

FAIRVIEW TOWNSHIP FIRE DEPARTMENT
(a component unit of Fairview Township)

YEARS ENDED
DECEMBER 31, 2024 AND 2023

Brown Plus
ACCOUNTANTS + ADVISORS

FAIRVIEW TOWNSHIP FIRE DEPARTMENT
(a component unit of Fairview Township)

DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

Officers
Fairview Township Fire Department
New Cumberland, Pennsylvania

Opinion

We have audited the accompanying financial statements of Fairview Township Fire Department (Fire Department or Organization) (a nonprofit organization and component unit of Fairview Township), which comprise the statements of assets and net position – cash basis as of December 31, 2024 and 2023 and the related statements of support, revenue, expenses and changes in net position – cash basis for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net position of Fairview Township Fire Department as of December 31, 2024 and 2023, and its support, revenue, expenses and changes in net position for the years then ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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.

The Fairview Township Fire Department has determined that for financial reporting purposes it is a governmental nonprofit organization as a result of it being a component unit of Fairview Township (the Township). The Township is required to report the Organization as a component unit of the Township under the criteria provided by the Governmental Accounting Standards Board.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the 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.

Auditor's 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 auditor's 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 the Organization'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 the Organization'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.

Other Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Brown Plus

Camp Hill, Pennsylvania
November 1, 2025

FAIRVIEW TOWNSHIP FIRE DEPARTMENT
(a component unit of Fairview Township)

STATEMENTS OF ASSETS AND NET POSITION – CASH BASIS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets, financial assets available within one year, cash	**$ 104,090**	**$ 78,568**
NET POSITION		
Net assets without donor restrictions	**$ 104,090**	**$ 78,568**

See notes to financial statements.

FAIRVIEW TOWNSHIP FIRE DEPARTMENT
(a component unit of Fairview Township)

STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET POSITION – CASH BASIS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Support and revenue:		
Donations	$ 44,323	$ 2,459
Billed service and contract fees	3,925	1,250
Miscellaneous fundraisers	69,351	64,678
Interest income	523	497
Grant income	15,590	13,860
Miscellaneous reimbursements	719	100
Hall rental income	3,500	-
Total support and revenue	**137,931**	**82,844**
Expenses:		
Transfers to Fairview Township	60,000	60,000
Advertising	1,168	1,291
Building and equipment:		
Purchases	32,949	14,415
Repairs	1,827	1,922
Clothing	289	2,937
Food and entertainment	5,975	7,733
Fundraising, mailing	6,511	6,262
Miscellaneous	525	683
Office supplies	2,096	2,117
Utilities	456	456
Telephone	613	-
Total expenses	**112,409**	**97,816**
Changes in net assets without donor restrictions	**25,522**	**(14,972)**
Net assets without donor restrictions:		
Beginning of year	78,568	93,540
End of year	**$ 104,090**	**$ 78,568**

See notes to financial statements.

1. Nature of organization and summary of significant accounting policies:

Nature of organization:

The Fairview Township Fire Department (Fire Department or Organization) is an all volunteer organization which provides firefighting, education and prevention services to the residents in its area. The Fire Department's support and revenues are generated mostly from donations and fundraising events. In 2005, Fairview Township (the Township) acquired control over the operations of the Fire Department and became financially accountable for the fiscal matters of the Organization. Under this arrangement, substantially all assets of the Fire Department are to be turned over to the Township for management. As of December 31, 2024, the assets and activities reported in these financial statements remained under the control of the Fire Department. The Township is required to report the Organization as a component unit of the Township under the criteria provided by the Governmental Accounting Standards Board (GASB).

Fairview Township allocates a portion of the Local Services Tax (LST), charged to all employees working within the Township, in order to pay for certain expenses of the Fire Department. During 2024 and 2023, the Township paid for Fire Department expenses of $468,809 and $387,420, respectively. The 2024 and 2023 expenses paid for by the Township are not included in these financial statements, but are included in the Township's financial statements.

During 2024 and 2023, the Fire Department transferred $60,000 to the Township to cover the operating expenses of the Fire Department paid for by the Township.

Basis of accounting:

The Organization prepares its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, revenues are generally recognized when collected rather than when earned, and expenses are generally recognized when paid rather than when incurred.

