

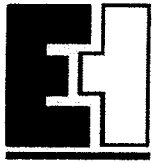
**LEBANON RESCUE MISSION, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2025 AND 2024**

ELLIS LEE HOSTETTER & CO, PC  
1810 SOUTH 5TH AVENUE  
LEBANON, PA 17042  
(717) 273-8197

# LEBANON RESCUE MISSION, INC.

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# ELLIS LEE HOSTETTER & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1810 South 5<sup>th</sup> Avenue · Lebanon, PA 17042

Phone: 717-273-8197 · Fax: 717-273-8220

Website: [www.elhcopc.com](http://www.elhcopc.com)

BARRY DEAN HOSTETTER, CPA  
E-mail: [barry@elhcopc.com](mailto:barry@elhcopc.com)  
ELLIS LEE HOSTETTER, CPA  
E-mail: [ellis@elhcopc.com](mailto:ellis@elhcopc.com)

BENJAMIN LUKE HOSTETTER, EA  
E-mail: [ben@elhcopc.com](mailto:ben@elhcopc.com)  
ZACHARY DAVID REIS, EA  
E-mail: [zach@elhcopc.com](mailto:zach@elhcopc.com)  
NICHOLAS PAUL REIS, EA  
E-mail: [nick@elhcopc.com](mailto:nick@elhcopc.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
of Lebanon Rescue Mission, Inc.

### **Opinion**

We have audited the accompanying financial statements of Lebanon Rescue Mission, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows 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 financial position of Lebanon Rescue Mission, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lebanon Rescue Mission, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 conditions or events, considered in the aggregate, that raise substantial doubt about Lebanon Rescue Mission Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

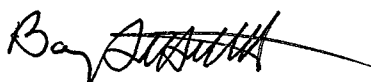
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 Lebanon Rescue Mission Inc.'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 Lebanon Rescue Mission, Inc'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  
June 1, 2026

LEBANON RESCUE MISSION, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2025 and 2024

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                     |                     |                     |
| <b>Current Assets</b>                             |                     |                     |
| Cash and Cash Equivalents                         | \$ 726,943          | \$ 243,529          |
| Temporary Investments                             | 158,206             | 189,981             |
| Certificate of Deposits                           | -                   | 261,592             |
| Security Deposits                                 | 1,098               | 1,250               |
| <b>Total Current Assets</b>                       | <b>\$ 886,247</b>   | <b>\$ 696,352</b>   |
| <b>Property and Equipment</b>                     |                     |                     |
| Building and Improvements                         | \$ 5,049,444        | \$ 4,533,983        |
| Furniture and Fixtures                            | 165,519             | 162,961             |
| Vehicles  | 93,636              | 93,636              |
| <b>Total Property and Equipment</b>               | <b>\$ 5,308,599</b> | <b>\$ 4,790,580</b> |
| Less Accumulated Depreciation                     | (1,360,142)         | (1,213,029)         |
| <b>Net Value of Property and Equipment</b>        | <b>3,948,457</b>    | <b>3,577,551</b>    |
| <b>Total Assets</b>                               | <b>\$ 4,834,704</b> | <b>\$ 4,273,903</b> |
| <b>LIABILITIES AND NET ASSETS</b>                 |                     |                     |
| <b>Liabilities</b>                                |                     |                     |
| Accounts Payable                                  | \$ 2,300            | \$ 13,577           |
| Security Deposits Payable                         | 500                 | 500                 |
| Payroll Liabilities                               | 2,814               | -                   |
| 1250 - 1310 Bittner Line of Credit                | 762,509             | 762,509             |
| Campaign Line of Credit                           | -                   | 107,491             |
| <b>Total Liabilities</b>                          | <b>\$ 768,123</b>   | <b>\$ 884,077</b>   |
| <b>Net Assets</b>                                 |                     |                     |
| <b>Without Donor Restrictions</b>                 |                     |                     |
| Property and Equipment                            | \$ 3,948,457        | \$ 3,577,551        |
| Operating Net Assets                              | (26,915)            | (187,725)           |
| <b>Total Net Assets Without Donor Restriction</b> | <b>\$ 3,921,542</b> | <b>\$ 3,389,826</b> |
| Board Restricted Net Assets                       | 145,039             | -                   |
| <b>Total Net Assets</b>                           | <b>4,066,581</b>    | <b>3,389,826</b>    |
| <b>Total Liabilities and Net Assets</b>           | <b>\$ 4,834,704</b> | <b>\$ 4,273,903</b> |

