Act"), 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<sup>3</sup> (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.

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 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.

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

<u>Municipality</u>	<u>County</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Centerport Borough	Berks	\$ 1,734	\$ 1,750	\$ 1,551
Centre Township	Berks	\$24,328	\$24,559	\$21,960

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<sup>1</sup> 72 P.S. § 403 (as last amended by Act 44 of 2017).

<sup>2</sup> 35 Pa.C.S. § 7411 *et seq.* See specifically, 35 Pa.C.S. § 7418 (amended by Act 91 of 2020).

<sup>3</sup> 53 P.S. § 895.701 *et seq.* (Act 205 of 1984, as amended by Act 119 of 1990).

## BACKGROUND – (Continued)

Based on the relief association's records, its total cash and investments as of December 31, 2021 were \$87,291, as illustrated below:

Cash	\$ 80,854
Fair Value of Investments	<u>6,437</u>
Total Cash and Investments	<u>\$ 87,291</u>

Based on the relief association's records, its total expenditures for the period January 1, 2019 to December 31, 2021 were \$84,299, 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>4</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>\$ 16,168</u>
Fire Services:	
Equipment purchased	\$ 46,559
Equipment maintenance	18,777
Training expenses	<u>2,467</u>
Total Fire Services	<u>\$ 67,803</u>
Administrative Services:	
Other administrative expenses	\$ 28
Bond premiums	<u>300</u>
Total Administrative Services	<u>\$ 328</u>
Total Expenditures	<u>\$ 84,299</u>

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<sup>4</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:

Central Berks Fire Company No. 1



THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
STATUS OF PRIOR FINDINGS

NONCOMPLIANCE WITH PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

The relief association has not complied with the following prior audit findings. These findings are noted below and discussed in detail in the Findings and Recommendations section of this report:

- Inadequate Relief Association Bylaws
- Failure To Maintain A Complete And Accurate Membership Roster
- Failure To Maintain A Complete And Accurate Equipment Roster
- Failure To Provide Documentation Evidencing Propriety Of Death Benefits Paid
- Inadequate Signatory Authority For The Disbursement Of Funds

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

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – Noncompliance With Prior Audit Recommendation – Inadequate Relief Association Bylaws**

Condition: The existing bylaws of the relief association do not contain all of the provisions required by Section 7415(c) of the VFRA Act.

The relief association's bylaws at Article IV, Section 1 states:

All funds of this association shall be deposited in accounts as defined below: A) The Relief Association of Central Berks Fire Company No. 1, Centerport PA, and shall be withdrawn upon approval at a stated meeting and endorsed by the Financial Secretary and Treasurer, B) The Foreign Insurance Tax Fund of Central Berks Fire Company No. 1, Centerport PA, and shall be withdrawn upon approval at stated meeting and endorsement by the treasurer.

In addition, the relief association's bylaws at Article IV, Section 2 states:

Funds of this Association shall not be expended for any purpose other than those authorized by the provision of Act 84 and the Association By-Laws. All expenditures must be approved by a majority vote at an association meeting and duly recorded in the minutes. *(Note: Act 84 was superseded by Act 118 in 2010)*

Specifically, the bylaws do not adequately address the requirement of two officers' signatures on all transactions, one of whom shall be the disbursing officer/treasurer, on all negotiable instruments and the requirement of an officers' bond policy in an amount at least as great as the maximum cash balance in current accounts at any given time during a fiscal year. In addition, the bylaws should clarify that membership is limited to members that have previously participated or currently participate in providing fire service.

A similar condition was noted in our three prior audit reports.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – (Continued)**

Criteria: Section 7415(c)(1, 3, and 4) of the VFRA Act states that the relief association's bylaws shall:

- (1) Specify the requirements for securing membership, voting rights of different classes of members, if there be different classes, and conditions under which membership may be terminated.
- (3) 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.
- (4) Require 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 funds of the association.

Furthermore, the relief association bylaws should authorize and clearly specify the criteria to be met before receiving death or relief benefits and the amount of any benefit payments. In addition, the bylaws should address the authorization of compensation to relief association officers.

