

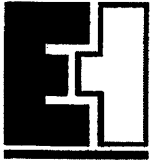
WEVAERTOWN FIRE COMPANY NO. 1
AUDITED FINANCIAL STATEMENTS
FOR THE FICAL YEARS ENDED
DECMEBER 31, 2022 AND 2021

ELLIS LEE HOSTETTER & CO, PC
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WEAVERTOWN FIRE COMPANY NO 1

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Weavertown Fire Company No. 1

Opinion

We have audited the accompanying financial statements of Weavertown Fire Company No. 1 (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—income tax basis, as of December 31, 2022, and 2021, and the related statements of revenues, expenses, and changes in net assets—income tax basis for the year 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, liabilities, and net assets of Weavertown Fire Company No. 1 as of December 31, 2022, and its revenues, expenses, and other changes in net assets for the year then ended in accordance with the basis of accounting Weavertown Fire Company No.1 uses for income tax purposes described in Note #2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Weavertown Fire Company No. 1 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.

Basis of Accounting

We draw attention to Note #2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting Weavertown Fire Company No. 1 uses for income tax purposes, 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.

Responsibilities of Management 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 described in Note #2; 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.

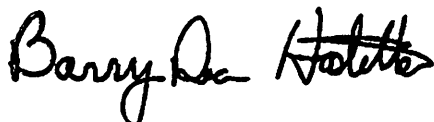
Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Weavertown Fire Company No. 1'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 Weavertown Fire Company No. 1'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.



Ellis Lee Hostetter & Co., P.C.

Lebanon, PA 17042

June 14, 2023

WEAVERTOWN FIRE COMPANY NO 1
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
 INCOME TAX BASIS
 AS OF DECEMBER 31, 2022 and 2021

	ASSETS	
	2022	2021
CURRENT ASSETS		
Cash in Bank - General Checking	\$ 56,326	\$ 110,125
Cash in Bank - Bingo Checking	1,809	1,176
Cash in Bank - Certificates of Deposit	16,497	16,423
TOTAL CURRENT ASSETS	\$ 74,632	\$ 127,724
FIXED ASSETS		
Land	\$ 253,810	\$ 253,810
Buildings	1,361,473	1,329,017
Vehicles	1,000,444	1,000,444
Fire Equipment	324,390	324,390
Other Equipment	195,113	195,113
Furnishings	54,413	54,413
TOTAL	\$ 3,189,643	\$ 3,157,187
Less Accumulated Depreciation	(1,633,859)	(1,525,145)
TOTAL FIXED ASSETS	1,555,784	1,632,042
OTHER ASSETS		
Refinance Charges	\$ 14,364	\$ 14,364
Less Amortization to Date	(5,744)	(4,308)
TOTAL OTHER ASSETS	8,620	10,056
TOTAL ASSETS	\$ 1,639,036	\$ 1,769,822

See notes to the financial statements.

WEAVERTOWN FIRE COMPANY NO 1
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
INCOME TAX BASIS
AS OF DECEMBER 31, 2022 and 2021

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Short-Term Portion of Long-Term Note Payable	\$ 64,050	\$ 61,037
TOTAL CURRENT LIABILITIES	<u>\$ 64,050</u>	<u>\$ 61,037</u>
LONG-TERM LIABILITIES		
Loan Payable - Volunteer Financial Services	\$ 424,915	\$ 454,383
Mortgage Payable - KS State Bank	242,531	271,230
Less: Short-Term Portion of Long-Term Note Payable	<u>(64,050)</u>	<u>(61,037)</u>
TOTAL LONG-TERM LIABILITIES	<u>603,396</u>	<u>664,576</u>
TOTAL LIABILITIES	\$ 667,446	\$ 725,613
NET ASSETS		
Without Donor Restrictions	<u>971,590</u>	<u>1,044,209</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,639,036</u></u>	<u><u>\$ 1,769,822</u></u>

See notes to the financial statements.

