

EBENEZER FIRE COMPANY
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ebenezer Fire Company
Lebanon, Pennsylvania

Opinion

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, 2024 and 2023, and the related statements of revenues, expenses and changes in net assets – income tax basis, functional expenses – income tax basis, and cash flows – income tax 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, liabilities, and net assets of Ebenezer Fire Company as of December 31, 2024 and 2023, and its revenues, expenses, changes in net assets, and cash flows for the years then ended in accordance with the basis of accounting Ebenezer Fire Company uses for income tax purposes described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Ebenezer Fire Company and to meet our 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 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting Ebenezer Fire Company 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.

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 described in Note 1; 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.

In preparing the financial statements, management is required to evaluate whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about Ebenezer Fire Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 Ebenezer 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 Ebenezer 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.

Garcia Garman & Shea, PC

Lebanon, Pennsylvania
May 29, 2025

EBENEZER FIRE COMPANY
STATEMENTS OF ASSETS, LIABILITES AND NET ASSETS - INCOME TAX BASIS
DECEMBER 31, 2024 AND 2023

	<u>ASSETS</u>	
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 137,305	\$ 109,714
Investments - certificates of deposit	26,592	25,497
Total current assets	163,897	135,211
PROPERTY AND EQUIPMENT		
Buildings	47,162	47,162
Property improvements	35,793	11,052
Fire fighting equipment	958,300	958,300
Less accumulated depreciation	1,041,255 (974,212)	1,016,514 (812,810)
Total property and equipment, net	67,043	203,704
Total assets	\$ 230,940	\$ 338,915

See accompanying notes to financial statements

EBENEZER FIRE COMPANY
STATEMENTS OF ASSETS, LIABILITES AND NET ASSETS - INCOME TAX BASIS *(Continued)*
DECEMBER 31, 2024 AND 2023

	<u>LIABILITIES AND NET ASSETS</u>	
	<u>2024</u>	<u>2023</u>
CURRENT LIABILITIES		
Current portion of loans payable	\$ 29,912	\$ 25,468
Total current liabilities	<u>29,912</u>	<u>25,468</u>
LONG TERM LIABILITIES		
Loans payable	<u>348,839</u>	<u>361,937</u>
Total long term liabilities	<u>348,839</u>	<u>361,937</u>
Total liabilities	<u>378,751</u>	<u>387,405</u>
NET ASSETS/(DEFICIT)		
Without donor restriction		
Undesignated	<u>(147,811)</u>	<u>(48,490)</u>
Total net assets/(deficit)	<u>(147,811)</u>	<u>(48,490)</u>
Total liabilities and net assets/(deficit)	<u><u>\$ 230,940</u></u>	<u><u>\$ 338,915</u></u>

See accompanying notes to financial statements

EBENEZER FIRE COMPANY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - INCOME TAX BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUES		
Fund drive and contributions	\$ 19,586	\$ 18,739
Fundraising income	5,866	11,807
North Lebanon Township contributions	78,000	78,000
Commonwealth of PA contributions	13,451	12,844
Grants	5,000	5,297
Rental income	-	10,250
Dues	141	138
Insurance reimbursement	5,923	-
Interest income	1,147	576
Other income	-	1,566
	<hr/>	<hr/>
Total revenue without donor restrictions	129,114	139,217
	<hr/>	<hr/>
EXPENSES WITHOUT DONOR RESTRICTIONS		
Program expense	220,148	333,268
Supporting services expense	2,567	950
Fundraising expense	5,720	12,203
	<hr/>	<hr/>
Total expenses without donor restrictions	228,435	346,421
	<hr/>	<hr/>
Change in net assets	(99,321)	(207,204)
	<hr/>	<hr/>
Net assets, beginning	(48,490)	158,714
	<hr/>	<hr/>
Net assets/(deficit), ending	\$ (147,811)	\$ (48,490)
	<hr/>	<hr/>

See accompanying notes to financial statements

EBENEZER FIRE COMPANY
STATEMENTS OF FUNCTIONAL EXPENSES - INCOME TAX BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Emergency Services	Management and General	Fundraising	Total
UNRESTRICTED EXPENSES				
Accounting and legal*	\$ -	\$ 750	\$ -	\$ 750
Bank fees	-	22	-	22
Depreciation	162,302	-	-	162,302
Donations	-	403	-	403
Fundraising	-	-	5,720	5,720
Insurance	8,661	-	-	8,661
Interest expense	3,487	-	-	3,487
Internet and cable	1,155	-	-	1,155
Loss on sale of asset	3,900	-	-	3,900
Miscellaneous and license	4,074	-	-	4,074
Office supplies and equipment	895	1,392	-	2,287
Rental expense	-	-	-	-
Repairs and maintenance, building	4,361	-	-	4,361
Repairs and maintenance, equipment	16,737	-	-	16,737
Supplies	2,026	-	-	2,026
Telephone	2,424	-	-	2,424
Training and subscriptions	2,983	-	-	2,983
Uniforms	343	-	-	343
Utilities	6,800	-	-	6,800
Total unrestricted expenses	\$ 220,148	\$ 2,567	\$ 5,720	\$ 228,435