Cause: The relief association officials did not provide a reason for why this occurred despite the relief association being notified of this condition during our prior three audits.

Effect: As a result of the mandatory provisions not being included in the bylaws, the relief association may have conducted its affairs without proper authorization.

Recommendation: We again recommend that the relief association officials review and update the bylaws governing their organization so that the bylaws meet the requirements set forth in the VFRA Act and properly authorize the operating procedures of 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.

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.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2 – Noncompliance With Prior Audit Recommendation – 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. Although a listing of members was presented by officials during the current audit period, this listing was incomplete as it did not contain all members of the relief association.

A similar condition was noted in our prior three audit reports.

Criteria: Relief association officials should maintain a complete and accurate roster of the relief association's membership, as identified by criteria set forth in the relief association's bylaws. A comprehensive roster of all relief association members should include the following:

- Names of each member
- Members' mailing addresses
- Dates of births
- Dates of memberships
- Membership classifications

In addition, when warranted, a notation should be made on the roster identifying the date of a member's resignation or death.

Cause: The relief association officials did not provide a reason for why this occurred despite the relief association being notified of this condition during our prior three audits.

Effect: The failure to maintain a comprehensive membership roster could result in the payment of benefits to nonmembers or deprive eligible relief association members from receiving authorized benefit payments.

Recommendation: We again recommend that the relief association officials compile and maintain a complete and accurate roster of the relief association's membership. For additional 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.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**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, it was incomplete because it did not contain the names of suppliers (vendors), dates of purchase, cost of equipment and serial numbers to accurately identify equipment owned by the relief association. As such, it was impossible to determine if all equipment purchased during the audit period in the amount of \$46,559, was recorded. In addition, 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 three audit reports.

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 did not provide a reason for why this occurred despite the relief association being notified of this condition during our prior audit.

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.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 3 – (Continued)**

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.

**Finding No. 4 – Noncompliance With Prior Audit Recommendation – Failure To Provide Documentation Evidencing Propriety Of Death Benefits Paid**

Condition: The relief association was unable to provide adequate supporting documentation to evidence the propriety of death benefits paid during the prior audit period. The relief association distributed \$2,800 to 16 individuals, some of whom may not have been entitled to receive relief association offered benefits since there was insufficient supporting documentation verifying the eligibility for and approval of benefits provided and the relief association failed to maintain a comprehensive detailed membership roster as previously discussed in Finding No. 2 of this report. As such, we were unable to determine whether any of the 16 individuals who received benefits during the prior audit period were entitled to such benefits provided and whether such benefits were properly authorized according the VFRA Act.

A similar condition was noted in our prior two audit reports.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 4 – (Continued)**

Criteria: Section 7418(a) of the VFRA Act 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.

In addition, the VFRA Act at 53 P.S. 8503 states:

The purpose of the legislature in enacting this statute is to encourage individuals to take part in the fire service as volunteer firefighters, by establishing criteria and standards for the orderly administration and conduct of the affairs of firefighters' relief associations, so as to ensure as far as circumstances will reasonably permit, that funds shall be available for the protection of volunteer firefighters and their heirs.

Also, the VFRA Act at 53 P.S. 8502 (3) states, in part:

Volunteer firefighter comprehends any member of a fire company, organized and existing under the laws of the Commonwealth of Pennsylvania, and also any member of any police unit, rescue squad, ambulance corps, or other like organization affiliated with one of more fire companies, and refers to any individual who is a member of such a fire company or affiliated organization and who participates in the fire service, but does not look to that service as his primary means of livelihood.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 4 – (Continued)**

In defining fire service, the VFRA Act at 53 P.S. 8502 (2) provides:

The fire service comprehends the service of organized groups of individuals, not only in training for and in active duty in the protection of the public against fire, but also in the training for and the performance of such other activities as are commonly undertaken by fire companies and their affiliated organizations, including, inter alia, fire prevention, first aid, rescue and salvage, ambulance service, fire police work, radio communications, assistance at accidents, control of crowds both on the fire grounds and at occasions of public or general assembly, animal rescue, abatement of conditions due to storm, flood, or general peril, abatement or removal of hazards to safety, and participation in public celebrations, parades, demonstrations, and fund raising campaigns.

