



**BLACK CREEK TOWNSHIP VOLUNTEER FIREMEN'S RELIEF ASSOCIATION**

**HEREIN REFERRED TO AS:**

**BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF  
ASSOCIATION**

**LUZERNE COUNTY**

**AUDIT REPORT**

**FOR THE PERIOD**

**JANUARY 1, 2004 TO MAY 5, 2006**



## CONTENTS

Background.....	1
Independent Auditor's Report.....	3
Statement of Monetary Assets Arising From Cash Transactions.....	5
Statement of Cash Receipts, Disbursements, and Changes in Cash.....	6
Notes to Financial Statements.....	7
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.....	9
Findings and Recommendations:	
Finding No. 1 – Noncompliance With Prior Audit Recommendation – Undocumented Expenditures.....	12
Finding No. 2 – Noncompliance With Prior Audit Recommendation – Unauthorized Expenditures.....	15
Finding No. 3 – Inadequate Record-Keeping and Internal Controls.....	18
Report Distribution List.....	21



## BACKGROUND

This audit report is a public record, which must be available for examination by all interested citizens and volunteer firefighters' relief association (VFRA) members.

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, Act of June 11, 1968, (P.L. 149, No. 84), as amended, 53 P.S. § 8501 et seq. (commonly referred to as Act 84), 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.

This department conducts its audits of volunteer firefighters' relief associations in accordance with generally accepted auditing standards. Representations contained in the accompanying financial statements are the responsibility of the relief association's management. This department's responsibility for those statements is confined solely to an expression of our opinion as to the fairness of management's representation of the financial statements taken as a whole.

Act 84 requires that the relief association be governed in accordance with bylaws, which establish the association's operating procedures. Act 84 provides that the primary purpose of a relief association is to afford financial protection to volunteer firefighters against misfortunes suffered during fire service participation. To fulfill this purpose, Act 84 authorizes specific types of expenditures and outlines appropriate relief association investment options. Within the parameters established by Act 84, it is the responsibility of the volunteer firefighters' relief association to choose investments in a proper and prudent manner.



## **Independent Auditor's Report**

Mr. Edward Foose, President  
BLACK CREEK TOWNSHIP VOLUNTEER  
FIREFIGHTERS' RELIEF ASSOCIATION  
Luzerne County

We exercised our authority, mandated by state statute, to audit the accompanying Statement of Monetary Assets Arising From Cash Transactions as of May 5, 2006, and the related Statement of Cash Receipts, Disbursements, and Changes in Cash of the Black Creek Township Volunteer Firefighters' Relief Association, for the period January 1, 2004 to May 5, 2006. These financial statements are the responsibility of the relief association's management.

Due to inadequate internal controls, we were unable to obtain sufficient documentation to support the propriety of \$1,990 of current period expenditures paid by the relief association during the period January 1, 2004 to May 5, 2006. In addition, the association did not maintain minutes of meetings documenting approval of the financial transactions, journals and ledgers to record the receipts and disbursements, annual financial statements, or a roster of equipment owned by the relief association. Furthermore, we are unable to obtain representations from management of the Black Creek Township Volunteer Firefighters' Relief Association for the accompanying financial statements. Since Black Creek Township Volunteer Firefighters' Relief Association is now disbanded, as detailed in Note 4, it was impracticable to extend our procedures sufficiently to determine the extent to which the financial statements for the period January 1, 2004 to May 5, 2006, may have been affected by these conditions.

The Department of the Auditor General is mandated by state statute to calculate state aid provided to volunteer firefighters' relief associations and to audit volunteer firefighters' relief associations having received such aid. State aid is calculated by an administrative unit that is not involved in the audit process. The Department's Comptroller Office then pre-audits the calculation and submits requests to the Commonwealth's Treasury Department for the disbursement of state aid to the municipality. The Department has implemented procedures to ensure that Department audit personnel are not directly involved in the calculation and disbursement processes. The Department's mandatory responsibilities are being disclosed in accordance with *Government Auditing Standards*.