*See footnote #1 regarding in-kind payment of audit fee.

See accompanying notes to financial statements

EBENEZER FIRE COMPANY
STATEMENTS OF FUNCTIONAL EXPENSES - INCOME TAX BASIS *(Continued)*
FOR THE YEAR ENDED DECEMBER 31, 2023

	Emergency Services	Management and General	Fundraising	Total
UNRESTRICTED EXPENSES				
Accounting and legal*	\$ -	\$ 100	\$ -	\$ 100
Administrative	-	100	-	100
Bank fees	-	55	-	55
Depreciation	193,639	-	-	193,639
Fundraising	-	-	9,903	9,903
Insurance	9,092	-	-	9,092
Interest expense	12,973	-	-	12,973
Internet and cable	1,412	-	-	1,412
Loss on sale of asset	-	-	-	-
Miscellaneous and license	1,238	-	-	1,238
Office supplies and equipment	-	695	-	695
Rental expense	-	-	2,300	2,300
Repairs and maintenance, building	63,846	-	-	63,846
Repairs and maintenance, equipment	36,547	-	-	36,547
Supplies	384	-	-	384
Telephone	2,443	-	-	2,443
Training and subscriptions	2,645	-	-	2,645
Uniforms	463	-	-	463
Utilities	8,586	-	-	8,586
Total unrestricted expenses	\$ 333,268	\$ 950	\$ 12,203	\$ 346,421

*See footnote #1 regarding in-kind payment of audit fee.

See accompanying notes to financial statements

EBENEZER FIRE COMPANY
STATEMENTS OF CASH FLOWS - INCOME TAX BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets without donor restriction	\$ (99,321)	\$ (207,204)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	162,302	193,639
Loss on sale of property and equipment	3,900	-
	<u>66,881</u>	<u>(13,565)</u>
Net cash (used in) provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	600	-
Purchase of property and equipment	(30,141)	(1,998)
Purchase of investments	(1,095)	(25,497)
	<u>(30,636)</u>	<u>(27,495)</u>
Net cash (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on loans	(8,654)	(39,169)
	<u>(8,654)</u>	<u>(39,169)</u>
Net cash (used in) financing activities		
Net changes in cash and cash equivalents	27,591	(80,229)
Cash and cash equivalents, beginning	109,714	189,943
Cash and cash equivalents, ending	<u>\$ 137,305</u>	<u>\$ 109,714</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 3,487</u>	<u>\$ 12,973</u>

See accompanying notes to financial statements

EBENEZER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Activities

Ebenezer Fire Company (the Organization) was organized in 1946 to provide fire protection for the residents of Ebenezer and vicinity, and to purchase and maintain fire apparatus and equipment to save life and property.

Representations

This summary of significant accounting policies of 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.

Basis of Accounting

The Organization prepares its financial statement on the income tax basis of accounting, which is another comprehensive basis of accounting. The income tax basis of accounting recognizes income when received and expenses when they are paid. This method of accounting differs from generally accepted accounting principles primarily because revenue earned but not received and expenses incurred but not paid at the date of the financial statement are not reported, and purchases of fixed assets have been recorded. The effect of this departure from generally accepted accounting principles has not been determined.

Basis of Presentation

Nets assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follow:

Net Assets Without Donor Restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restriction – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of cash held in checking and savings accounts held at a local FDIC-insured bank, Jonestown Bank and Trust (JBT).

EBENEZER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES *(Continued)*

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. It is the policy of the Organization to charge all additions to the asset account and charge the 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.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives by asset class are as follows:

Buildings	39 years
Property improvements	15 years
Firefighting equipment	5 years

Concentration of Risk

The Organization maintains its cash accounts in commercial financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at financial institutions up to \$250,000 per institution. The Organization has accounts at a financial institution that from time to time may exceed the insurance obtained through FDIC.