Cause: The relief association officials did not provide a reason for why this occurred despite the relief association being notified of this condition during our prior two audits.

Effect: As a result of these unauthorized payments totaling \$2,800, relief association funds were not available for investment purposes or to pay for expenditures authorized by the VFRA Act and diminishes funds that may be otherwise used to support individuals who actively participate or previously participated in providing fire service.

Recommendation: We again recommend that the relief association officials provide this department with adequate supporting documentation verifying the eligibility and approval of the death benefits provided to ensure the propriety of expenditures or that the relief association be reimbursed \$2,800 for the undocumented expenditures.

Also, we again recommend the relief association:

- Immediately discontinue the payment of benefits to individuals not entitled to receive benefits. Any future payment of benefits to or on behalf of individuals that have not participated in fire service will be considered unauthorized expenditures and will be required to be reimbursed to the relief association.
- Amend the bylaws to ensure compliance with the requirements of the VFRA Act (See Finding No. 1).
- Compile and maintain a complete and accurate roster of the relief association's membership (See Finding No. 2) and maintain sufficient supporting documentation of the eligibility for and approval of relief association benefits provided to its members.



THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 4 – (Continued)**

Furthermore, we again recommend that the relief association officials become familiar with Section 7416(f) of the VFRA Act 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.

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. 5 – Noncompliance With Prior Audit Recommendation – Inadequate Signatory Authority For The Disbursement Of Funds**

Condition: During the current audit engagement, we identified 41 checks out of 72 checks drawn on the relief association's checking account that only contained the signature of one officer, even though two signatures are required by the VFRA Act. Issuing checks with the signature of only one relief association officer negates the relief association's internal control over the disbursement process.

A similar condition was noted in our prior audit report.

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.

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. Adequate internal control procedures require that checks be signed only after the propriety of the expenditure 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, contracts, etc., prior to approving the checks.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 5 – (Continued)**

Cause: The relief association officials did not provide a reason for why this occurred despite the relief association being notified of this condition during our prior audit.

Effect: As a result of the relief association officer issuing checks with only one signature, assets were placed at greater risk as expenditures were being made without a second relief association officer having the opportunity to verify the propriety of the expenditures. The application of the second signature, after evaluating the propriety of the expenditure, reduces the risk of misappropriation and the risk of errors occurring and going undetected.

Recommendation: We again recommend that the 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 the VFRA Act. 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. 6 – Failure To Maintain A Pennsylvania Sales Tax Exemption Number**

Condition: As cited as a verbal observation in prior audits, the relief association failed to maintain a Pennsylvania sales tax exemption number. Although the relief association did have its own sales tax exemption number, it expired on May 31, 2006, and is no longer valid.

Criteria: Section 7415(e) of the VFRA Act 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.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
FINDINGS AND RECOMMENDATIONS

**Finding No. 6 – (Continued)**

Cause: Relief association officials indicated that they were unaware that its sales tax exemption number from the Pennsylvania Department of Revenue had expired.

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

Recommendation: We again recommend that the relief association officials immediately reapply for a new 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 indicated they will take action to comply with the recommendation.

Auditor's Conclusion: Compliance will be subject to verification through our next audit.

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

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

**Mr. Charles J. McGarvey, Sr.**  
State Fire Commissioner

The Relief Association of The Central Berks Fire Company No. 1., Centerport, PA Governing  
Body:

**Mr. Dennis Kunkle**  
President

**Mr. Donald Renstchler**  
Vice President

**Mr. Dennis Savage**  
Secretary

**Ms. Darlene Savage**  
Treasurer

**Mr. Randy Dunlap**  
Financial Secretary

THE RELIEF ASSOCIATION OF THE CENTRAL BERKS FIRE COMPANY NO. 1.,  
CENTERPORT, PA  
REPORT DISTRIBUTION LIST

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

**Ms. Ruth A. Borkey**  
Secretary  
Centerport Borough

**Ms. Cheryl Haus**  
Secretary  
Centre 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).