**Independent Auditor's Report** (Continued)

Since the relief association management did not provide us with appropriate representations, establish adequate internal controls or maintain sufficient financial records, and we were unable to apply other auditing procedures to satisfy ourselves as to the propriety of the transactions, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2006, on our consideration of the Black Creek Township Volunteer Firefighters' Relief Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

May 5, 2006

JACK WAGNER  
Auditor General



BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
STATEMENT OF MONETARY ASSETS ARISING FROM CASH TRANSACTIONS  
MAY 5, 2006

ASSETS:

Cash	\$ -
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Total Monetary Assets (note 4)	<u>\$ -</u>
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Notes to financial statements are an integral part of this report.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
FOR THE PERIOD JANUARY 1, 2004 TO MAY 5, 2006

RECEIPTS:

Support:		
State aid (note 3)	\$	1,604
Other Receipts:		
Interest income		7
Reimbursement		836
		836
Total Receipts		2,447

DISBURSEMENTS:

Fire Services:		
Equipment purchased		200
Equipment maintenance		989
Benefit Services:		
Tokens of sympathy and goodwill		49
Administrative Services:		
Office equipment and supplies		373
Officer compensation		190
Other Disbursements:		
Miscellaneous disbursements		4,191
Transfer of assets to Nuremberg-Weston Volunteer Firefighters' Relief Association (note 4)		1,905
		1,905
Total Disbursements		7,897
Net Increase or (Decrease) In Cash	(	5,450)
Cash Balance, January 1, 2004		5,450
Cash Balance, May 5, 2006	\$	-

Notes to financial statements are an integral part of this report.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION

Pursuant to the Act of June 11, 1968, (P.L. 149, No. 84), as amended, the Black Creek Township Volunteer Firefighters' Relief Association was a charitable organization that was formed to afford financial protection to volunteer firefighters and to encourage individuals within the community to participate in volunteer fire service.

Act 84 governs the overall operation of the volunteer firefighters' relief association. The relief association's bylaws regulate the specific procedures by which the association assets are managed.

The Black Creek Township Volunteer Firefighters' Relief Association was affiliated with the Black Creek Township Volunteer Fire Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The relief association's records were maintained on a cash basis, and the statement of cash receipts and disbursements reflect only cash received and disbursed. Therefore, receivables and payables, long-lived assets, accrued income and expenses, and depreciation, which would otherwise be recognized under accounting principles generally accepted in the United States of America (GAAP) and which may be material in amount, were not recognized in the accompanying financial statements.
- B. Fixed assets were recognized as expenditures at the time of purchase, rather than being capitalized and depreciated over their estimated useful lives.
- C. The relief association did not adopt Statement of Financial Accounting Standard (SFAS) No. 117 since they do not follow GAAP.
- D. The nature of the relief association's monetary assets were considered to be unrestricted.

3. STATE AID

Chapter 7 of the Act of December 18, 1984, (P.L. 1005, No. 205), as amended, 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 relief association of the fire department or departments, which is or are recognized as providing service to the municipality.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

3. STATE AID – (Continued)

During the year 2004, the Black Creek Township Volunteer Firefighters' Relief Association received state aid from Black Creek Township in Luzerne County. For the year 2005, the Department of the Auditor General withheld \$3,218, of state aid from Black Creek Township due to the relief association not complying with certain findings in the prior audit report.

4. RELIEF ASSOCIATION MERGER

In 2006, the Black Creek Township Volunteer Firefighters' Relief Association disbanded and merged into the Nuremberg-Weston Volunteer Firefighters' Relief Association in Schuylkill County. As of May 5, 2006, all monetary assets, in the amount of \$1,905, were transferred to the account of the Nuremberg-Weston Volunteer Firefighters' Relief Association; and the Black Creek Township Volunteer Firefighters' Relief Association ceased operations.

5. RELATED PARTY SITUATIONS

A related party situation existed because the volunteer firefighters' relief association was affiliated with the fire service organization disclosed in Note 1. The relief association was a distinct separate legal entity that was established primarily for the purpose of affording financial protection to the volunteer firefighters against the consequences of misfortune suffered as a result of their participation in the fire service.

Another related party situation existed because certain officers of the relief association held offices in the fire service organization. Also, certain officers of the relief association were immediate family members of other relief association and fire service organization officers.

The relief association membership was aware of these situations.

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Engagement to Audit Financial Statements Performed in Accordance  
With *Government Auditing Standards***

Mr. Edward Foose, President  
BLACK CREEK TOWNSHIP VOLUNTEER  
FIREFIGHTERS' RELIEF ASSOCIATION  
Luzerne County

We exercised our authority, mandated by state statute, to audit the financial statements (cash basis) of the Black Creek Township Volunteer Firefighters' Relief Association, as of May 5, 2006, and for the period January 1, 2004 to May 5, 2006, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our report dated May 5, 2006, stated that, as described in paragraph 4, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements.

