

**BERWYN FIRE COMPANY**

**FINANCIAL STATEMENTS**

***Year Ended December 31, 2024  
(With Comparative Totals for 2023)***

**BERWYN FIRE COMPANY**  
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YEAR ENDED DECEMBER 31, 2024

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## ***Independent Auditors' Report***

To the Board of Directors  
Berwyn Fire Company  
Chesterbrook, Pennsylvania

### ***Opinion***

We have audited the financial statements of Berwyn Fire Company, which comprise the statement of assets, liabilities, and net assets--modified cash basis as of December 31, 2024, and the related statements of revenue, expenses, and changes in net assets--modified cash basis, functional expenses--modified cash basis, and cash flows--modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and net assets of Berwyn Fire Company as of December 31, 2024, and its revenue and expenses for the year then ended in accordance with the modified cash basis of accounting described in Note B.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Berwyn Fire Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter - Basis of Accounting***

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

To the Board of Directors  
Berwyn Fire Company  
Chesterbrook, Pennsylvania

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Berwyn Fire Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Berwyn Fire Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors  
Berwyn Fire Company  
Chesterbrook, Pennsylvania

***Report on Summarized Comparative Information***

We have previously audited Berwyn Fire Company's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Mailli UF".

Limerick, Pennsylvania  
April 4, 2025

**BERWYN FIRE COMPANY**

## STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS

## MODIFIED CASH BASIS

DECEMBER 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ <u>1,423,096</u>	\$ <u>1,466,615</u>
TOTAL CURRENT ASSETS	<u>1,423,096</u>	<u>1,466,615</u>
NONCURRENT ASSETS		
Property and equipment	6,667,859	3,777,645
Less: accumulated depreciation	<u>(1,303,532)</u>	<u>(1,168,772)</u>
TOTAL NONCURRENT ASSETS	<u>5,364,327</u>	<u>2,608,873</u>
TOTAL ASSETS	\$ <u><u>6,787,423</u></u>	\$ <u><u>4,075,488</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Loans payable - due within one year	\$ 13,358	\$ 13,108
NONCURRENT LIABILITIES		
Loans payable - due after one year	<u>471,946</u>	<u>484,856</u>
TOTAL LIABILITIES	<u>485,304</u>	<u>497,964</u>
NET ASSETS		
With donor restrictions	1,064,694	1,188,095
Without donor restrictions	<u>5,237,425</u>	<u>2,389,429</u>
TOTAL NET ASSETS	<u>6,302,119</u>	<u>3,577,524</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>6,787,423</u></u>	\$ <u><u>4,075,488</u></u>

*See accompanying notes.*

**BERWYN FIRE COMPANY****STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS****MODIFIED CASH BASIS****YEAR ENDED DECEMBER 31, 2024****(With Comparative Totals for 2023)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support				
Grants	\$ 22,000	\$ -	\$ 22,000	\$ 18,400
Contributions	45,077	-	45,077	64,155
Capital contributions	-	2,982,397	2,982,397	399,490
Township funding	1,260,301	-	1,260,301	770,300
Fundraising - donations and fund drives	260,001	-	260,001	225,668
Revenue				
Billing income	1,004,318	-	1,004,318	963,425
Event income	61,968	-	61,968	68,701
Merchandise income	257	-	257	-
Outreach income	2,298	-	2,298	4,487
Rental income	35,700	-	35,700	47,792
Tower rental income	139,837	-	139,837	135,726
Investment income	8,912	34,773	43,685	11,666
Employee retention credit income	63,284	-	63,284	-
Employee retention credit interest income	8,319	-	8,319	-
Miscellaneous income	375	-	375	-
Net assets released from restrictions	3,140,571	(3,140,571)	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>6,053,218</b>	<b>(123,401)</b>	<b>5,929,817</b>	<b>2,709,810</b>
<b>EXPENSES</b>				
Program services	3,108,193	-	3,108,193	2,585,563
Management and general	72,579	-	72,579	73,393
Fundraising	24,450	-	24,450	33,504
<b>TOTAL EXPENSES</b>	<b>3,205,222</b>	<b>-</b>	<b>3,205,222</b>	<b>2,692,460</b>
<b>OTHER CHANGES</b>				
Net realized and unrealized gain (loss) on investments	-	-	-	16,075
<b>CHANGE IN NET ASSETS</b>	<b>2,847,996</b>	<b>(123,401)</b>	<b>2,724,595</b>	<b>33,425</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>2,389,429</b>	<b>1,188,095</b>	<b>3,577,524</b>	<b>3,544,099</b>
<b>NET ASSETS AT END OF YEAF</b>	<b>\$ 5,237,425</b>	<b>\$ 1,064,694</b>	<b>\$ 6,302,119</b>	<b>\$ 3,577,524</b>