WEAVERTOWN FIRE COMPANY NO 1
STATEMENT OF SUPPORT AND REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - INCOME TAX BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
SUPPORT AND REVENUES		
Contributions	\$ 28,115	\$ 26,169
Membership Dues	5	18
Government Grants	93,000	90,411
Program Income	14,986	1,203
Gaming Revenues	-	-
Less Direct Costs	-	-
Sales of Food and Beverages	25,317	28,399
Less Direct Costs	(11,778)	(13,760)
Interest Income	89	178
Rental Income	100	100
Refunds	-	-
Reimbursements	230	2,421
Other Income	-	-
TOTAL SUPPORT AND REVENUES	<u>\$ 150,064</u>	<u>\$ 135,139</u>
EXPENSES		
Program Services	\$ 215,871	\$ 217,067
Supporting Activities		
General and Administrative	5,128	2,300
Fundraising	1,684	2,140
TOTAL EXPENSES	<u>222,683</u>	<u>221,507</u>
CHANGE IN NET ASSETS	<u>\$ (72,619)</u>	<u>\$ (86,368)</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,044,209</u>	<u>1,130,577</u>
NET ASSETS, END OF YEAR	<u><u>\$ 971,590</u></u>	<u><u>\$ 1,044,209</u></u>

See notes to the financial statements.

WEAVERTOWN FIRE COMPANY NO 1
 SCHEDULE OF OPERATING EXPENSES - INCOME TAX BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	General and Administrative	Fundraising	Expenses Total
Advertising	\$ -	\$ -	\$ -	\$ -
Amortization	1,436	-	-	1,436
Bank Charges	-	-	-	-
Building Repairs and Maintenance	8,436	-	-	8,436
Depreciation	108,714	-	-	108,714
Donations	-	228	-	228
Dues	-	-	-	-
Equipment Repairs and Upgrades	15,206	-	-	15,206
Fund Drive Expenses	-	-	1,684	1,684
Grant Writing	-	2,500	-	2,500
Insurance	8,614	-	-	8,614
Interest	35,281	-	-	35,281
Internet and Cable	3,284	-	-	3,284
Land Lease	-	-	-	-
Lawn Maintenance	-	-	-	-
Legal and Accounting	-	2,400	-	2,400
Licenses and Permits	225	-	-	225
Loan Fees	15,177	-	-	15,177
Miscellaneous	3,086	-	-	3,086
New Years Party	-	-	-	-
Office Supplies	5,554	-	-	5,554
PA Registration	-	-	-	-
Postage	-	-	-	-
Public Relations	-	-	-	-
Recreation	-	-	-	-
Refuse Removal / Extermination	-	-	-	-
Security	-	-	-	-
Telephone	-	-	-	-
Training Expenses	600	-	-	600
Uniforms	-	-	-	-
Utilities	10,258	-	-	10,258
Total Expenses Year 2022	\$ 215,871	\$ 5,128	\$ 1,684	\$ 222,683
Percent of Total Expenses	96.94%	2.30%	0.76%	100.00%

See notes to the financial statements.

WEAVERTOWN FIRE COMPANY NO 1
 SCHEDULE OF OPERATING EXPENSES - INCOME TAX BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	General and Administrative	Fundraising	Expenses Total
Advertising	\$ -	\$ -	\$ -	\$ -
Amortization	1,436	-	-	1,436
Bank Charges	-	-	-	-
Building Repairs and Maintenance	8,880	-	-	8,880
Depreciation	109,756	-	-	109,756
Donations	-	100	-	100
Dues	20	-	-	20
Equipment Repairs and Upgrades	10,062	-	-	10,062
Fund Drive Expenses	-	-	2,040	2,040
Grant Writing	-	-	-	-
Insurance	8,327	-	-	8,327
Interest	43,868	-	-	43,868
Internet and Cable	2,638	-	-	2,638
Land Lease	1	-	-	1
Lawn Maintenance	971	-	-	971
Legal and Accounting	-	2,200	-	2,200
Licenses and Permits	295	-	-	295
Loan Fees	13,153	-	-	13,153
Miscellaneous	2,624	-	-	2,624
New Years Party	-	-	-	-
Office Supplies	778	-	-	778
PA Registration	-	-	100	100
Postage	-	-	-	-
Public Relations	159	-	-	159
Recreation	-	-	-	-
Refuse Removal / Extermination	1,054	-	-	1,054
Security	288	-	-	288
Telephone	-	-	-	-
Training Expenses	345	-	-	345
Uniforms	-	-	-	-
Utilities	12,412	-	-	12,412
Total Expenses Year 2022	\$ 217,067	\$ 2,300	\$ 2,140	\$ 221,507
Percent of Total Expenses	98.00%	1.04%	0.97%	100.00%