The Department of the Auditor General is mandated by state statute to calculate state aid provided to volunteer firefighters' relief associations and to audit volunteer firefighters' relief associations having received such aid. State aid is calculated by an administrative unit that is not involved in the audit process. The Department's Comptroller Office then pre-audits the calculation and submits requests to the Commonwealth's Treasury Department for the disbursement of state aid to the municipality. The Department has implemented procedures to ensure that Department audit personnel are not directly involved in the calculation and disbursement processes. The Department's mandatory responsibilities are being disclosed in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Black Creek Township Volunteer Firefighters' Relief Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the association's internal control over financial reporting.

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Engagement to Audit Financial Statements Performed in Accordance  
With *Government Auditing Standards* (Continued)**

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting:

Finding No. 1 – Noncompliance With Prior Audit Recommendation –  
Undocumented Expenditures

Finding No. 2 – Noncompliance With Prior Audit Recommendation –  
Unauthorized Expenditures

Finding No. 3 – Inadequate Record-Keeping and Internal Controls

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider Finding Nos. 1, 2, and 3 to be material weaknesses. These conditions were considered in determining the nature, timing, and extent of our procedures, to the extent they were performed, on the financial statements of the Black Creek Township Volunteer Firefighters' Relief Association, as of May 5, 2006 and for the period January 1, 2004 to May 5, 2006.

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Engagement to Audit Financial Statements Performed in Accordance  
With *Government Auditing Standards* (Continued)**

Compliance and Other Matters

Because the scope of our work was not sufficient to enable us to express an opinion on the financial statements, we did not perform certain tests of compliance with provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the following findings:

Finding No. 1 – Noncompliance With Prior Audit Recommendation –  
Undocumented Expenditures

Finding No. 2 – Noncompliance With Prior Audit Recommendation –  
Unauthorized Expenditures

Finding No. 3 – Inadequate Record-Keeping and Internal Controls

The municipal official's responses to the findings identified in our audit are described in the accompanying findings and recommendations. We did not audit the responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the relief association's members and management, and the officials of the municipalities that grant the foreign fire insurance tax monies to the volunteer firefighters' relief association. It is not intended to be and should not be used by anyone other than these specified parties.

May 5, 2006

JACK WAGNER  
Auditor General

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation –  
Undocumented Expenditures

Condition: As cited in the prior two audit reports, the relief association was unable to provide adequate supporting documentation for the following expenditures made during the years 1998 through 2003:

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
01/15/98	Unknown	\$ 50
01/22/98	Unknown	30
08/27/98	Unknown	275
09/15/98	Unknown	170
09/17/98	Unknown	360
10/09/98	Unknown	40
10/28/98	Unknown	416
12/01/98	Unknown	100
12/08/98	Unknown	110
12/08/98	Unknown	623
04/05/02	1007	2,000
12/12/02	93	207
06/05/03	100	144
07/08/03	127	171
08/12/03	130	100
10/06/03	132	400
10/31/03	134	240
Total undocumented expenditures 1998-2003		<u>\$ 5,436</u>



BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

In addition, the relief association was unable to provide adequate supporting documentation for the following disbursements made during the current audit period:

Date	Check No.	Amount
01/23/04	144	\$ 148
01/11/04	143	52
02/26/04	147	60
03/10/04	148	300
05/16/04	151	200
06/24/04	153	100
06/26/04	154	400
06/29/04	155	191
11/04/04	102	190
03/14/05	103	49
03/15/05	106	300
Total undocumented expenditures 2004-2006		\$ 1,990
Total of all undocumented expenditures		\$ 7,426

Criteria: Act 84 at 53 P.S. § 8507(a) states, in part:

The Department of the Auditor General shall have the power, and its duty shall be, to audit the accounts and records of every volunteer firefighters' relief association receiving any 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 amended, as far as may be necessary to satisfy the department that the money received was expended or is being expended for no purpose other than that authorized by this act.

Without adequate supporting documentation, such as invoices, this department is unable to determine if the relief association funds were expended for purposes authorized by Act 84. Furthermore, good business practices would require that supporting documentation be maintained to verify the propriety of all financial transactions.