Each year the Fire Department is allowed to submit, for payment or reimbursement, specified expenses to the Firemen's Relief Association (Relief Association) (see Note 3). In order to expedite the payment of its accounts payable, the Fire Department sometimes pays such invoices directly and then submits them to the Relief Association for reimbursement.

Financial statement presentation:

The Organization reports information regarding its assets and net assets according to two classes of net assets: net assets without restrictions and net assets with restrictions. As of December 31, 2024, and for the year 2024, the Organization has only net assets without restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Property and equipment:

Fixed assets have not been included as a part of these financial statements. Purchases of fixed assets are recorded as expenditures at the time of purchase; therefore, no depreciation has been recorded on fixed assets. Fixed assets, which were purchased with Relief Association or Township funds, are not included in the financial statements because the Relief Association and/or Township retain title to such property.

1. Nature of organization and summary of significant accounting policies (continued):

Donated services:

The time of the many Fire Department volunteers is donated to the Organization. The value of these contributed services is not included in these financial statements since they do not meet the criteria for recognition as contributed services and are not required under the cash basis of accounting.

Concentration of credit risk:

The Fire Department's cash deposits are held at two banks and are Federal Deposit Insurance Corporation (FDIC) insured up to $250,000. From time to time during the year, the Fire Department may have balances in excess of $250,000; therefore, amounts in excess of $250,000 are uninsured and uncollateralized.

Revenue recognition:

Fairview Township Fire Department receives contributions primarily from the residents of Fairview Township. The contributions are given to support the overall mission of the Organization and do not contain any performance obligations. The contributions are considered non-exchange transactions and are recorded as revenue when received. Any contributions with donor restrictions are recorded as net assets with donor restrictions and the use of the funds for the restricted purpose are recorded as releases from net assets with donor restrictions. If a condition is placed on the contribution, revenue is not recognized until the condition has been satisfied. Fairview Township Fire Department did not have any conditional contributions in 2024 and 2023.

Income taxes:

The Organization is recognized as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax is incurred unless the Fire Department earns income considered to be unrelated business income.

The Organization files a Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service and a Bureau of Charitable Organization's registration form with the Commonwealth of Pennsylvania.

Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenues, expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

2. Financial assets and liquidity resources:

The Fire Department's primary cash flows are received at various times throughout the year and are attributed to fundraisers held and Township support. These cash flows do not contain any donor-imposed restrictions or designations made by the Fire Department's board.

To manage liquidity, the Fire Department maintains checking accounts with a bank that can be drawn upon as needed during the year to manage cash flows. As of December 31, 2024 and 2023, the checking accounts totaled $104,090 and $78,568, respectively.

2. Financial assets and liquidity resources (continued):

As of December 31, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and property and equipment not financed with debt, were $104,090 and $78,568, respectively.

3. Firemen's Relief Association funding:

Some of the Fire Department's expenses are paid by the Relief Association. The Relief Association receives the majority of its funding from foreign fire insurance tax which Fairview Township receives from the state and, by law, is required to pass on to the Relief Association. The Relief Association is audited annually by the State Auditor General's Office in accordance with state laws. A copy of the audit report is available at the Township's office. The Fire Department submits specifically approved expenses to be reimbursed by the Relief Association each year.

4. Fishing Creek Community Association:

The Fire Department owns real estate at 520 Locust Road in Fairview Township as joint tenants with the Fishing Creek Community Association (FCCA). The Fire Department uses a portion of the property as a fire station to serve the southern portion of the Township. The FCCA and the Fire Department share two bank accounts used to operate the building. As of December 31, 2024, the total balance of those accounts was $168,074. The year-end balances and activity from these accounts are not included in these financial statements. The Fire Department has not received or paid funds to or from these accounts during 2024 and 2023.

5. Contingencies:

The Fire Department is exposed to various risks of loss related to the nature of the activity performed by the Fire Department. The Fire Department maintains commercial insurance, paid for by the Township, covering these risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses. Previous claims have not exceeded this commercial coverage.

6. Functional expenses:

Expenses by function for the year ended December 31, 2024 and 2023 were as follows:

	2024	2023
Program services	$ 102,634	$ 88,146
Management and general	2,096	2,117
Fundraising	7,679	7,553
	$ 112,409	$ 97,816

The Fire Department reports expenses that are attributable to one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on time and effort of the volunteers and costs directly related to the program or supporting function.

7. Subsequent events:

The Fire Department has evaluated subsequent events through November 1, 2025, the date which the financial statements were available to be issued.