COMPLIANCE AUDIT

Prompton Fire & Rescue Relief Association Unit

Wayne County, Pennsylvania

For the Period

January 1, 2022, to December 31, 2024

November 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. Gene Mohrmann, President
Prompton Fire & Rescue Relief
Association Unit
Wayne County

We have conducted a compliance audit of the Prompton Fire & Rescue Relief Association Unit (relief association) for the period January 1, 2022, 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 findings 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, 2022, to December 31, 2024:

- The relief association took appropriate corrective action to address three of the four findings contained in our prior audit report. However, the relief association failed to take appropriate corrective action to address the one remaining finding contained in our prior audit report, as listed below, and discussed in the Status of Prior Findings section of this 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 findings listed below and discussed later in this report.

Finding No. 1	–	Noncompliance With Prior Audit Recommendation – Unauthorized Expenditure
Finding No. 2	–	Inadequate Signatory Authority For The Disbursement Of Funds

The contents of this report were discussed with the management of the relief association and, where appropriate, their responses have 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 10, 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	2022	2023	2024
Cannan Township	Wayne	$6,299	$6,271	$6,367
Cherry Ridge Township	Wayne	$3,565	$3,522	$3,573
Dyberry Township	Wayne	$3,687	$3,611	$3,681
Prompton Borough	Wayne	$1,358	$1,346	$1,364

[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.*

BACKGROUND – (Continued)

Based on the relief association's records, its total cash and investments as of December 31, 2024, were $216,607, as illustrated below:

Cash	$	124,935
Fair Value of Investments		91,672
Total Cash and Investments	$	216,607

Based on the relief association's records, its total expenditures for the period January 1, 2022, to December 31, 2024, were $32,812, 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	$	2,654
Fire Services:		
Equipment purchased	$	19,311
Equipment maintenance		35
Total Fire Services	$	19,346
Administrative Services:		
Bond premiums	$	308
Other administrative expenses		901
Total Administrative Services	$	1,209
Other Expenditures:		
Unauthorized expenditure – See Finding No. 1		9,603
Total Expenditures	$	32,812

[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:

Prompton Fire & Rescue Unit

PROMPTON FIRE & RESCUE RELIEF ASSOCIATION UNIT
STATUS OF PRIOR FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

The relief association has complied with three of the four prior audit findings and recommendations as follows:

- Untimely Receipt And Deposit Of State Aid

  By timely depositing all state aid received.

- Inadequate Surety (Fidelity) Bond Coverage

  By obtaining a bond policy, naming the disbursement officer or the position covered.

- Failure To Obtain A Federal Tax Identification Number

  By obtaining a federal tax identification number and furnishing it to the financial institution in which the relief association maintains accounts.

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has not complied with one of the four prior audit findings. This finding is noted below and discussed in detail in the Findings and Recommendations section of this report:

- Unauthorized Expenditure

  Although the relief association received reimbursement of $7,375 from the affiliated fire company for the unauthorized expenditures that were made in the prior audit period, the relief association again expended funds in the current audit period that were not authorized by the VFRA Act as further disclosed in Finding No. 1 of this report.

PROMPTON FIRE & RESCUE RELIEF ASSOCIATION UNIT
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Unauthorized Expenditure

Condition: During the current audit period, the relief association incurred an expenditure of $9,603 for a potable water well system. This expenditure is not authorized under the VFRA Act.

A similar condition was noted in our prior audit report.

Criteria: Section 7416(f) of the VFRA Act states:

> The funds of any volunteer firefighters' relief association may be spent:
>
> (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.
>
> (23) To purchase equipment used for emergency response.

In addition, Section 7418(b) of the VFRA Act states:

> (b) Findings -- If the Auditor General finds that money received by a volunteer firefighters' relief association has been expended for a purpose other than one authorized by this subchapter, the commissioner, upon receiving notice of the finding from the auditor general, shall decline to approve payment to the volunteer firefighters' relief association until the improperly expended amount has been reimbursed to the relief association fund.

Costs associated with the purchase of a potable water well system for the fire station facility, not owned by the relief association, do not qualify as an authorized volunteer firefighters' relief association expenditure. Consequently, this disbursement is not authorized under the VFRA Act.

Cause: The relief association officials indicated that they were unaware that the expenditure for the potable water well system was not authorized by the VFRA Act.

Effect: As a result of the unauthorized expenditure, relief association funds were not available for investment purposes or for expenditures authorized by the VFRA Act. In addition, because of stipulations within the VFRA Act, failure to obtain reimbursement of the unauthorized expenditure may result in a withholding of future state aid allocations until the monies related to the unauthorized expenditure identified in the finding have been reimbursed to the relief association.

Finding No. 1 – Continued

Recommendation: We recommend that the relief association be reimbursed $9,603 for the unauthorized expenditure and that relief association officials become familiar with Section 7416(f) of the VFRA Act to aid them in determining the propriety of future expenditures. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management's Response: Relief association management agreed with the finding as presented at the audit exit conference and, as a result of our audit, the relief association was reimbursed $9,603 by affiliate fire company.

Auditor's Conclusion: We reviewed documentation verifying that a reimbursement of $9,603 was received from the affiliate fire company. Compliance for authorized expenditures made during the next audit period will be subject to verification.

Finding No. 2 – Inadequate Signatory Authority For The Disbursement Of Funds

Condition: The relief association does not have a checking account. Instead, it utilizes savings withdrawal slips to obtain cashier's checks for vendor payments. During the audit period, the relief association was unable to provide copies of all withdrawal slips. As a result, compliance with the requirement of two authorized signatures, one of which must be the disbursing officer (treasurer), as mandated by the VFRA Act and the relief association's bylaws, could not be verified.

Criteria: Section 7415(c)(3) of the VFRA Act states, in part:

> The bylaws shall require that the signatures of at least two officers, one of whom shall be the disbursing officer, shall be required to bind the association by formal contract or to issue a negotiable instrument.

In addition, the relief association's bylaws at Article VII, Section 1 states:

> The signature of at least two officers, one whom shall be the treasurer, shall be required for the issuance of relief association check, withdrawal from association investment or on any other negotiable instrument issued by the association.

Cause: Relief association officials stated a lack of oversight for not maintaining copies of withdrawal slips from the savings account that contained two signatures or relief association officers.

Finding No. 2 – (Continued)

Effect: As a result of the relief association not providing copies of savings withdrawal slips, the relief association may not be in compliance with the VFRA Act or its bylaws and increased the risk of misappropriations and undetected errors.

Recommendation: We recommend that the relief association officials establish adequate internal control procedures to ensure that copies of the savings account withdrawal slips are maintained to verify the signatures of at least two authorized relief association officers as required by the VFRA Act and the relief association's bylaws. 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.

PROMPTON FIRE & RESCUE RELIEF ASSOCIATION UNIT
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Prompton Fire & Rescue Relief Association Unit Governing Body:

Mr. Gene Mohrmann
President

Mr. Brad Potter
Vice President

Mr. Allen Heberling
Secretary

Mr. Thomas Winnberg
Treasurer

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

Ms. Carol Burkhardt
Secretary
Cannan Township

Mr. Jerry McDonald
Secretary
Cherry Ridge Township

Ms. Debbie Varcoe
Secretary
Dyberry Township

Ms. Joann B. Hancock
Secretary
Prompton Borough

PROMPTON FIRE & RESCUE RELIEF ASSOCIATION UNIT
REPORT DISTRIBUTION LIST

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.