Cause: While notified of this condition in the prior two audit reports, relief association officials again failed to establish adequate internal control procedures to ensure supporting documentation was maintained for all expenditures.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Effect: Lack of supporting documentation, such as invoices and detailed minutes of meetings, made it impossible to determine the expenditures were made in accordance with Act 84 at 53 P.S. § 8506(e).

Recommendation: No recommendation is deemed necessary due to the merger of the Black Creek Township Volunteer Firefighters' Relief Association into the Nuremberg-Weston Volunteer Firefighters' Relief Association. We are providing officials of the Nuremberg-Weston Volunteer Firefighters' Relief Association with a copy of this report so they are aware of the conditions that existed at the Black Creek Township Volunteer Firefighters' Relief Association during the course of the audit. It is our hope that Nuremberg-Weston Volunteer Firefighters' Relief Association officials will take the necessary steps to ensure that this issue is rectified. We will review the status of this finding during our next regularly scheduled audit of the Nuremberg-Weston Volunteer Firefighters' Relief Association.

Audit Finding Response: The municipal official of Black Creek Township with whom we held the audit exit conference did not take exception to the finding.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Noncompliance With Prior Audit Recommendation –  
Unauthorized Expenditures

Condition: As cited in the prior audit report, the relief association expended funds for items not authorized by Act 84. The following unauthorized expenditures were made during the prior audit period:

Date	Check No.	Description	Amount
03/24/03	101	Ink cartridges	\$ 142
05/08/03	97	Maintenance costs for fire company-owned vehicle	214
06/05/03	99	Maintenance costs for fire company-owned vehicle	39
06/30/03	126	Maintenance costs for fire company-owned vehicle	35
07/14/03	128	Ink cartridges	71
07/16/03	129	Maintenance costs for fire company-owned vehicle	200
08/29/03	131	Maintenance costs for fire company-owned vehicle	1,322
10/21/03	133	Ink cartridges	134
12/05/03	138	Cellular phones (12)	965
Total unauthorized expenditures 2001-2003			<u>\$ 3,122</u>

In addition, the relief association made the following unauthorized expenditures during the current period under review:

Date	Check No.	Description	Amount
01/11/04	142	Fire company heating oil	\$ 200
02/12/04	145	Fire company heating oil	200
02/23/04	146	Ink cartridges	69
04/15/04	149	Ink cartridges	190
05/03/04	150	Fire company water bill	1,200
03/21/05	104	Fly wheel	25
04/05/05	108	Fire company electric bill	508
Total unauthorized expenditures 2004-2006			<u>2,392</u>
Total of all unauthorized expenditures			<u>\$ 5,514</u>

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Criteria: Act 84 at 53 P.S. § 8506(e)(1) states:

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

To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of its affairs including legal fees and including but not by way of limitation the rental or purchase of offices, the payment of reasonable compensation of any needed employees, and the purchase of office equipment and supplies.

While the relief association may disburse funds for “reasonable running expenses,” the expenses borne for the fire company’s utility expenses, ink cartridges, and various other administrative and entertainment expenses were for the benefit of the fire company, not the relief association. Consequently, these disbursements are not considered authorized expenditures as defined by Act 84.

In addition, Act 84 at 53 P.S. § 8506(e)(11) states:

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

To purchase safeguards for preserving life, health, and safety to volunteer firefighters, so as to ensure their availability to participate in the volunteer fire service.

While the relief association may disburse funds associated with maintenance costs of relief association-owned vehicles, here, the maintenance costs were associated with vehicles owned by the fire company; consequently, such disbursements are not permissible under Act 84. Additionally, the relief association disbursed funds in order to purchase 12 cellular phones and a fly wheel. These types of disbursements are customarily deemed permissible; however, in light of the fact that these disbursements occurred during a prolonged period where fire-related services are no longer being provided, such disbursements cannot reasonably be deemed permissible under the governing legislation.

Cause: While notified of this condition in the prior audit report, relief association officials failed to take action to reimburse prior audit unauthorized expenditures and ensure future disbursements were in compliance with the provisions of Act 84.

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 84.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Recommendation:No recommendation is deemed necessary due to the merger of the Black Creek Township Volunteer Firefighters' Relief Association into the Nuremberg-Weston Volunteer Firefighters' Relief Association. We are providing officials of the Nuremberg-Weston Volunteer Firefighters' Relief Association with a copy of this report so they are aware of the conditions that existed at the Black Creek Township Volunteer Firefighters' Relief Association during the course of this audit. It is our hope that Nuremberg-Weston Volunteer Firefighters' Relief Association officials will take the necessary steps to ensure that this issue is rectified. We will review the status of this finding during our next regularly scheduled audit of the Nuremberg-Weston Volunteer Firefighters' Relief Association.

