

Independent Auditor's Report

To the Board of Trustees of Ebenezer Fire Company:

We have audited the accompanying financial statements of Ebenezer Fire Company (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – income tax basis, as of December 31, 2021 and 2020, the related statements of revenues and functional expenses – income tax basis, the statements of cash flows – income tax basis and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the income tax basis of accounting, this includes determining that the income tax 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Ebenezer Fire Company as of December 31, 2021 and 2020 and its revenues, expenses, and other changes in net assets for the year then ended in accordance with the basis of accounting Ebenezer Fire Company used for income tax purposes described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the income tax 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.



Michael R. Green, CPA
Michael R Green & Associates
Lebanon, PA
May 5, 2022

Ebenezer Fire Company
Statement of Assets, Liabilities and Net Assets
Income Tax Basis
December 31, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	175,886	183,991
Total current assets	<u>175,886</u>	<u>183,991</u>
Certificates of Deposit	-	11,082
Total Investments	<u>-</u>	<u>11,082</u>
Equipment and Property	925,963	920,317
Less Accumulated Depreciation	(416,538)	(247,808)
Total long term assets	<u>509,425</u>	<u>672,509</u>
Total assets	<u><u>685,311</u></u>	<u><u>867,582</u></u>

Liabilities and Net Assets

Liabilities

Note Payable - Current	-	-
Total current liabilities	<u>-</u>	<u>-</u>
Note Payable - Long-Term	395,227	400,000
Total long term liabilities	<u>395,227</u>	<u>400,000</u>
Total liabilities	395,227	400,000
Unrestricted Net Assets	290,084	467,582
Total Net Assets	<u>290,084</u>	<u>467,582</u>
Total liabilities and net assets	<u><u>685,311</u></u>	<u><u>867,582</u></u>

Ebenezer Fire Company
Statement of Activities and Functional Expenses
Income Tax Basis
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues and Support		
Contributions	1,605	739
Fund Drive	23,573	26,150
Grants	65,540	183,366
Program Service Revenues	7,918	11,892
Membership Dues	141	234
Interest Income	61	135
Rental and Event Income	7,540	4,060
Other Revenue		
	<u>106,378</u>	<u>226,576</u>
Expenses for Programs		
Advertising	-	434
Supplies	5,126	6,234
Telephone	1,558	1,390
Utilities	7,804	7,041
Equipment Repairs and Maintenance	29,963	24,071
Uniforms	2,346	-
Insurance	7,516	2,923
Interest Expense	32,438	5,556
Training and Subscriptions	2,265	125
Internet and Cable	1,164	1,224
Public Relations and meetings	120	300
Depreciation	168,730	78,629
Rental Expense	1,850	1,723
Building and Ground Maintenance	14,273	5,910
Miscellaneous & License	-	111
	<u>275,153</u>	<u>135,671</u>
Total Expense for Programs		
	<u>275,153</u>	<u>135,671</u>
Excess Revenues and Support over Expenses for Programs	(168,775)	90,905

	<u>2020</u>	<u>2019</u>
Expenses for General Administration		
Accounting and Legal	510	490
Office Supplies & Equipment	1,795	200
Administrative	130	-
Miscellaneous	-	-
	<u>2,435</u>	<u>690</u>
Expenses for Fundraising		
PA Registration	125	100
Fundraising Expenses	<u>6,153</u>	<u>4,112</u>
	<u>6,278</u>	<u>4,212</u>
Total General Administration and Fundraising Expenses	<u>8,713</u>	<u>4,902</u>
Change in Net Assets	(177,488)	86,003
Net Assets, Beginning of Year	<u>467,572</u>	<u>381,579</u>
Net Assets, End of Year	<u><u>290,084</u></u>	<u><u>467,572</u></u>

Ebenezer Fire Company
Statement of Cash Flows
Income Tax Basis
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Change in Net Assets	(177,488.00)	86,003.00
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	<u>168,730.00</u>	<u>78,629.00</u>
Net cash provided by operating activities	(8,758.00)	164,632.00
Cash flows from investing activities:		
Net Acquisition of equipment	(5,646.00)	(494,223.00)
Redemption of CD	<u>11,082.00</u>	<u> </u>
Net cash used in investing activities	5,436.00	(494,223.00)
Cash Flows from financing activities		
Borrowings on Loans	200,000.00	400,000.00
Payments on Loans	<u>(204,773.00)</u>	<u> </u>
Net cash used in financing activities	<u>(4,773.00)</u>	<u>400,000.00</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,095.00)	70,409.00
Cash and cash equivalents at beginning of year	<u>183,981.00</u>	<u>113,582.00</u>
Cash and cash equivalents at end of year	<u><u>175,886.00</u></u>	<u><u>183,981.00</u></u>
Interest Paid During Year	<u><u>32,438.00</u></u>	<u><u>5,556.00</u></u>

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General

Ebenezer Fire Company is a nonprofit Organization, who has received and maintains exemption under Section 501(C) (3) of the Internal Revenue Code.