See notes to the financial statements.

WEAVERTOWN FIRE COMPANY NO 1
STATEMENTS OF CASH FLOWS - INCOME TAX BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
Change in Net Assets	\$ (72,619)	\$ (86,368)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities	-	(111)
Depreciation	110,150	109,756
Amortization	1,436	1,436
Net Cash Provided by (Used in) Operating Activities	\$ 38,967	\$ 24,713
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Investments	\$ -	\$ -
(Increase) Decrease in Refinance Charges	-	-
(Purchase) Disposal of Fixed Assets	-	-
Net Cash Provided by (Used in) Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Provided by (Used In) Loan Borrowings	\$ (35,268)	\$ 6,911
Provided by (Used In) Debt Payments	(56,791)	(32,850)
Net Cash Provided by (Used in) Financing Activities	(92,059)	(25,939)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (53,092)	\$ (1,226)
CASH AND CASH EQUIVALENTS - Beginning of Year	127,724	128,950
CASH AND CASH EQUIVALENTS - End of Year	\$ 74,632	\$ 127,724
CASH AND CASH EQUIVALENTS CONSIST OF :		
	12/31/2022	12/31/2022
Cash In Bank - General Checking	\$ 56,326	\$ 110,125
Cash in Bank - Bingo Checking	1,809	1,176
Cash in Bank - Certificates of Deposit	16,497	16,423
TOTAL CASH AND CASH EQUIVALENTS	\$ 74,632	\$ 127,724
SUPPLEMENTAL CASH FLOWS DISCLOSURES:		
Cash paid for Interest	\$ 35,281	\$ 43,868

See notes to the financial statements.

WEAVERTOWN FIRE COMPANY NO 1
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

NOTE #1 DESCRIPTION OF THE ORGANIZATION

Weavertown Fire Company No 1 was formed in the Commonwealth of Pennsylvania as a charitable not-for-profit organization. The Organization's purpose is to provide volunteer firefighting and other emergency services for the community. It is supported primarily through contributions, sales from food, various fundraisers, and grants, etc.

NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPRESENTATION. This summary of significant accounting policies of the Weavertown Fire Company No.1, forthwith referred to as "the Organization", is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity.

ACCOUNTING METHOD. The accompanying financial statements have been prepared on the basis of accounting used for income tax purposes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis reflects the financial position of the Organization at December 31, 2022, and 2021, and the changes in its net assets for the years then ended. Under this method of accounting, only support and revenues collected, costs and expenses paid, and asset transactions arising from cash are recognized. Therefore, accounts receivable, accrued expenses, accounts payable, and other assets and liabilities which may be material in amount are not reflected.

PUBLIC SUPPORT AND REVENUES. The Organization receives various contributions which are recorded as unrestricted when received unless specifically restricted by the donor. Grants and other contributions are reported as restricted support if received with donor stipulations that limit the use of the donated assets. When the restriction expires, that is, when the stipulated time restriction or purpose restriction is accomplished, restricted assets are reclassified to unrestricted net assets.

NEW ACCOUNTING PRONOUNCEMENT. On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

The notes to the financial statements are an integral part of these statements.

Weavertown Fire Company No 1
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will not be sustained on examination by taxing authorities based on the technical merits of the position. 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 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 the years ended December 31, 2022, or 2021.