See Notes to the Financial Statements

LEBANON RESCUE MISSION, INC.  
STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

|   | 2025                            |                              |                            | 2024                            |                              |                            |
|---|---------------------------------|------------------------------|----------------------------|---------------------------------|------------------------------|----------------------------|
|   | Without<br>Donor<br>Restriction | With<br>Donor<br>Restriction | Total                      | Without<br>Donor<br>Restriction | With<br>Donor<br>Restriction | Total                      |
| Support and Revenues                      |                                 |                              |                            |                                 |                              |                            |
| Contributions - General Giving            | \$ 884,262                      | \$ -                         | \$ 884,262                 | \$ 794,135                      | \$ -                         | \$ 794,135                 |
| Fundraising and Direct Mail Appeal        | 1,298,673                       | 619,902                      | 1,918,575                  | 1,211,942                       | -                            | 1,211,942                  |
| Program Income                            | 163,802                         | -                            | 163,802                    | 22,690                          | -                            | 22,690                     |
| Investment Income                         | 2,369                           | 162                          | 2,531                      | 31,141                          | -                            | 31,141                     |
| Gifts-in-Kind                             | 534,198                         | -                            | 534,198                    | 529,024                         | -                            | 529,024                    |
| Insurance Claim                           | 8,306                           | -                            | 8,306                      | -                               | -                            | -                          |
| Released from Restriction                 | 475,025                         | (475,025)                    | -                          | 3,703                           | (3,703)                      | -                          |
| Total Support and Revenues                | <u>\$ 3,366,635</u>             | <u>\$ 145,039</u>            | <u>\$ 3,511,674</u>        | <u>\$ 2,592,635</u>             | <u>\$ (3,703)</u>            | <u>\$ 2,588,932</u>        |
| Expenses                                  |                                 |                              |                            |                                 |                              |                            |
| Program Services                          | \$ 2,291,482                    | \$ -                         | \$ 2,291,482               | \$ 2,099,723                    | \$ -                         | \$ 2,099,723               |
| Supporting Activities                     |                                 |                              |                            |                                 |                              |                            |
| General and Administrative                | 200,455                         | -                            | 200,455                    | 192,222                         | -                            | 192,222                    |
| Fundraising and Direct Mail Costs         | 303,333                         | -                            | 303,333                    | 301,472                         | -                            | 301,472                    |
| Total Expenses                            | <u>2,795,270</u>                | <u>-</u>                     | <u>2,795,270</u>           | <u>2,593,417</u>                | <u>-</u>                     | <u>2,593,417</u>           |
| Excess Support and Revenues over Expenses | \$ 571,365                      | \$ 145,039                   | \$ 716,404                 | \$ (782)                        | \$ (3,703)                   | \$ (4,485)                 |
| Less Depreciation Expense                 | <u>(147,113)</u>                | <u>-</u>                     | <u>(147,113)</u>           | <u>(142,486)</u>                | <u>-</u>                     | <u>(142,486)</u>           |
| Change in Net Assets                      | \$ 424,252                      | \$ 145,039                   | \$ 569,291                 | \$ (143,268)                    | \$ (3,703)                   | \$ (146,971)               |
| Prior Period Capital Campaign             | 107,464                         | -                            | 107,464                    | -                               | -                            | -                          |
| Net Assets, Beginning of Year             | <u>3,389,826</u>                | <u>-</u>                     | <u>3,389,826</u>           | <u>3,533,094</u>                | <u>3,703</u>                 | <u>3,536,797</u>           |
| Net Assets, End of Year                   | <u><u>\$ 3,921,542</u></u>      | <u><u>\$ 145,039</u></u>     | <u><u>\$ 4,066,581</u></u> | <u><u>\$ 3,389,826</u></u>      | <u><u>\$ -</u></u>           | <u><u>\$ 3,389,826</u></u> |

