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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Ms. Christine M. T. Mason,  
Borough Manager/Secretary  
Colwyn Borough  
Delaware County

We attempted to conduct a compliance audit of The Relief Association of Colwyn Fire Company No. 1 (relief association) pursuant to authority derived from 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 mandated by the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010 (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, for the period January 1, 2015 to December 31, 2015, and including information prior to and subsequent to the period. The objective of which was to be 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.

Although we were unable to locate any officers charged with governance (management) of the relief association, we were able to determine that the relief association did not receive state aid during the period January 1, 2015 to December 31, 2015 or subsequent to the period, through February 27, 2018. By decree of the Court of Common Pleas, Delaware County, dated July 7, 2014, The Relief Association of Colwyn Fire Company No. 1 was required to liquidate its funds and transfer all proceeds to The Colwyn Borough Fire Company Relief Association. The decree also required The Borough of Colwyn to transfer The Relief Association of Colwyn Fire Company No. 1's assets held in a Pennsylvania Local Government Invest Trust Account, to the Colwyn Borough Fire Company Relief Association. As of July 30, 2015, the assets totaled \$13,410.

In accordance with the decree of the Court of Common Pleas, Delaware County:

- An investment account was sold in 2014 and proceeds of \$117,943 were transferred to The Colwyn Borough Fire Company Relief Association.
- Another investment account was sold and proceeds of \$109,042 were transferred on March 11, 2015 to The Colwyn Borough Fire Company Relief Association.
- On January 5, 2014, The Colwyn Borough Fire Company Relief Association made a deposit of \$1,093 to one of its accounts. The deposit may be due to the liquidation of 100 shares of stock from the Relief Association of Colwyn Fire Company No. 1. Due to a lack of records however, we are unable to determine if the deposit was actually proceeds from the sale of stock. We have determined that the market value of the shares as of December 31, 2013 is within the parameters of the dollar amount of the proceeds deposited to the Colwyn Borough Fire Company Relief Association's account.

Further, according to records provided by the municipality, municipal officials in place at that time failed to transfer the assets held in the Pennsylvania Local Government Investment Trust Account to the Colwyn Borough Fire Company Relief Association, and on April 30, 2014, improperly placed the funds into a general fund account belonging to The Borough of Colwyn. As such, the transfer of the funds did not occur and, based on records provided by the municipality, the balance of the account holding the funds as of August 29, 2017, was \$11. (Note: this information has also been disclosed in the audit report to The Colwyn Borough Fire Company Relief Association, for the period January 1, 2015 to December 31, 2016, which was released January 31, 2018).

Therefore, since The Relief Association of Colwyn Fire Company No. 1 is no longer a municipal fire service provider, no longer receiving or expending state aid, and since there are no remaining accumulated state funds or other confirmed assets held by The Relief Association of Colwyn Fire Company No. 1, we discontinued our attempt to audit this relief association and will not audit this relief association in subsequent periods unless the relief association receives funds derived from 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) in the future.

March 18, 2018



EUGENE A. DEPASQUALE  
Auditor General