

COMPLIANCE AUDIT

Tresckow Fire Co. Firemen's Relief Association Carbon County, Pennsylvania For the Period January 1, 2016 to March 8, 2016

January 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Joseph Guisec, President
Tresckow Fire Company Firemen's
Relief Association
Carbon County

We have conducted a compliance audit of the former Tresckow Fire Co. Firemen's 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 January 1, 2016 to March 8, 2016.

The objective of the audit was to determine if the former relief association complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds. Our audit was limited to the areas related to the objective identified above and was not 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 March 8, 2016, 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 March 8, 2016, the former relief association completed the process of dissolution and merged with the McAdoo Firefighter Relief Association of the Borough of McAdoo, PA to form the McAdoo Firefighter Relief Association of the Borough of McAdoo, PA. Consequently, all remaining monetary assets and equipment were transferred to the McAdoo Firefighter Relief Association of the Borough of McAdoo, PA.

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 the former relief association officials for the cooperation extended to us during the conduct of the audit.

January 8, 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 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)

As of March 8, 2016, the former relief association dissolved its organization. Thereafter, it did not receive any further state aid allocations. (See Supplementary Financial Information)

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:

Tresckow Volunteer Fire Company

TRECKOW FIRE CO. FIREMEN'S RELIEF ASSOCIATION
SUPPLEMENTARY FINANCIAL INFORMATION
CASH BALANCE
AS OF MARCH 8, 2016

Cash	<u>\$ -</u>
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TRESCKOW FIRE CO. FIREMEN'S RELIEF ASSOCIATION
 SUPPLEMENTARY FINANCIAL INFORMATION
 SUMMARY OF EXPENDITURES
 FOR THE PERIOD JANUARY 1, 2016 TO MARCH 8, 2016

Expenditures:

Benefit Services:	
Insurance premiums	\$ 2,176
Fire Services:	
Equipment purchased	\$ 1,047
Equipment maintenance	96
Total Fire Services	\$ 1,143
Administrative Services:	
Other administrative expenses	\$ 36
Other Expenditures:	
Transfer of monetary assets *	\$ 12,261
Total Expenditures	\$ 15,616

* Transfer of Monetary Assets/Dissolution of Relief Association.

As of March 3, 2016, the former relief association completed the process of dissolution and merged with McAdoo Firefighter Relief Association of the Borough of McAdoo, PA to form McAdoo Firefighter Relief Association of the Borough of McAdoo, PA. Consequently, all remaining monetary assets and equipment were transferred to the McAdoo Firefighter Relief Association of the Borough of McAdoo, PA. Due to the dissolution of the former relief association, we are providing officials of McAdoo Firefighter Relief Association of the Borough of McAdoo, PA copies of this report.

TRECKOW FIRE CO. FIREMEN'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

Tresckow Fire Co. Firemen's Relief Association Governing Body:

Mr. Joseph Guisec
President

Mr. Charles Steinmetz
Secretary

Ms. Margaret Steinmetz
Treasurer

McAdoo Firefighter Relief Association of the Borough of McAdoo, PA Governing Body:

Mr. Gary Perna
President

Mr. Michael Bowman
Vice President

Mr. Gary Perna, Jr.
Secretary

Mr. Lance Borchick
Treasurer

TRESCKOW FIRE CO. FIREMEN'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

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

Mr. Charles J. Schalles
Secretary
Banks Township

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.