Audit Finding Response: The municipal official of Black Creek Township with whom we held the audit exit conference did not take exception to the finding.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – Inadequate Record-Keeping and Internal Controls

Condition: The relief association's failed to establish adequate internal controls and to maintain pertinent financial records. The following material internal control weaknesses and record-keeping deficiencies existed during the period under review:

- Association records were not adequately safeguarded.
- Detailed minutes of meetings were not maintained.
- A roster of relief association membership was not maintained.
- A roster of relief association owned equipment was not maintained nor were periodic physical inventories performed.
- Bank statements and canceled checks were not maintained; copies had to be obtained from the bank.
- Documentation to support numerous relief association expenditures was not available for examination.
- A financial journal was not maintained to record receipts and disbursements from the relief association.
- Ledgers were not utilized to record the transactions of the relief association accounts.
- Financial statements were not prepared.
- Documentation relating to the relief association's dissolution and transfer of assets was not maintained.
- Invoices that were available for examination were not canceled or marked as paid.
- Checks were made payable to "cash."

Criteria: Act 84 at 53 P.S. § 8505(c) states, in part, that the relief association:

.... must provide for the taking and preserving of minutes of all meetings, and the maintenance of such books of account as may be necessary and appropriate to afford a permanent record of its financial affairs.

Furthermore, prudent business practices dictate that:

- Association records be adequately safeguarded.
- Detailed meetings minutes be maintained to accurately document relief association business.
- A roster of all relief association membership be maintained.
- A roster of all relief association owned equipment be maintained, and a periodic inventory be performed.
- Original bank statements and canceled checks be maintained.
- Original invoices to support all relief association expenditures be maintained and made available for review.

BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – Inadequate Record-Keeping and Internal Controls – (Continued)

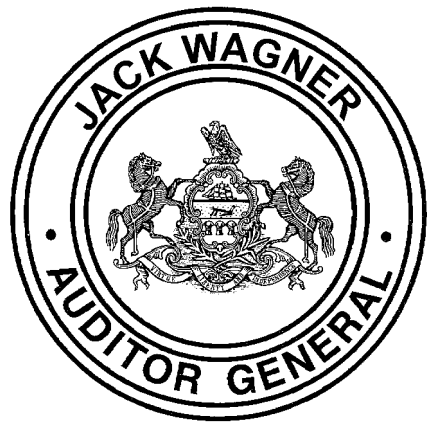
- A financial journal be maintained to record all receipts and disbursements of the relief association.
- Ledgers be maintained to record all transactions of the relief association accounts.
- Financial statements be prepared on an annual basis.
- Supporting documentation of all relief association business be maintained.
- Invoices be canceled or otherwise effectively marked as paid to prevent reuse.
- Checks made payable to “cash” should be prohibited.

Cause: Due to the inactivity and subsequent dissolution of the organization, relief association officials neglected to maintain the required financial records and an effective internal control system.

Effect: The failure to establish and maintain adequate internal controls and financial records prevented the relief association from adequately safeguarding its assets and prevented the verification as to whether relief association business was presented before the membership for discussion and approval. Furthermore, the lack of effective internal controls and financial records placed the relief association funds at a greater risk for misappropriation.

Recommendation: No recommendation is deemed necessary due to the merger of the Black Creek Township Volunteer Firefighters' Relief Association into the Nuremberg-Weston Volunteer Firefighters' Relief Association.

Audit Finding Response: The municipal official of Black Creek Township with whom we held the audit exit conference did not take exception to the finding.





BLACK CREEK TOWNSHIP VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania

Black Creek Township Volunteer Firefighters' Relief Association Officers:

Mr. Edward Foose, President

Ms. Jamie Brown, Secretary

Ms. Cecil Yost, Treasurer

Nuremberg-Weston Volunteer Firefighters' Relief Association Officers:

Mr. Robert Brosius, President

Mr. John Lescowitch, Secretary

Mr. Clyde Rhodes, Treasurer

Reports were also distributed to each municipality, which allocated foreign fire insurance tax monies to this relief association.

Mr. Rickie D. Whitebread, Secretary  
Black Creek Township

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).