COMPLIANCE AUDIT

Saegertown Volunteer Firefighters Relief Association

Crawford County, Pennsylvania

For the Period

January 1, 2021, to December 31, 2023

June 2024

Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Mr. Jeffrey Miller, President
Saegertown Volunteer Firefighters
Relief Association
Crawford County

We have conducted a compliance audit of the Saegertown Volunteer Firefighters Relief Association (relief association) for the period January 1, 2021, to December 31, 2023. 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 finding 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.

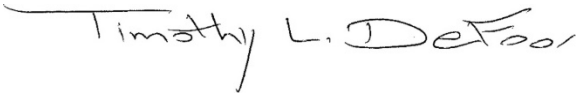
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative 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, 2021, to December 31, 2023:

- The relief association took appropriate corrective action to address the finding contained in our prior audit 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.

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.



Timothy L. DeFoor
Auditor General
June 3, 2024

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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[1], and the Volunteer Firefighters' Relief Association Act[2] ("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[3] (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 relief association officers therefore have a responsibility to the public to conduct the relief association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all relief association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the relief 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.

[1] 72 P.S. § 403 (as last amended by Act 44 of 2017).
[2] 35 Pa.C.S. § 7411 *et seq*. See specifically, 35 Pa.C.S. § 7418 (amended by Act 91 of 2020).
[3] 53 P.S. § 895.701 *et seq.* (Act 205 of 1984, as amended by Act 119 of 1990).

BACKGROUND – (Continued)

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

Municipality	County	2021	2022	2023
Cussewago Township	Crawford	$1,196	$1,394	$1,385
Hayfield Township	Crawford	$2,526	$2,982	$2,980
Saegertown Borough	Crawford	$3,989	$4,465	$4,423
Woodcock Township	Crawford	$4,526	$5,415	$5,426

Based on the relief association's records, its total cash as of December 31, 2023, was $44,394, as illustrated below:

Cash	$ 44,394

Based on the relief association's records, its total expenditures for the period January 1, 2021, to December 31, 2023, were $39,444, 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.[4] **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	$ 7,631
Fire Services:	
Equipment purchased	$ 22,673
Equipment maintenance	8,316
Total Fire Services	$ 30,989
Administrative Services:	
Bond premiums	$ 824
Total Expenditures	$ 39,444

[4] 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:

Saegertown Volunteer Fire Department

SAEGERTOWN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION
STATUS OF PRIOR FINDING

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

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

- Duplicate Payments

  By receiving reimbursement of $661 from the affiliated fire company for the duplicate payments.

We commend the relief association management for its efforts in complying with the finding and recommendation contained in the prior audit report. The relief association management should strive to remain in compliance with all applicable state laws, contracts, bylaws, and administrative procedures.

SAEGERTOWN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Saegertown Volunteer Firefighters Relief Association Governing Body:

Mr. Jeffrey Miller
President

Mr. Patrick Amy
Vice President

Mr. Jason Amy
Secretary

Mr. William Burlingame
Treasurer

Mr. Patrick Henry
Financial Secretary

SAEGERTOWN VOLUNTEER FIREFIGHTERS 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. Kaitlin Lopus
Secretary
Cussewago Township

Ms. Jennifer McClymonds
Secretary
Hayfield Township

Ms. Tammy Bidwell
Secretary
Saegertown Borough

Ms. Renee D. Hayes
Secretary
Woodcock 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.