LEBANON RESCUE MISSION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| Expenses                        | PROGRAM SERVICES             |                                   |                            |                              | SUPPORTING ACTIVITIES            |                   |                                   | Year<br>2025<br>Totals | Year<br>2024<br>Totals |
|---------------------------------|------------------------------|-----------------------------------|----------------------------|------------------------------|----------------------------------|-------------------|-----------------------------------|------------------------|------------------------|
|                                 | Mens<br>Outreach<br>Services | Agape and<br>Outreach<br>Services | Free<br>Clinic<br>Services | Program<br>Services<br>Total | General<br>and<br>Administrative | Fundraising       | Supporting<br>Activities<br>Total |                        |                        |
| Fundraising Costs               | \$ -                         | \$ -                              | \$ -                       | \$ -                         | \$ -                             | \$ 29,346         | \$ 29,346                         | \$ 29,346              | \$ 25,964              |
| Direct Mail Costs               | -                            | -                                 | -                          | -                            | -                                | 263,970           | 263,970                           | 263,970                | 263,891                |
| Advertising and Publicity       | 5,883                        | -                                 | 75                         | 5,958                        | -                                | 3,612             | 3,612                             | 9,570                  | 12,436                 |
| Business Expenses               | 24,933                       | 40                                | 104                        | 25,077                       | -                                | 3,310             | 3,310                             | 28,387                 | 15,910                 |
| Computer Support                | 19,038                       | 30                                | 577                        | 19,645                       | -                                | 34                | 34                                | 19,679                 | 12,327                 |
| Employee Benefits and Costs     | 184,034                      | 18,091                            | 52,228                     | 254,353                      | 25,687                           | -                 | 25,687                            | 280,040                | 252,652                |
| Insurances                      | 50,605                       | -                                 | -                          | 50,605                       | -                                | -                 | -                                 | 50,605                 | 42,966                 |
| Interest                        | -                            | 52,806                            | -                          | 52,806                       | -                                | -                 | -                                 | 52,806                 | -                      |
| Ministry Programs               | 262,419                      | 17,758                            | 336,232                    | 616,409                      | -                                | -                 | -                                 | 616,409                | 678,612                |
| Office Supplies and Postage     | 32,002                       | 373                               | 3,269                      | 35,644                       | -                                | 1,186             | 1,186                             | 36,830                 | 27,029                 |
| Professional Services           | 45,420                       | 677                               | 2,103                      | 48,200                       | 3,400                            | 1,875             | 5,275                             | 53,475                 | 46,739                 |
| Repairs and Maintenance         | 46,378                       | 10,259                            | 1,846                      | 58,483                       | -                                | -                 | -                                 | 58,483                 | 38,479                 |
| Salaries                        | 513,816                      | 192,374                           | 191,003                    | 897,193                      | 156,237                          | -                 | 156,237                           | 1,053,430              | 954,999                |
| Taxes - Payroll and Property    | 51,761                       | 25,778                            | 18,498                     | 96,037                       | 15,131                           | -                 | 15,131                            | 111,168                | 88,857                 |
| Training, Education and Books   | 15,835                       | -                                 | -                          | 15,835                       | -                                | -                 | -                                 | 15,835                 | 3,786                  |
| Utilities and Telephone         | 74,813                       | 25,348                            | 10,027                     | 110,188                      | -                                | -                 | -                                 | 110,188                | 117,188                |
| Vehicle Expenses and Travel     | 5,049                        | -                                 | -                          | 5,049                        | -                                | -                 | -                                 | 5,049                  | 11,582                 |
| <b>Total Expenses Year 2025</b> | <b>\$ 1,331,986</b>          | <b>\$ 343,534</b>                 | <b>\$ 615,962</b>          | <b>\$ 2,291,482</b>          | <b>\$ 200,455</b>                | <b>\$ 303,333</b> | <b>\$ 503,788</b>                 | <b>\$ 2,795,270</b>    | <b>\$ 2,593,417</b>    |
| Percent of Total Expenses       | 47.65%                       | 12.29%                            | 22.04%                     | 81.98%                       | 7.17%                            | 10.85%            | 18.02%                            | 100.00%                |                        |
| <b>Total Expenses Year 2024</b> | <b>\$ 1,230,924</b>          | <b>\$ 273,767</b>                 | <b>\$ 595,032</b>          | <b>\$ 2,099,723</b>          | <b>\$ 192,222</b>                | <b>\$ 301,472</b> | <b>\$ 493,694</b>                 |                        | <b>\$ 2,593,417</b>    |
| Percent of Total Expenses       | 47.46%                       | 10.56%                            | 22.94%                     | 80.96%                       | 7.41%                            | 11.62%            | 19.04%                            |                        | 100.00%                |