Use of Estimates

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affected certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services

Various individuals volunteer hours for the Organization. In accordance with requirements of Financial Accounting Standards Board FASB ASC 958-605-25-16, no amounts have been reflected in the financial statements for those services because they do not meet the criterion for contributed services and would not be recognized under the income tax basis of accounting. During 2024 North Lebanon Township paid the partial fee of \$2,000 for the Organization's 2023 audit and Form 990 preparation. During 2023 North Lebanon Township paid the fee of \$2,500 for the Organization's 2022 audit and Form 990 preparation. No amounts have been reflected in the financial statements for this in-kind payment.

EBENEZER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES *(Continued)*

Income Taxes

The Organization is exempt from state and federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is made in the financial statements. The Financial Accounting Standards Board issued FASB ASC 740-10, which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose uncertain tax positions taken on its tax return. The Organization believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Program Services/Functional Allocation of Expenses

The following is a summary of the Organization's program services which it provides to the community:

Program Services

Provides firefighting services for the community.

Support Services

Management and General – Deals with the day-to-day administrative operations of the Fire Company.

Fundraising – Conduct annual appeals and fundraising events in order to raise necessary funds to help support the Fire Company.

All expenses are directly allocated to these categories based on actual amounts incurred.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2024	2023
Apparatus fund	\$ 25,277	\$ 25,264
Checking	86,870	43,377
Fund drive	14,912	15,186
Grant fund	7,944	3,598
Savings	2,302	22,289
Total cash and cash equivalents	<u>\$ 137,305</u>	<u>\$ 109,714</u>

EBENEZER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 – CERTIFICATE OF DEPOSIT

The Organization holds a certificate of deposit from Jonestown Bank and Trust which matures July 2025 at an interest rate of 4.00%.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

December 31, 2024	Cost	Accumulated Depreciation	Net
Buildings	\$ 47,162	\$ 24,891	\$ 22,271
Property improvement	35,793	2,278	33,515
Firefighting equipment	958,300	947,043	11,257
	<u>\$ 1,041,255</u>	<u>\$ 974,212</u>	<u>\$ 67,043</u>

December 31, 2023	Cost	Accumulated Depreciation	Net
Building and improvements	\$ 47,162	\$ 23,682	\$ 23,480
Property improvement	11,052	1,112	9,940
Firefighting equipment	958,300	788,016	170,284
	<u>\$ 1,016,514</u>	<u>\$ 812,810</u>	<u>\$ 203,704</u>

NOTE 5 – LONG-TERM DEBT

On January 24, 2020, the Organization signed a \$294,820 promissory note with an interest rate of 7.059% payable to KS StateBank. The note is secured by the 2021 Pierce Saber Pumper. The note matures January 24, 2034.

On March 24, 2021, the Organization signed a \$200,000 promissory note with an interest rate of 2.00% payable to the Commonwealth of PA. The note is secured by the 2021 Pierce Saber Pumper. The note matures May 1, 2041.

EBENEZER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 – LONG-TERM DEBT *(Continued)*

Activity on the notes during 2024 and 2023 follows:

	2023	Additions	Payments	2024	Current
Note payable,					
KS StateBank	\$ 209,088	\$ -	\$ -	\$ 209,088	\$ 21,096
Commonwealth of PA	178,317	-	8,654	169,663	8,816
Total	\$ 387,405	\$ -	\$ 8,654	\$ 378,751	\$ 29,912
	2022	Additions	Payments	2023	Current
Note payable,					
KS StateBank	\$ 239,774	\$ -	\$ 30,686	\$ 209,088	\$ 16,826
Commonwealth of PA	186,800	-	8,483	178,317	8,642
Total	\$ 426,574	\$ -	\$ 39,169	\$ 387,405	\$ 25,468

The combined interest and debt service requirements for the following years ending December 31, amount to:

December 31,	Principal	Interest	Total
2025	\$ 29,912	\$ 12,228	\$ 42,140
2026	24,651	16,417	41,068
2027	25,937	15,131	41,068
2028	27,306	13,762	41,068
2029	28,761	12,306	41,067
Thereafter	242,184	41,131	283,315
Total	\$ 378,751	\$ 110,976	\$ 489,727

NOTE 6 – COMMITMENT AND CONTINGENCIES

The Organization receives a significant portion (71% at December 31, 2024 and 65% at December 31, 2023) of its support from state and local governments. A significant reduction in this level of support, if this were to occur, would have an impact on the Organization's ability to perform its programs and services.

EBENEZER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 - SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through May 29, 2025, the date of this report, which is the date on which the financial statements were available to be issued.