The purposes of the Organization are:

- a. Provide fire protection for the residents of Ebenezer and vicinity, to purchase and maintain fire apparatus and equipment to save life and property.
- b. With their community hall facilities, shall promote moral culture and social activities not detrimental to the general public.

Accounting Policy

The accompanying financial statements have been prepared on the Income Tax Basis, which is used for both the financial statement and nonprofit reporting. The amounts shown on the financial statements conform or will conform to those appearing on the Ebenezer Fire Company Form 990 tax return.

Depreciation

Properties are carried at cost less accumulated depreciation. It is the policy of the Organization to charge all additions to the asset account and charge cost of repairs and maintenance to operations in the year incurred. The asset and accumulated depreciation accounts are relieved when properties are disposed of. The depreciation and accumulated depreciation accounts reflect the depreciation used for income tax reporting. The Organization uses straight line depreciation and uses the following useful lives:

Buildings	39 years
Property Improvements	15 years
Fire Fighting Equipment	5 years
Other Equipment	7 years

2. USE OF ESTIMATES

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

3. NET ASSETS

The financial statements report amounts by class of net assets. All unrestricted net assets are available at the discretion of the board for use in the Organization's programs.

4. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of cash held in checking accounts and savings accounts held at a local FDIC-insured bank, Jonestown Bank and Trust (JBT). The Organization deposits all cash received and does not keep material amounts of cash on hand.

	<u>12/31/2021</u>	<u>12/31/2020</u>
Cash in Checking	\$ 81,409	\$ 107,569
Grant Fund	5,541	128
FEMA Grant Fund	0	1
Savings	22,111	21,958
Apparatus Fund	50,180	40,175
Fund Drive	<u>16,646</u>	<u>14,150</u>
Total	<u>\$ 175,886</u>	<u>\$ 183,981</u>

5. INVESTMENTS

Investments consisted of (1) one Certificate of Deposit, held at a local FDIC-insured bank, Jonestown Bank and Trust (JBT). The Certificate was redeemed on October 18, 2021. The Certificates of Deposit are shown at cost for 2020.

	<u>12/31/2021</u>	<u>12/31/2020</u>
Certificate of Deposit	\$ <u>0</u>	\$ <u>11,082</u>
Total	<u>\$ 0</u>	<u>\$ 11,082</u>

6. VOLUNTEER HOURS

Various Individuals volunteer hours for the Ebenezer Fire Company. The cost of the volunteer hours is not reflected in these statements as they do not meet the criteria for contributed services and would not be recognized under the Income Tax Basis of Accounting.

7. REAL ESTATE

The Property at 442 Ebenezer Road is owned by the Organization. The fair market value of the real estate is not reflected in these statements.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 5, 2022, the date the financial statements were available to be issued.

9. CONTINGENCIES

The Organization is exposed to various risks by the nature of the Organization's activities. The Management has determined that coverage levels under various insurance policies are sufficient to cover any significant uninsured losses.

10. INCOME TAXES

The Organization is a nonprofit corporation whose revenue is derived from fees, grants, contributions, and other fundraising activities, and is not subject to federal or state income taxes. The Organization is exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code and is not considered a private foundation. Accordingly, no income tax liability is incurred unless the Organization receives income considered to be unrelated business income.

The accounting standard on accounting for uncertainty in income taxes addresses the determination whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position, if any, are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for years ended December 31, 2021 and December 31, 2020.

The Organization filed a federal Form 990 or 990EZ – Return of Organization Exempt From Income Tax. The Organization is generally no longer subject to examination by the IRS for years before 2019.

11. FAIR VALUE MEASUREMENT

The Organization has valued all deposited Cash in Bank Deposits at cost. All funds are deposited with a FDIC-insured financial institution and the Organization believes that the assets should be reported at cost.