*See accompanying notes.*

**BERWYN FIRE COMPANY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(With Comparative Totals for 2023)**

	Support Services				Totals	
	Program Services	Management and General	Fundraising	Total Support Services	2024	2023
FUNCTIONAL EXPENSES						
Depreciation	\$ 134,760	\$ -	\$ -	\$ -	\$ 134,760	\$ 133,968
Donations	3,300	-	-	-	3,300	200
Events	74,689	-	-	-	74,689	74,095
Facilities	66,789	-	-	-	66,789	49,579
Fundraising mailings and events	-	-	24,450	24,450	24,450	33,504
Grants	-	-	-	-	-	-
Interest	-	29,001	-	29,001	29,001	28,096
Merchandise	6,715	-	-	-	6,715	4,655
Office	34,226	-	-	-	34,226	42,653
Outreach	1,662	-	-	-	1,662	2,048
Personnel	2,448,032	-	-	-	2,448,032	1,964,112
Professional services	-	43,578	-	43,578	43,578	45,297
Rental expense	36,810	-	-	-	36,810	48,933
Service delivery	254,541	-	-	-	254,541	223,715
Vehicle	46,669	-	-	-	46,669	41,605
TOTAL FUNCTIONAL EXPENSES	\$ 3,108,193	\$ 72,579	\$ 24,450	\$ 97,029	\$ 3,205,222	\$ 2,692,460

*See accompanying notes.*



**BERWYN FIRE COMPANY**

## STATEMENT OF CASH FLOWS

## MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,724,595	\$ 33,425
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	134,760	133,968
Net realized and unrealized (gain) loss on investments	<u>-</u>	<u>(16,075)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,859,355</u>	<u>151,318</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	-	398,765
Purchase of fixed assets	<u>(2,890,214)</u>	<u>(455,642)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(2,890,214)</u>	<u>(56,877)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans payable	<u>(12,660)</u>	<u>(12,474)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(43,519)	81,967
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,466,615</u>	<u>1,384,648</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,423,096</u>	<u>\$ 1,466,615</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 29,001	\$ 28,096
Taxes paid	\$ 16,652	\$ 15,808

*See accompanying notes.*

**BERWYN FIRE COMPANY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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**NOTE A - THE ORGANIZATION**

The Berwyn Fire Company (the "Fire Company") is a nonprofit fire company which provides fire suppression, rescue, EMS, and fire prevention services to Tredyffrin and Easttown Townships in Chester County, Pennsylvania.