The Organization files a federal Form 990 - Return of Organization Exempt From Income Tax. The Organization also files Charitable Organization Registration Statement with the Commonwealth of Pennsylvania - Form - BCO-10. The Organization is generally no longer subject to examination by the Internal Revenue Service for years ended before 2018.

MEASURE OF OPERATIONS. The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing animal services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

CONCENTRATION OF CREDIT RISK. Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Weavertown Fire Company No 1
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION. The Organization reports information regarding its financial position and activities according to the following net asset classifications:

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 organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 activity.

USE OF ESTIMATES. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

ALLOCATION OF EXPENSES. The Organization uses the following policy in allocating its expenses:

- a. Costs allocated to programs include all related costs, such as activities expenses, maintenance of property and equipment and program administration.
- b. General administration and fundraising expenses come from general revenues.

CASH AND CASH EQUIVALENTS. The Organization considers all highly liquid investments as available for current use with an initial maturity of one month or less to be cash equivalents. See Note #6.

FIXED ASSETS. Real estate, equipment, furniture and vehicles are carried at cost for items purchased, and fair market value for items donated. It is the policy of the Organization to charge all additions to the asset accounts and charge the cost of repairs and maintenance to operations in the year incurred. The asset and accumulated depreciation account are relieved when equipment is retired or otherwise disposed of.

Weavertown Fire Company No 1
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

FAIR VALUE MEASUREMENTS. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the market in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
Quoted prices for similar assets/liabilities in active markets;
Quoted prices for identical or similar assets in non-active markets;
Inputs other than quoted prices that are observable for the asset/liability; and,
Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

CONTRIBUTIONS. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Weavertown Fire Company No 1
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

IN-KIND DONATIONS. Several volunteers have made significant contributions of their time in furtherance of The Organization's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition.

NOTE #3 DEPRECIATION

Improvements and equipment are carried at cost for items purchased and at fair market value for donated items. Depreciation is provided over the estimated useful lives of the related assets. It is the policy of the Organization to charge all additions to the assets account and charge cost of repairs and maintenance to operations in the year incurred. The asset and accumulated depreciation accounts are relieved when equipment is retired or otherwise disposed of. The depreciation and accumulated depreciation accounts reflect the depreciation allowed for nonprofit reporting.

The Organization uses the following method and useful lives in computing depreciation:

Real Estate	straight line	39 years
Landscaping	straight line	10 years
Financing	straight line	20 years
Vehicles	straight line	5 - 15 years
Equipment	straight line	5 - 12 years

Depreciation expense for the year ended December 31, 2022 was \$108,714, and for 2021 was \$109,756.

NOTE #4 FIXED ASSETS DETAIL

Year Ended December 31, 2022

	Historical Cost	Accumulated Depreciation	Book Value
Land	\$ 253,810	\$ -	\$ 253,810
Buildings, Etc.	1,361,473	718,998	642,475
Vehicles	1,000,444	361,012	639,432
Fire Fighting Equipment	324,390	304,323	20,067
Other Equipment	195,113	195,113	-
Furnishings	54,413	54,413	-
Total	\$ 3,189,643	\$ 1,633,859	\$ 1,555,784

The notes to the financial statements are an integral part of these statements.

Weavertown Fire Company No 1
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE #4 FIXED ASSETS DETAIL - continued

Year Ended December 31, 2021

	Historical Cost	Accumulated Depreciation	Book Value
Land	\$ 253,810	\$ -	\$ 253,810
Buildings, Etc.	1,329,017	685,326	643,691
Vehicles	1,000,444	305,745	694,699
Fire Fighting Equipment	324,390	284,548	39,842
Other Equipment	195,113	195,113	-
Furnishings	54,413	54,413	-
Total	<u>\$ 3,157,187</u>	<u>\$ 1,525,145</u>	<u>\$ 1,632,042</u>

NOTE #5 AVAILABILITY AND LIQUIDITY

The following represents Weavertown Fire Company No 1's financial assets at December 31, 2022 and 2021:

