

FOR TAX YEAR 2024

GLENN LEBANON FIRE COMPANY

Accurate Accounting

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Newport, KY 41071

(717)273-8449

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May 13, 2025

GLENN LEBANON FIRE COMPANY
42 GLENN LEBANON DR
Lebanon, PA 17046

Subject: Preparation of 2024 Tax Returns

GLENN LEBANON FIRE COMPANY:

Thank you for choosing Accurate Accounting to assist with the 2024 taxes for GLENN LEBANON FIRE COMPANY. This letter confirms the terms of the engagement and outlines the nature and extent of the services we will provide.

We will prepare the 2024 federal and state income tax returns for GLENN LEBANON FIRE COMPANY. We will depend on management to provide the information we need to prepare complete and accurate returns. We may ask management to clarify some items but will not audit or otherwise verify the data submitted.

We will perform accounting services only as needed to prepare the tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for management to clarify some of the information submitted. We will inform management of any material errors, fraud, or other illegal acts we discover.

The law imposes penalties when taxpayers underestimate their tax liability. Call us if there are any concerns about such penalties.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on the behalf of GLENN LEBANON FIRE COMPANY, the alternative selected by management.

Our fee is based on the time required at standard billing rates plus out-of-pocket expenses. Invoices are due and payable upon presentation. All accounts not paid within thirty (30) days are subject to interest charges to the extent permitted by state law.

We will return the original records to management at the end of this engagement. Store these records, along with all supporting documents, in a secure location. We retain copies of your records and our work papers from your engagement for up to seven years, after which these documents will be destroyed.

If management has not selected to e-file the returns with our office, management will be solely responsible to file the returns with the appropriate taxing authorities. The tax matters representative should review all tax-return documents carefully before signing them. Our engagement to prepare the 2024 tax returns will conclude with the delivery of the completed returns to management, or with e-filed returns, with the tax matters representative's signature and our subsequent submittal of the tax return.

To affirm that this letter correctly summarizes the arrangements for this work, sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided.

Thank you for the opportunity to be of service. For further assistance with your tax return needs, contact our office at (717)273-8449.

Sincerely,

Michael R Green
Accurate Accounting

Accepted By:

Officer

Date

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, 2024 and 2023, 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.

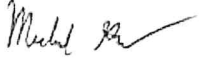
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2024 and 2023 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.

A handwritten signature in black ink, appearing to read "Michael R. Green", with a stylized flourish at the end.

Michael R. Green, CPA

Michael R. Green & Associates d/b/a Accurate Accounting

May 13, 2025

Glenn Lebanon Fire Company
Statement of Assets, Liabilities and Net Assets
Income Tax Basis
December 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	250,260	248,802
Total current assets	250,260	248,802
Equipment and Property	2,198,936	2,146,458
Other Assets	15,140	15,140
Total long term assets	2,214,076	2,161,598
Total assets	2,464,336	2,410,400

Liabilities and Net Assets

Liabilities

Note Payable - Current	13,250	10,530
Total current liabilities	13,250	10,530
Note Payable - Long-Term	168,880	226,600
Total long term liabilities	168,880	226,600
Total liabilities	182,130	237,130
Unrestricted Net Assets	2,282,206	2,173,270
Total Net Assets	2,282,206	2,173,270
Total liabilities and net assets	2,464,336	2,410,400

Glenn Lebanon Fire Company
Statement of Activities and Functional Expenses
Income Tax Basis
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues and Support		
Contributions	4,432	7,894
Program Service Revenue	-	2,499
Grants	91,645	92,448
Membership Dues	56	120
Interest Income	1,157	812
Gaming Revenue (Gross)	182,320	281,521
Rental Revenue (Gross)	<u>6,110</u>	<u>5,625</u>
Net Revenues and Support	285,720	390,919
Expenses for Programs		
Advertising and Website Expense	-	-
Supplies	1,821	6,630
Cable, Internet, and Telephone	2,071	2,186
Utilities	5,949	7,097
Equipment Repairs and Maintenance	22,103	24,063
Insurance	9,367	7,705
Interest Expense	21,933	4,063
Conferences, Training, and Subscriptions	-	215
Miscellaneous	<u>(1)</u>	<u>187</u>
Total Expense for Programs	<u>63,243</u>	<u>52,146</u>
Excess Revenues and Support over Expenses for Programs	222,477	338,773

	2024	2023
Expenses for General Administration		
Accounting and Legal	700	802
Office Expense	159	220
Donations	443	-
Miscellaneous		-
Total Expenses for General Administration	1,302	1,022
Expenses for Fundraising		
Gaming Registration	225	333
Gaming Expenses	112,014	173,729
Fundraising Expenses	-	-
Total Expenses for Fundraising	112,239	174,062
Total General Administration and Fundraising Expenses	113,541	175,084
Change in Net Assets	108,936	163,689
Net Assets, Beginning of Year	2,173,270	2,009,581
Net Assets, End of Year	2,282,206	2,173,270

Glenn Lebanon Fire Company
Statement of Cash Flows
Income Tax Basis
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Change in Net Assets	108,936.00	163,689.00
Adjustments to reconcile net income to net cash provided by operating activities		
Interest included in Net Income	(1,157.00)	(812.00)
Depreciation and amortization		
Net cash provided by operating activities	<u>107,779.00</u>	<u>162,877.00</u>
Cash flows from investing activities:		
Acquisition of equipment	(52,478.00)	(131,831.00)
Investment Income	<u>1,157.00</u>	<u>812.00</u>
Net cash used in investing activities	<u>(51,321.00)</u>	<u>(131,019.00)</u>
Cash Flows from financing activities		
Sale of Equipment & Property	-	3,100.00
Borrowings on Loans	-	-
Payments on Loans	<u>(55,000.00)</u>	<u>(12,870.00)</u>
Net cash used in financing activities	<u>(55,000.00)</u>	<u>(9,770.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,458.00	22,088.00
Cash and cash equivalents at beginning of year	<u>248,802.00</u>	<u>226,714.00</u>
Cash and cash equivalents at end of year	<u><u>250,260.00</u></u>	<u><u>248,802.00</u></u>
Interest Paid During Year	<u><u>21,933.00</u></u>	<u><u>4,063.00</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 and 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 and Certificates of Deposit (CDs) held in checking accounts at a local FDIC-insured bank, Jonestown Bank and Trust (JBT). As of December 31, 2024, the amount in all accounts with JBT did not exceed the FDIC \$250,000 insurance limit. 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>12/31/2024</u>	<u>12/31/2023</u>
Cash in Demand Accounts	\$ 200,260	\$ 198,802
Cash in CDs	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Total	<u>\$ 250,260</u>	<u>\$ 248,802</u>

5. LONG-TERM ASSETS

	<u>12/31/2024</u>	<u>12/31/2023</u>
Equipment and Property	\$ 2,198,936	\$ 2,146,458
Other Assets	<u>\$ 15,140</u>	<u>\$ 15,140</u>
Total	<u>\$ 2,214,076</u>	<u>\$ 2,161,598</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 13, 2025, 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, 2024 and December 31, 2023.

The Organization has filed a federal Form 990 – Return of Organization Exempt From Income Tax for all relevant years. The Organization is generally no longer subject to examination by the IRS for years before 2022.

11. NOTE PAYABLE

To finance the purchase of a new Engine, the Organization took a loan from a Pennsylvania State loan program in August 2022. As of December 31, 2024, the balance outstanding was \$182,130.

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.