These financial statements include activity from the Fire Company. The activity of the Berwyn Volunteer Firefighters' Relief Association ("the Relief Association") has been excluded. The Relief Association is a separate legal entity and manages the Volunteer Firefighter Relief Association ("VFRA") funds received from the State. Funds from the VFRA are subject to strict guidelines that restrict how they are used, which prevents them from being used to fund many of the Fire Company's normal operations. Additionally, VFRA funds must be segregated from the Fire Company's other funds and, by law, the Pennsylvania Department of the Auditor General is required to audit the financial accounts of all relief associations.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements of the Fire Company have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than the obligations are incurred. Consequently, the Fire Company has not recognized pledges receivable from donors, accounts payable to vendors, accounts receivable from ambulance services billing, and their related effects on the change in net assets in the accompanying financial statements. Accordingly, the accompany financial statements are not intended to present the statement of assets, liabilities, and net assets and the statement of revenue, expenses, and changes in net assets in conformity with accounting principles generally accepted in the United States of America.

The significant accounting policies followed by the Fire Company are described below to enhance the usefulness of the financial statements to the reader.

**Income Taxes**

The Fire Company is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Fire Company's tax-exempt purpose may be subject to taxation as unrelated business income. Accordingly, taxes paid on unrelated business income for the year ended December 31, 2024 was \$16,652 and is included as part of rental expense.

**BERWYN FIRE COMPANY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Management has determined that the Fire Company does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Fire Company's tax returns will not be challenged by the taxing authorities and that the Fire Company will not be subject to additional tax, penalties, and interest as a result of such challenge.

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Fire Company considers all liquid investments with an initial maturity of three months or less to be cash equivalents.

**Property and Equipment**

Property and equipment are recorded at cost. All asset acquisitions equal to or in excess of \$10,000 and with a life expectancy of greater than one year are capitalized. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend useful life of the asset are expensed. Donated assets are recorded at their fair market value at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts; and any gain or loss on such disposition is recognized in the statement of revenue, expenses, and changes in net assets. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The following is a schedule of the estimated useful lives:

Building and improvements	5 - 39 years
Equipment	5 - 15 years

**Contributions**

In accordance with the modified cash basis of accounting, contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions.

All contributions are considered to be without donor restriction use unless specifically restricted by the donor.

**BERWYN FIRE COMPANY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses**

The costs of providing services have been summarized on a functional basis in the statement of revenue, expenses, and changes in net assets. Costs are directly assigned to the appropriate program or support services.

**Board-Designated Net Assets**

There were no board designations made for the year ended December 31, 2024.

**Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total only. Such information does not include sufficient detail to constitute a full presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the Fire Company's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**Financial Statement Presentation**

The Fire Company is required to report information regarding its statement of assets, liabilities, and net assets and statement of revenue, expenses, and changes in net assets according to two mutually exclusive classes regarding the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

***Net Assets with Donor Restrictions***

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fire Company or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of revenue, expenses, and changes in net assets.

At December 31, 2024, the Fire Company has net assets with donor restrictions of \$1,064,694. The donor restrictions consist of capital construction/purchases for the new Fire/EMS Stations and vehicles for \$130,481 and \$934,213; respectively. For the year ended December 31, 2024, the Fire Company had net assets released from restrictions of \$3,140,571. The net assets released from restrictions were used for the purpose capital construction/purchases for the new Fire/EMS Stations and vehicles for \$3,140,571.

***Net Assets without Donor Restrictions***

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fire Company. These net assets may be used at the discretion of Fire Company management and the board of directors.

**BERWYN FIRE COMPANY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Date of Management's Review**

Management has evaluated subsequent events through April 4, 2025 the date which the financial statements were available to be issued.

**NOTE C - CASH AND CASH EQUIVALENTS**

At December 31, 2024, the carrying amount of the Fire Company's deposits was \$1,423,096, and the bank balance was \$1,431,858.

The Fire Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Fire Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2024, the Fire Company had \$1,149,497 exposed to custodial credit risk.