See Notes to the Financial Statements

LEBANON RESCUE MISSION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

| Expenses                        | PROGRAM SERVICES             |                                   |                            |                              | SUPPORTING ACTIVITIES            |                   |                                   | Year<br>2024<br>Totals | Year<br>2023<br>Totals |
|---------------------------------|------------------------------|-----------------------------------|----------------------------|------------------------------|----------------------------------|-------------------|-----------------------------------|------------------------|------------------------|
|                                 | Mens<br>Outreach<br>Services | Agape and<br>Outreach<br>Services | Free<br>Clinic<br>Services | Program<br>Services<br>Total | General<br>and<br>Administrative | Fundraising       | Supporting<br>Activities<br>Total |                        |                        |
| Fundraising Costs               | \$ -                         | \$ -                              | \$ -                       | \$ -                         | \$ -                             | \$ 25,964         | \$ 25,964                         | \$ 25,964              | \$ 28,025              |
| Direct Mail Costs               | -                            | -                                 | -                          | -                            | -                                | 263,891           | 263,891                           | 263,891                | 254,554                |
| Advertising and Publicity       | 12,161                       | -                                 | 275                        | 12,436                       | -                                | -                 | -                                 | 12,436                 | 7,984                  |
| Business Expenses               | 15,648                       | 65                                | 105                        | 15,818                       | 92                               | -                 | 92                                | 15,910                 | 32,100                 |
| Computer Support                | 11,327                       | 16                                | 830                        | 12,173                       | 154                              | -                 | 154                               | 12,327                 | 13,838                 |
| Employee Benefits and Costs     | 161,015                      | -                                 | 46,412                     | 207,427                      | 43,115                           | 2,110             | 45,225                            | 252,652                | 223,374                |
| Insurances                      | 40,264                       | 664                               | 1,255                      | 42,183                       | 783                              | -                 | 783                               | 42,966                 | 42,474                 |
| Ministry Programs               | 298,869                      | 51,305                            | 328,438                    | 678,612                      | -                                | -                 | -                                 | 678,612                | 601,741                |
| Office Supplies and Postage     | 23,340                       | 379                               | 2,201                      | 25,920                       | 189                              | 920               | 1,109                             | 27,029                 | 28,630                 |
| Professional Services           | 36,085                       | 837                               | 9,817                      | 46,739                       | -                                | -                 | -                                 | 46,739                 | 47,686                 |
| Repairs and Maintenance         | 28,804                       | 5,239                             | 4,101                      | 38,144                       | 335                              | -                 | 335                               | 38,479                 | 43,668                 |
| Salaries                        | 461,262                      | 174,732                           | 174,861                    | 810,855                      | 136,167                          | 7,977             | 144,144                           | 954,999                | 930,288                |
| Taxes - Payroll and Property    | 51,086                       | 13,367                            | 13,377                     | 77,830                       | 10,417                           | 610               | 11,027                            | 88,857                 | 89,672                 |
| Training, Education and Books   | 1,324                        | -                                 | 2,462                      | 3,786                        | -                                | -                 | -                                 | 3,786                  | 5,939                  |
| Utilities and Telephone         | 79,375                       | 27,163                            | 10,549                     | 117,087                      | 101                              | -                 | 101                               | 117,188                | 113,894                |
| Vehicle Expenses and Travel     | 10,364                       | -                                 | 349                        | 10,713                       | 869                              | -                 | 869                               | 11,582                 | 10,558                 |
| <b>Total Expenses Year 2024</b> | <b>\$ 1,230,924</b>          | <b>\$ 273,767</b>                 | <b>\$ 595,032</b>          | <b>\$ 2,099,723</b>          | <b>\$ 192,222</b>                | <b>\$ 301,472</b> | <b>\$ 493,694</b>                 | <b>\$ 2,593,417</b>    | <b>\$ 2,474,425</b>    |
| Percent of Total Expenses       | 47.46%                       | 10.56%                            | 22.94%                     | 80.96%                       | 7.41%                            | 11.62%            | 19.04%                            | 100.00%                |                        |
| <b>Total Expenses Year 2023</b> | <b>\$ 1,094,724</b>          | <b>\$ 244,602</b>                 | <b>\$ 645,585</b>          | <b>\$ 1,984,911</b>          | <b>\$ 195,728</b>                | <b>\$ 293,786</b> | <b>\$ 489,514</b>                 |                        | <b>\$ 2,474,425</b>    |
| Percent of Total Expenses       | 44.24%                       | 9.89%                             | 26.09%                     | 80.22%                       | 7.91%                            | 11.87%            | 19.78%                            |                        | 100.00%                |