Financial Assets at Year end:	Year 2022	Year 2021
Cash and Cash Equivalents	\$ 58,135	\$ 111,301
Certificates of Deposit	16,497	16,423
Total Financial Assets	<u>\$ 74,632</u>	<u>\$ 127,724</u>
Less Donor Restricted Net Assets	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 74,632</u>	<u>\$ 127,724</u>

NOTE #6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	12/31/2022	12/31/2021
Cash in Bank - General Checking	\$ 56,326	\$ 110,125
Cash in Bank - Bingo Checking	1,809	1,176
Cash in Bank - Certificates of Deposit	<u>16,497</u>	<u>16,423</u>
Total Cash and Cash Equivalents	<u>\$ 74,632</u>	<u>\$ 127,724</u>

The notes to the financial statements are an integral part of these statements.

Weavertown Fire Company No 1
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE #7 NOTES PAYABLE

	<u>12/31/2022</u>	<u>12/31/2021</u>
Note Payable to Volunteer's Financial Services, Inc secured by fire engine, payable in yearly installments of \$49,688.04 including interest at 4.45%. The term of the loan is 15 years consisting of 15 payments.	\$ 424,915	\$ 454,383
Note Payable to Kansas State Bank secured by Real estate property known as 1538 Suzy Street, Lebanon, PA titled in the name of Weavertown Fire Company No 1. The interest rate is 5.3%. The monthly payments are \$3,532.00. Loan term is 20 years consisting of 120 payments.	<u>242,531</u>	<u>271,230</u>
Total Notes Payable	<u>\$ 667,446</u>	<u>\$ 725,613</u>

5 Year Payment Schedule	KS State Bank		Volunteer's Financial	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Year 2022		28,699		29,468
Year 2023	30,258	30,258	30,779	30,779
Year 2024	31,901	31,901	32,149	32,149
Year 2025	33,633	33,633	33,580	33,580
Year 2026	36,450	35,460	35,074	35,074
Future Years	<u>110,289</u>	<u>82,064</u>	<u>293,333</u>	<u>293,333</u>
Totals	<u>\$ 242,531</u>	<u>\$ 242,015</u>	<u>\$ 424,915</u>	<u>\$ 454,383</u>

NOTE #8 FAIR VALUE MEASUREMENT

Financial Accounting Standards Board Statement No. 157, Fair Value Measurements (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

The notes to the financial statements are an integral part of these statements.

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NOTE #8 FAIR VALUE MEASUREMENT - continued

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022, or 2021.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds : Valued at the net asset value (NAV) of shares held by the Organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTE #8 FAIR VALUE MEASUREMENT - continued

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022, and 2021:

December 31, 2022	Level 1	Level 2	Level 3	Total
Cash on Hand	\$ -	\$ -	\$ -	\$ -
Cash in Bank	58,135	-	-	58,135
Certificates	-	16,497	-	16,497
Gov't Obligations	-	-	-	-
Corporate Bonds	-	-	-	-
Common Stock	-	-	-	-
Mutual Funds	-	-	-	-
Total Fair Value Measurement	<u>\$ 58,135</u>	<u>\$ 16,497</u>	<u>\$ -</u>	<u>\$ 74,632</u>
December 31, 2021	Level 1	Level 2	Level 3	Total
Cash on Hand	\$ -	\$ -	\$ -	\$ -
Cash in Bank	111,301	-	-	111,301
Certificates	-	16,423	-	16,423
Gov't Obligations	-	-	-	-
Corporate Bonds	-	-	-	-
Common Stock	-	-	-	-
Mutual Funds	-	-	-	-
Total Fair Value Measurement	<u>\$ 111,301</u>	<u>\$ 16,423</u>	<u>\$ -</u>	<u>\$ 127,724</u>

NOTE #9 FUNDRAISING EXPENSES

Total fundraising expense for the year ended December 31, 2022 was \$1,684, and for 2021 was \$2,140.

NOTE #10 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 15, 2023 the date the financials were available to be issued.