**NOTE D - PROPERTY AND EQUIPMENT**

The Fire Company's property and equipment consists of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 127,340	\$ -	\$ 127,340
Construction in progress	3,739,852	-	3,739,852
Building	769,800	(214,050)	555,750
Building improvements	536,654	(366,962)	169,692
Advance life support equipment	898,412	(474,245)	424,167
Firefighting equipment	571,444	(223,918)	347,526
Other equipment	24,357	(24,357)	-
	<u>\$ 6,667,859</u>	<u>\$ (1,303,532)</u>	<u>\$ 5,364,327</u>

**BERWYN FIRE COMPANY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**NOTE E - LOANS PAYABLE**

Loans payable consisted of the following at December 31, 2024:

Note for \$288,750 with WSFS Bank, which requires monthly payments of \$1,786 at 5.49% per annum. The note is secured by a building and matures March 2044.	\$ 252,726
Note for \$108,000 with WSFS Bank, which requires monthly payments of \$668 at 5.49% per annum. Restructured in April 2024 to have monthly payments of \$789 at 7.58% per annum. The note is secured by a building and matures March 2044.	94,975
Note for \$150,000 with WSFS Bank, which requires monthly payments of \$927 at 5.49% per annum. The note is secured by a building and matures December 2045.	137,603
Current portion	<u>(13,358)</u>
	<u>\$ 471,946</u>

Future minimum annual principal payments of loans payable are as follows:

<u>Year Ending December 31,</u>	<u>Loans Payable</u>
2025	\$ 13,358
2026	14,171
2027	15,035
2028	15,876
2029	16,922
Thereafter	<u>409,942</u>
	<u>\$ 485,304</u>

**NOTE F - CONCENTRATION OF REVENUE**

For the year ended December 31, 2024, the Fire Company received 71% of its total public support and revenue from contributions from Easttown Township (22%) and Tredyffrin Township (49%).

**BERWYN FIRE COMPANY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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**NOTE G - EMPLOYEE RETIREMENT BENEFITS**

The Fire Company has established a 403(b) plan, which allows the employees to contribute pretax dollars to the plan. The employees are eligible to participate after one full year of employment. The Fire Company matches the employee contribution up to 1% of the employee's annual earnings. After the employee's fifth year of employment, the Fire Company matches the employee's contribution up to 3% of the employee's annual earnings. After the employee's tenth year of employment, the Fire Company matches the employee contribution up to 6% of the employee's annual earnings. The employee is 100% vested in the Fire Company contributions immediately. The Fire Company's contributions to the employee's retirement plan for the year ended December 31, 2024 was \$53,708.

**NOTE H - RENTAL INCOME**

The Fire Company owns properties that it rents out to nonrelated parties on a yearly basis. The renters are responsible for the utilities. Rental income for the year ended December 31, 2024 was \$35,700.

**NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Fire Company's financial assets consist of cash and cash equivalents and investments.

The following reflects the Fire Company's financial assets as of December 31, 2024, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Financial assets unavailable include amounts set aside for capital purchases for the new Fire/EMS Stations and vehicles.

The following reflects the Fire Company's financial assets as of December 31, 2024:

Financial assets, at year-end	\$ 1,423,096
Less those unavailable for general expenditures within one year due to donor-imposed or time restrictions	<u>(1,064,694)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 358,402</u>

The Fire Company has a goal to maintain financial assets on hand to meet, at a minimum, 90 days of normal operating expenses excluding depreciation, which is approximately \$762,000. At December 31, 2024, the Fire Company had \$358,402 in highly liquid financial assets. The Fire Company has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**BERWYN FIRE COMPANY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**NOTE J - CONSTRUCTION OF FIRE STATION**

In 2024, the Fire Company has entered into an intermunicipal agreement with Easttown Township and Tredyffrin Township regarding the new fire station building being constructed. The Fire Company shall continue to own the fire station during the renovation and construction period through to occupancy of the renovated building. Following the completion of the Fire Station renovations and construction, and no later than 180 days following issuance of occupancy permits, all assets of the Fire Company, including revenue streams associated with those assets, shall be transferred to a new as yet created Tredyffrin-Easttown Fire Department entity, as legally permitted, or to each township, by the ownership percentages or allocations agreed to by the Townships.