

COMPLIANCE AUDIT

Washingtonville Volunteer Firefighter's Relief Association Montour County, Pennsylvania For the Period January 1, 2018 to December 31, 2019

October 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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

**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Mr. Harold L. Minnick, President
Washingtonville Volunteer Firefighter's
Relief Association
Montour County

We have conducted a compliance audit of the Washingtonville Volunteer Firefighter'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, 2018 to December 31, 2019.

The objective of the audit was 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 objective 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 objective. 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, 2018 to December 31, 2019, 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.

The contents of this report were discussed with the management of the relief association. We would like to thank the relief association officials for the cooperation extended to us during the conduct of the audit.

October 16, 2020

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

EUGENE A. DEPASQUALE
Auditor General

CONTENTS

	<u>Page</u>
Background	1
Report Distribution List	4

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>
Madison Township	Columbia	\$2,404	\$2,562
Anthony Township	Montour	\$3,387	\$3,530
Derry Township	Montour	\$7,411	\$7,786
Limestone Township	Montour	\$3,064	\$3,361
Washington Borough	Montour	\$ 964	\$1,033
West Hemlock Township	Montour	\$1,000*	\$1,094

* Although West Hemlock Township prepared and returned a Certification Form AG 385 for 2018, the date the township distributed the 2018 state aid to the relief association could not be determined because the township failed to submit a Receipt And Distribution Of Foreign Fire Insurance Premium Tax Form 706-B to this department as required by the instructions accompanying Form 706-B and the 2018 state aid allocation received by the township disclosing this information.

West Hemlock Township is still required to submit a 2018 Receipt and Distribution of Foreign Fire Insurance Premium Tax Form 706-B to this Department as soon as possible.

Based on the relief association’s records, its total cash and investments as of December 31, 2019 were \$54,260, as illustrated below:

Cash	\$	49,260
Fair Value of Investments		<u>5,000</u>
Total Cash and Investments	\$	<u><u>54,260</u></u>

BACKGROUND – (Continued)

Based on the relief association’s records, its total expenditures for the period January 1, 2018 to December 31, 2019 were \$42,037, 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.¹ **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	\$ 4,518
--------------------	----------

Fire Services:

Equipment purchased	\$ 24,986
---------------------	-----------

Equipment maintenance	11,222
-----------------------	--------

Training expenses	965
-------------------	-----

Fire prevention materials	219
---------------------------	-----

Total Fire Services	<u>\$ 37,392</u>
---------------------	------------------

Administrative Services:

Other administrative expenses	\$ 27
-------------------------------	-------

Bond premiums	100
---------------	-----

Total Administrative Services	<u>\$ 127</u>
-------------------------------	---------------

Total Expenditures	<u><u>\$ 42,037</u></u>
--------------------	-------------------------

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:

Washingtonville Volunteer Fire Company

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

WASHINGTONVILLE VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

Washingtonville Volunteer Firefighter's Relief Association Governing Body:

Mr. Harold L. Minnick
President

Ms. Cathy Cooper
Vice President

Mr. Austin Cooper
Secretary

Ms. Alice Diehl
Treasurer

WASHINGTONVILLE VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

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

Ms. Rachel Young
Secretary
Madison Township

Ms. Penny Jo Rishel
Secretary
Anthony Township

Ms. Vicki E. Koser
Secretary
Derry Township

Ms. Mary Jane Snyder
Secretary
Limestone Township

Ms. Suzanne Hendershot
Secretary
Washington Borough

Ms. Belinda Wintersteen
Secretary
West Hemlock 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.