See Notes to the Financial Statements

LEBANON RESCUE MISSION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 & 2024

|   | 2025       | 2024         |
|---|------------|--------------|
| Cash Flows from Operating Activities  |            |              |
| Change in Net Assets  | \$ 569,291 | \$ (146,971) |
| Excess Support and Revenues over Expenses   | \$ 569,291 | \$ (146,971) |
| Adjustments to reconcile change in net assets<br>to net cash provided by (used in) operating activities |            |              |
| Depreciation  | 147,113    | 142,486      |
| (Increase)/Decrease in Security Deposits  | 152        | -            |
| Increase/(Decrease) in Accounts Payable   | (11,277)   | (303)        |
| Increase/(Decrease) in Security Deposits Payable  | 2,814      | -            |
| Increase/(Decrease) in Deferred Contributions   | -          | (25,000)     |
| Increase/(Decrease) 1250 - 1310 Bittner Line of Credit  | -          | 762,509      |
| Increase/(Decrease) Campaign Line of Credit   | (107,491)  | 107,491      |
| Net cash provided by (used in) operating activities   | \$ 600,602 | \$ 840,212   |
| Cash Flows from Investing Activities  |            |              |
| Purchase of Property and Equipment  | \$ (2,558) | \$ (347,490) |
| Purchase of Property 1250-1310 Bittner Blvd & Improv.   | (505,761)  | (762,509)    |
| Sale of Fixed Assets  | -          | (20,000)     |
| Net Transfer of Funds (to)/from Temporary Investments   | 283,667    | 439,120      |
| Net cash provided by (used in) investing activities   | (224,652)  | (690,879)    |
| Cash Flows from Financing Activities  |            |              |
| Prior Period Restricted Capital Campaign  | \$ 107,464 | \$ -         |
| Net cash provided by (used in) financing activities   | 107,464    | -            |
| Net Increase (Decrease) in Cash and Cash Equivalents  | \$ 483,414 | \$ 149,333   |
| Cash and Cash Equivalents, Beginning of Year  | 243,529    | 94,196       |
| Cash and Cash Equivalents, End of Year  | \$ 726,943 | \$ 243,529   |

See Notes to the Financial Statements

Lebanon Rescue Mission, Inc.  
Statement of Cash Flows  
For the Years Ended December 31, 2025 and 2024

|   | <u>2025</u>       | <u>2024</u>       |
|---|-------------------|-------------------|
| Analysis of Cash and Cash Equivalents                   |                   |                   |
| Beginning of Year                                       |                   |                   |
| Cash on Hand  | \$ 500            | \$ 500            |
| Cash in Bank - Checking                                 | <u>243,029</u>    | <u>93,696</u>     |
| Total Cash and Cash Equivalents - Beginning of Year     | \$ 243,529        | \$ 94,196         |
| End of Year   |                   |                   |
| Cash on Hand  | \$ 500            | \$ 500            |
| Cash in Bank - Checking                                 | <u>726,443</u>    | <u>243,029</u>    |
| Total Cash and Cash Equivalents - End of Year           | <u>726,943</u>    | <u>243,529</u>    |
| NET INCREASE (DECREASE) IN CASH<br>AND CASH EQUIVALENTS | <u>\$ 483,414</u> | <u>\$ 149,333</u> |
| Total Cash paid for Interest                            | <u>\$ 52,806</u>  | <u>\$ -</u>       |
| Total Cash paid for excise taxes                        | <u>\$ -</u>       | <u>\$ -</u>       |

LEBANON RESCUE MISSION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

**NOTE #1 DESCRIPTION OF THE ORGANIZATION**

GENERAL. Lebanon Rescue Mission, Inc. is a nonprofit organization whose purpose is to assist those struggling in our community with homelessness, life change programming, food insecurities and needed health care. The Lebanon Rescue Mission was founded in 1945 and incorporated in 1951. The Lebanon Rescue Mission Inc. is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1986 as amended. The Lebanon Rescue Mission components include: Men's Campus for emergency housing and life change programs; Agape Family Shelter for women and their children; Lebanon Free Clinic, for those without health insurance or access to care; Agape Christmas, a seasonal outreach for senior and Back Dock Ministry, the sharing of and redistribution of very large donations received by Lebanon Rescue Mission.

**NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

REPRESENTATION. This summary of significant accounting policies of the Lebanon Rescue Mission, Inc., forthwith referred to as "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. It is the policy of the Lebanon Rescue Mission, Inc. to prepare its financial statements on the accrual basis of accounting in accordance with the generally accepted accounting principles in the United States of America.

BASIS OF PRESENTATION. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for Profit Entities (FASB ASU 2016-14). Under this pronouncement Lebanon Rescue Mission, Inc. is required to report 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.

Lebanon Rescue Mission, Inc.  
Notes to the Financial Statements  
For the Years Ended December 31, 2025 and 2024

**NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

BASIS OF PRESENTATION: continued

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 statement of activities.

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 fundraising activities and interest and dividends earned on investments. Nonoperating activities are limits to resources that generate return on investments and other activities considered to be of a more unusual or nonrecurring nature.

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 net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

USE OF ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lebanon Rescue Mission, Inc.  
Notes to the Financial Statements  
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**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 years ended December 31, 2025 and 2024.

The Organization files a federal Form 990 - Return of Organization Exempt From Income Tax. The Organization also files Charitable 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 before 2022.

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.

Lebanon Rescue Mission, Inc.  
Notes to the Financial Statements  
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**NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

CONTRIBUTIONS - continued

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.

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 #3.

ADVERTISING. Advertising costs are expensed when incurred.

REVENUE AND EXPENSES FOR SPECIAL EVENTS. In accordance with FASB ASC 958-225, the statement of activities and changes in net assets reports the gross amounts of revenues and expenses from fundraising activities.

INVESTMENTS. The Organization records investments based upon the recommendation of Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Provisions of the standard require that investments in equity securities with readily determined fair values, and all investments in debt securities be measured at fair market value in the statement of assets, liabilities and fund balances. The Organization has recorded the investments at fair market value accordingly.

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.

The expenses that are allocated include the following:

| <u>Expenses</u> | <u>Method of Allocation</u> |
|-----------------|-----------------------------|
| Payroll         | Full Time Equivalent        |
| Insurance       | Full Time Equivalent        |
| Supplies        | Time and Effort             |
| Occupancy       | Square Footage              |

The Notes to the Financial Statements are an Integral Part of these Statements

Lebanon Rescue Mission, Inc.  
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**NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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 assistance for the homeless 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.

DEPRECIATION. Properties 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 cost of repairs and maintenance to operations in the year incurred. The asset and accumulated depreciation accounts are relieved when properties or equipment are retired or otherwise disposed of. The depreciation and accumulated depreciation accounts reflect the depreciation allowed for income tax reporting. The Organization uses the following methods and useful lives in computing depreciation:

|                           |               |                |
|---------------------------|---------------|----------------|
| Building and Improvements | straight line | 20 to 40 years |
| Furniture and Fixtures    | straight line | 5 to 10 years  |
| Vehicles                  | straight line | 7 to 10 years  |

Depreciation expense for the years ended December 31, 2025 and 2024, was \$147,113, and \$142,486 respectively.

Lebanon Rescue Mission, Inc.  
Notes to the Financial Statements  
For the Years Ended December 31, 2025 and 2024

**NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

SUMMARIZED COMPARATIVE INFORMATION. The statement of functional expenses includes certain prior year summarized comparative information in totals, but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles of the United States of America. Accordingly these financial statements should be read in conjunction with the prior year's financial statements from which the summarized information was derived.

**NOTE #3 CASH AND CASH EQUIVALENTS**

For purposes of these Financial Statements Cash and Cash Equivalents consist of the following:

| <u>CASH AND CASH EQUIVALENTS</u>           | <u>12/31/2025</u> | <u>12/31/2024</u> |
|--|-------------------|-------------------|
| Cash on Hand                               | \$ 500            | \$ 500            |
| Cash in Bank - M & T Bank - Operations     | -                 | 135,538           |
| Cash in Bank - JBT Bank - Capital Campaign | 145,039           | 107,491           |
| Cash in Bank - JBT Bank - Operations       | 581,404           | -                 |
| Total Cash and Cash Equivalents            | <u>\$ 726,943</u> | <u>\$ 243,529</u> |

Lebanon Rescue Mission, Inc.  
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For the Years Ended December 31, 2025 and 2024

