COMPLIANCE AUDIT

Pennsburg Fireman's Relief Association

Montgomery County, Pennsylvania

For the Period
January 1, 2021, to December 31, 2024

October 2025

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. Stephen Tascione, President
Pennsburg Fireman's Relief
Association
Montgomery County

We have conducted a compliance audit of the Pennsburg Fireman's Relief Association (relief association) for the period January 1, 2021, to December 31, 2024. 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, 2024:

- 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, except as noted in the finding listed below and discussed later in this report.

  Finding – Failure To Hold And Failure To Maintain Minutes Of Relief Association Meetings

The contents of this report were discussed with the management of the relief association and, where appropriate, their response has 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.

Timothy L. DeFoor

Timothy L. DeFoor
Auditor General
October 7, 2025

CONTENTS

BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania,[1] Section 403 of The Fiscal Code,[2] and the Volunteer Firefighters' Relief Association Act ("VFRA Act"),[3] 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, commonly referred to as Act 205,[4] 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.

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

Municipality	County	2021	2022	2023	2024
Pennsburg Borough	Montgomery	$18,114	$22,450	$22,646	$23,141
Upper Hanover Township	Montgomery	$16,055	$22,025	$21,815	$22,130

[1] Pa. Const. Art. VIII § 10.
[2] 72 P.S. § 403.
[3] 35 Pa.C.S. § 7411 *et seq*.
[4] 53 P.S. § 895.701 *et seq.*

Based on the relief association's records, its total cash as of December 31, 2024, was $42,001, as illustrated below:

Cash	$	42,001

Based on the relief association's records, its total expenditures for the period January 1, 2021, to December 31, 2024, were $194,892, 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.[5] **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	$	26,210
Fire Services:		
Equipment purchased	$	30,347
Equipment maintenance		20,710
Training expenses		15,019
Total Fire Services	$	66,076
Administrative Services:		
Bond premiums	$	1,000
Other administrative expenses		84
Total Administrative Services	$	1,084
Other Expenditures:		
Payments on loan	$	95,173
Miscellaneous		6,349
Total Other Expenditures	$	101,522
Total Expenditures	$	194,892

[5] 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:

Pennsburg Volunteer Fire Department

PENNSBURG FIREMAN'S 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:

- Failure To Deposit Proceeds From Equipment Sold

  By receiving reimbursement of $3,128 from the affiliated fire company for proceeds from the sale of equipment that was erroneously deposited into the affiliated fire company's account, and by establishing accounting procedures to ensure that the proceeds from all future equipment sales are deposited timely into a relief association account.

PENNSBURG FIREMAN'S RELIEF ASSOCIATION
FINDING AND RECOMMENDATION

Finding – Failure To Hold And Failure To Maintain Minutes Of Relief Association Meetings

Condition: The relief association failed to hold meetings and failed to maintain minutes as required by the VFRA Act and the relief association's bylaws. Specifically, the relief association's bylaws require meetings on the first Tuesday of February, June, September, and December each year. However, the relief association provided meeting minutes for January, February, May, July, and November in calendar year 2021; April only in calendar year 2022; March, October, and December in calendar year 2023, and February, September, November and December in calendar year 2024. As such, the relief association may not have evidence of approval of all financial transactions that occurred during the audit period. In addition, the minutes provided did not consistently include supporting materials such as Treasurer's Reports, attendance sign-in sheet of members present, and whether a quorum was present. Furthermore, not all minutes of meetings were signed and dated by the recording officer (secretary).

Criteria: Section 7415(a) of the VFRA Act states, in part, that the relief association:

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

The relief association's bylaws at Article III, states, in part:

> Section 2: Regular meetings of the Association shall be held on the first Tuesday in February, June, September, and December at 8:00 P.M.
>
> Section 7: A quorum shall consist of one-eighth of the total current membership of the Association.

Additionally, the relief association's bylaws at Article V, states, in part:

> Section 4: The Secretary shall… record and keep the minutes of all meetings of the Association.

Cause: Relief association officials indicated the reason this occurred was due to a change in the treasurer position and the inability to locate all the minutes of the meetings.

Effect: Without holding regular meetings and maintaining detailed minutes of meetings that are signed and dated by the recording officer, there is insufficient evidence that relief association business was documented and presented before the membership for approval.

Finding – (Continued)

Recommendation: We again recommend that the relief association officials hold all required meetings and maintain detailed minutes of meetings as required by the VFRA Act and the relief association's bylaws. We also recommend that the relief association officials ensure that all meeting minutes include the associated Treasurer Reports, record of member attendance, and confirmation of a quorum. Additionally, the minutes should be signed and dated by the recording officer of the relief association to provide evidence of the validity of the meeting minutes. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management 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 during the next audit.

PENNSBURG FIREMAN'S RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Pennsburg Fireman's Relief Association Governing Body:

Mr. Stephen Tascione
President

Mr. Ron Diehl
Vice President

Ms. Mary Romano
Secretary

Ms. Crystal Belmont
Treasurer

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

Ms. Lisa Hiltz
Secretary
Pennsburg Borough

Ms. Anne W. Klepfer
Secretary
Upper Hanover 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.