

COMPLIANCE AUDIT

Tremont Ambulance Firemen's Relief Schuylkill County, Pennsylvania For the Period January 1, 2020, to December 31, 2022

January 2024



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Mr. James Scheibley, President
Tremont Ambulance Firemen's Relief
Schuylkill County

We have conducted a compliance audit of the Tremont Ambulance Firemen's Relief (relief association) for the period January 1, 2020, to December 31, 2022. 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.

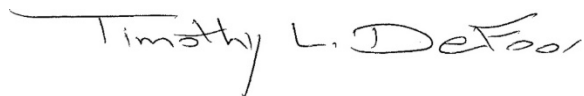
Our audit was limited to the areas related to the objectives identified above and was not, nor was it required to be, conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

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, 2020, to December 31, 2022:

- 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.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
December 21, 2023

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BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code¹, and the Volunteer Firefighters' Relief Association Act² ("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 Law³ (commonly referred to as Act 205) are properly expended.

A relief association under the Act, is generally, 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 municipality:

Municipality	County	2020	2021	2022
Tremont Borough	Schuylkill	*	*	*

* The relief association did not receive state aid from Tremont borough in 2020, 2021, and 2022.

Based on the relief association’s records, its total cash as of December 31, 2022, was \$589, as illustrated below:

Cash	\$ 589
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Based on the relief association’s records, its total expenditures for the period January 1, 2020, to December 31, 2022, were \$800, 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:

Fire Services:

Training expenses	\$ 600
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Administrative Services:

Bond premiums	\$ 200
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Total Expenditures	\$ 800
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The volunteer firefighters’ relief association and the affiliated ambulance service organization are separate, legal entities. The relief association is affiliated with the following ambulance service organization:

Tremont Area Ambulance Association

⁴ Accuracy was evaluated for a selection of transactions based on dollar amount, category, and/or random selection.

TREMONT AMBULANCE FIREMEN'S RELIEF
REPORT DISTRIBUTION LIST

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association is no longer out of compliance with the VFRA Act's requirement that they be affiliated with a fire company.

- Association Does Not Comply With The Requirements Of Act 118

Subsequent to the release of the prior audit, Act 91 of 2020⁵, amended portions of the VFRA Act, becoming effective on October 29, 2020. Section 7416 of the amended Act, states "This section shall include any non-fire-company-affiliated relief association in existence and receiving funds as provided for under this subchapter prior to November 23, 2010."⁶ The prior finding resulted from the requirement in the VFRA Act at that time, that the relief association be affiliated with a fire company.

As a result of the amendment to the VFRA Act, the relief association may be eligible for such funds as of the effective date of the Act. Although the relief association's eligibility for a distribution of funds also requires that they be in compliance with all other requirements of the VFRA Act.

We recommend that the relief association management strive to be in compliance with all applicable state laws, contracts, bylaws, and administrative procedures, particularly those that would make them eligible for a distribution of funds at the municipality's discretion.

⁵ 35 Pa.C.S. § 7411 *et seq.*

⁶ 35 Pa.C.S. § 7416 (amended by Act 91 of 2020).

TREMONT AMBULANCE FIREMEN'S RELIEF
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Tremont Ambulance Firemen's Relief Governing Body:

Mr. James Scheibley
President

Mr. Patrick Kimmel
Vice President

Ms. Amanda Webb
Secretary

Mr. Michael Scheib
Treasurer

Mr. Ricky Ney
Trustee

Ms. Sally Hatter
Trustee

Ms. Bev Ney
Trustee

A report was also distributed to the following municipality, which allocated foreign fire insurance tax monies to this relief association:

Ms. Shea D. Lucas
Secretary
Tremont Borough

TREMONT AMBULANCE FIREMEN'S RELIEF
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.