**NOTE #4 DONATED ITEMS**

Gifts in Kind - During the year various items were donated, including numerous supplies, food items and other items used in the ministry. Beginning in 2015 these items were valued at an estimated fair value, and thereby are shown on the financial statements. SFAS No. 116 states the contributions are to be included if measurable and material. Contributions are to be valued at fair market value at time contribution is received. Therefore, beginning in the year 2015, the food received was weighed, calculated and an estimated value per pound was used to record the contribution. Other goods, including supplies and medicine was valued at estimated retail cost. The fair value of the Gifts-in-Kind were accounted for in these financial statements for the years 2025 and 2024.

| Gifts-in-Kind valuation           | Year 2025  | Year 2024  |
|-----------------------------------|------------|------------|
| Men's Shelter - Food lbs.         | 110,352    | 61,151.    |
| Men's Shelter - Food Value        | \$ 169,154 | \$ 135,208 |
| Men's Shelter - Other             | 46,694     | 96,255     |
| Men's Shelter - #Turkeys          | 338        | 296        |
| Total Men's Shelter Gifts-in-Kind | \$ 215,848 | \$ 231,759 |
| Agape Shelter - Food Value        | 537        | 2,060      |
| Agape Shelter - Other             | 8,484      | 5,520      |
| Clinic - Medicine Value           | 308,129    | 287,010    |
| Clinic - Other                    | 1,200      | 2,675      |
| Total Value Gifts-in-Kind         | \$ 534,198 | \$ 529,024 |

**NOTE #5 CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at Jonestown Bank & Trust Co. Accounts at Jonestown Bank & Trust, Co. are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. The Organization believes it is not exposed to any significant credit risk on its cash balances.

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**NOTE #6 AVAILABILITY AND LIQUIDITY**

The following represents the Organizations financial assets as of December 31, 2025 and 2024:

| Financial Assets at Fiscal Year End:   | <u>12/31/2025</u>      | <u>12/31/2024</u>       |
|--|------------------------|-------------------------|
| Cash and Cash Equivalents  | \$ 885,149             | \$ 695,102              |
| Total Financial Assets   | \$ 885,149             | \$ 695,102              |
| Less Current Liabilities   | (768,123)              | (884,077)               |
| Less amounts with Donor Restrictions   | -                      | -                       |
| Less amounts with Board Restrictions   | <u>(145,039)</u>       | <u>-</u>                |
| <br>Financial assets available to meet general<br>expenditures over the next twelve months | <br><u>\$ (28,013)</u> | <br><u>\$ (188,975)</u> |

**NOTE #7 VOLUNTEER TIME**

Various individuals and numerous church groups gave many volunteer hours to the Lebanon Rescue Mission's cause. There was no value assigned to these volunteer hours and thus are not a part of these financial statements, however, the medical clinic does maintain records of medical professional volunteer time and estimated valuation.

The medical volunteers for the year 2025 included volunteers donating 1,195 hours. The estimated value included in these financial statements for year 2025 is \$65,544. The medical volunteers for the year 2024 included volunteers donating 1,388 hours. The estimated value included in these financial statements for year 2024 is \$71,515.

Lebanon Rescue Mission, Inc.  
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**NOTE #8 FIXED ASSETS**

Fixed assets are recorded at actual acquisition cost. Capital improvements and equipment are also recorded at actual acquisition costs. When an asset is retired or replaced, the cost of the replaced asset is removed from fixed assets. Accumulated depreciation is accumulation of annual depreciation calculated under the straight-line method of depreciation.

FIXED ASSETS AS OF DECEMBER 31, 2025

| <u>Description</u>        | <u>Cost</u>         | <u>Depreciation</u> | <u>Cost Less<br/>Depreciation</u> |
|---------------------------|---------------------|---------------------|-----------------------------------|
| Building and Improvements | \$ 5,049,444        | \$ 1,143,506        | \$ 3,905,938                      |
| Furniture and Fixtures    | 165,519             | 159,463             | 6,056                             |
| Vehicles                  | 93,636              | 57,173              | 36,463                            |
| Total                     | <u>\$ 5,308,599</u> | <u>\$ 1,360,142</u> | <u>\$ 3,948,457</u>               |

