

Independent Auditor's Report

To the Board of Trustees of Glenn Lebanon Fire Company:

We have audited the accompanying financial statements of Glenn Lebanon Fire Company (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – income tax basis, as modified, as of December 31, 2021 and 2020, the related statements of revenues and functional expenses – income tax basis, as modified, the statements of cash flows – income tax basis, as modified, 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, as modified, 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 Glenn Lebanon 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 Glenn Lebanon Fire Company used for income tax purposes, as modified, 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, as modified, 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
Accurate Accounting
Lebanon, PA
May 12, 2022

Glen Lebanon 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 | 204,720 | 179,487 |
| Total current assets | <u>204,720</u> | <u>179,487</u> |
| Equipment and Property | 1,683,841 | 1,550,650 |
| Other Assets | 15,140 | 15,140 |
| Total long term assets | <u>1,698,981</u> | <u>1,565,790</u> |
| Total assets | <u><u>1,903,701</u></u> | <u><u>1,745,277</u></u> |
| | | |
| <u>Liabilities and Net Assets</u> | | |
| | | |
| <u>Liabilities</u> | | |
| Note Payable - Current | - | 5,826 |
| Total current liabilities | - | 5,826 |
| Note Payable - Long-Term | - | 27,578 |
| Total long term liabilities | <u>-</u> | <u>27,578</u> |
| Total liabilities | - | 33,404 |
| Unrestricted Net Assets | 1,903,701 | 1,711,873 |
| Total Net Assets | <u>1,903,701</u> | <u>1,711,873</u> |
| Total liabilities and net assets | <u><u>1,903,701</u></u> | <u><u>1,745,277</u></u> |

Glen Lebanon 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 | 1,668 | 1,550 |
| Fund Drive | | - |
| Grants | 122,055 | 100,030 |
| Membership Dues | 38 | 86 |
| Interest Income | 228 | 388 |
| Gaming Revenue (Gross) | 290,845 | 95,778 |
| Food Income | - | 1,600 |
| Rental Revenue (Gross) | 2,845 | 1,550 |
| Program Service Revenue | - | 625 |
| | <u>417,679</u> | <u>201,607</u> |
| Expenses for Programs | | |
| Advertising and Website Expense | - | 175 |
| Supplies | 1,953 | 1,827 |
| Cable, Internet, and Telephone | 1,994 | 1,646 |
| Utilities | 6,173 | 7,727 |
| Equipment Repairs and Maintenance | 19,591 | 17,432 |
| Insurance | 5,200 | 7,567 |
| Interest Expense | 696 | 1,600 |
| Conferences, Training, and Subscriptions | 45 | 150 |
| Building and Ground Maintenance | - | 442 |
| Miscellaneous | | |
| | <u>35,652</u> | <u>38,566</u> |
| Excess Revenues and Support over Expenses for Programs | 382,027 | 163,041 |

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| Expenses for General Administration | | |
| Accounting and Legal | 510 | 490 |
| Office Expense | 953 | 224 |
| Donations | 50 | |
| Miscellaneous | <u>133</u> | <u>59</u> |
| Total Expenses for General Administration | 1,646 | 773 |
| Expenses for Fundraising | | |
| Gaming Registration | 225 | 225 |
| Gaming Expenses | 188,328 | 68,544 |
| Fundraising Expenses | <u>-</u> | <u>-</u> |
| Total Expenses for Fundraising | <u>188,553</u> | <u>68,769</u> |
| Total General Administration and Fundraising Expenses | <u>190,199</u> | <u>69,542</u> |
| Change in Net Assets | 191,828 | 93,499 |
| Net Assets, Beginning of Year | <u>1,711,873</u> | <u>1,618,374</u> |
| Net Assets, End of Year | <u><u>1,903,701</u></u> | <u><u>1,711,873</u></u> |

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

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| Change in Net Assets | 191,828.00 | 93,499.00 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Interest included in Net Income | (228.00) | (388.00) |
| Depreciation and amortization | | |
| Net cash provided by operating activities | <u>191,600.00</u> | <u>93,111.00</u> |
| Cash flows from investing activities: | | |
| Acquisition of equipment | (133,192.00) | (13,156.00) |
| Investment Income | <u>228.00</u> | <u>388.00</u> |
| Net cash used in investing activities | (132,964.00) | (12,768.00) |
| Cash Flows from financing activities | | |
| Sale of Equipment & Property | | |
| Borrowings on Loans | | |
| Payments on Loans | <u>(33,404.00)</u> | <u>(14,748.00)</u> |
| Net cash used in financing activities | <u>(33,404.00)</u> | <u>(14,748.00)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 25,232.00 | 65,595.00 |
| Cash and cash equivalents at beginning of year | <u>179,487.00</u> | <u>113,892.00</u> |
| Cash and cash equivalents at end of year | <u><u>204,719.00</u></u> | <u><u>179,487.00</u></u> |
| Interest Paid During Year | <u><u>696.00</u></u> | <u><u>1,600.00</u></u> |

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General

Glenn Lebanon 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 residents and property, to provide assistance with disaster situations, to assist the community with relevant services, and to purchase and maintain fire apparatus and equipment to save life and property.

Accounting Policy

The accompanying financial statements have been prepared on the Income Tax Basis, as modified, which is used for both the financial statement the income tax returns. The amounts shown on the financial statements conform to those appearing on the Glenn Lebanon Fire Company Form 990 tax return.

Depreciation

It has been the practice of the Organization for the last several years to not calculate depreciation as operating expense, nor to record accumulated depreciation against Net Assets. Since this represents a departure from the usual income tax basis of accounting, all references in these statements are to Income Tax Basis, as modified. This practice has been used for the last several Form 990s filed with the Internal Revenue Service, without comment or disagreement from the IRS or any other party.

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 at a local FDIC-insured bank, Jonestown Bank and Trust (JBT). The Organization's policy is to deposit all cash received within two business days and does not keep material amounts of cash on hand.

| | <u>12/31/2021</u> | <u>12/31/2020</u> |
|---------------------------|-------------------|-------------------|
| Cash in Checking Accounts | \$ 204,720 | \$ 179,487 |
| Total | <u>\$ 204,720</u> | <u>\$ 179,487</u> |

5. LONG-TERM ASSETS

| | <u>12/31/2021</u> | <u>12/31/2020</u> |
|------------------------|---------------------|---------------------|
| Equipment and Property | \$ 1,683,841 | \$ 1,550,650 |
| Other Assets | \$ 15,140 | \$ 15,140 |
| Total | <u>\$ 1,683,841</u> | <u>\$ 1,565,790</u> |

6. VOLUNTEER HOURS

Various Individuals volunteer hours for the Glenn Lebanon 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 42 Glenn Lebanon Drive 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 12, 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 – Return of Organization Exempt From Income Tax. The Organization is generally no longer subject to examination by the IRS for years before 2019.

11. NOTE PAYABLE

The Organization previously borrowed funds from Jonestown Bank and Trust (JBT) as part of construction activities. The Organization paid off the note in July 2021.

12. FAIR VALUE MEASUREMENT

The Organization has valued all assets, such as 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.