FIXED ASSETS AS OF DECEMBER 31, 2024

| <u>Description</u>        | <u>Cost</u>         | <u>Depreciation</u> | <u>Cost Less<br/>Depreciation</u> |
|---------------------------|---------------------|---------------------|-----------------------------------|
| Building and Improvements | \$ 4,533,983        | \$ 1,013,102        | \$ 3,520,881                      |
| Furniture and Fixtures    | 162,961             | 158,676             | 4,285                             |
| Vehicles                  | 93,636              | 41,251              | 52,385                            |
| Total                     | <u>\$ 4,790,580</u> | <u>\$ 1,213,029</u> | <u>\$ 3,577,551</u>               |

**NOTE #9 TEMPORARILY RESTRICTED ASSETS**

The Lebanon Rescue Mission, Inc. had received monies from a donor designated to be used for education purposes. These monies were held in a separate account restricted for the designated purpose. The donor removed the restriction in 2024, and therefore, these monies have been released from restrictions. There are no temporarily restricted funds as of the date of these financial statements.

Lebanon Rescue Mission, Inc.  
Notes to the Financial Statements  
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#### **NOTE #10 NET ASSETS WITH DONOR RERSTRICTIONS**

The Lebanon Rescue Mission, Inc. had received monies from various donors designated to be used for Agape Safe Haven purposes. These monies were held in a separate account restricted for the designated restricted purpose.

#### **NOTE #11 PENSION PLAN**

The Organization has a 403(b) Pension plan. All Full-Time employees are eligible to participate for this elective deferral. The Organization matches the contribution up to a maximum of 5% of employees wages. The monies are currently invested with Vanguard.

#### **NOTE #12 FUNDRAISING**

Fundraising and direct mailing receipts and direct expenses for 2025 and 2024 are as follows:

Year 2025

|                   | Receipts            | Expenses          | Gross<br>Profit     | Gross<br>Profit % |
|-------------------|---------------------|-------------------|---------------------|-------------------|
| Direct Mailing    | \$ 1,192,365        | \$ 263,970        | \$ 928,395          | 77.86%            |
| Capital Campaign  | 609,902             | 10,017            | 599,885             | 98.36%            |
| Other Fundraisers | 106,308             | 29,346            | 76,962              | 72.40%            |
| Totals            | <u>\$ 1,908,575</u> | <u>\$ 303,333</u> | <u>\$ 1,605,242</u> | <u>84.11%</u>     |

Year 2024

|                   | Receipts            | Expenses          | Gross<br>Profit   | Gross<br>Profit % |
|-------------------|---------------------|-------------------|-------------------|-------------------|
| Direct Mailing    | \$ 1,123,097        | \$ 263,891        | \$ 859,206        | 76.50%            |
| Other Fundraisers | 88,845              | 37,581            | 51,264            | 57.70%            |
| Totals            | <u>\$ 1,211,942</u> | <u>\$ 301,472</u> | <u>\$ 910,470</u> | <u>75.12%</u>     |

The Notes to the Financial Statements are an Integral Part of these Statements

Lebanon Rescue Mission, Inc.  
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### **NOTE #13 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 as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan 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, 2025 or 2024.

*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.

The Notes to the Financial Statements are an Integral Part of these Statements

Lebanon Rescue Mission, Inc.  
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**NOTE #13 FAIR VALUE MEASUREMENT - continued**

*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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2025 and 2024.

| <u>December 31, 2025</u>     | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>      |
|------------------------------|-------------------|----------------|----------------|-------------------|
| Cash on Hand                 | \$ 500            | \$ -           | \$ -           | \$ 500            |
| Cash in Bank - Checking      | 726,443           | -              | -              | 726,443           |
| Cash in Bank - MM            | 158,206           | -              | -              | 158,206           |
| Total Fair Value Measurement | <u>\$ 885,149</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 885,149</u> |
| <br>                         |                   |                |                |                   |
| <u>December 31, 2024</u>     | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>      |
| Cash on Hand                 | \$ 500            | \$ -           | \$ -           | \$ 500            |
| Cash in Bank - Checking      | 433,010           | -              | -              | 433,010           |
| Certificates of Deposit      | 261,592           | -              | -              | 261,592           |
| Total Fair Value Measurement | <u>\$ 695,102</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 695,102</u> |

Lebanon Rescue Mission, Inc.  
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**NOTE #14 SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 22, 2026, the date the financials were available to be issued. The Organization has sold the properties, used for many years as the Agape Family Shelter in February of 2026. The proceeds have been applied against the construction line of credit. The Organization plans to transition a new renovated facility in May of 2027 for the continued women's ministries and seniors experiencing homelessness.