



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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November 7, 2011

Board of Directors
Hamilton Township Volunteer Fire Company, Inc.
8021 N. State Road 3
Muncie, IN 47303

We have reviewed the audit report prepared by Summers, Carroll, Whisler, LLP, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Hamilton Township Volunteer Fire Company, Inc., as of December 31, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
HAMILTON TOWNSHIP VOLUNTEER FIRE COMPANY, INC.
DECEMBER 31, 2008**

C O N T E N T S

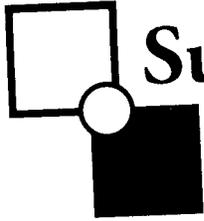
INDEPENDENT AUDITORS' REPORT

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Summers, Carroll, Whisler LLC

Certified Public Accountants

Independent Auditors' Report

Board of Directors
Hamilton Township Volunteer Fire Company, Inc.

We have audited the accompanying statement of financial position of Hamilton Township Volunteer Fire Company, Inc. (an Indiana corporation) as of December 31, 2008 and the related statements of activities, cash flow, and functional expenses for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hamilton Township Volunteer Fire Company, Inc. as of December 31, 2008 and the results of its operations and its cash flow for the year then ended, in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2009 on our consideration of Hamilton Township Volunteer Fire Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Summers, Carroll, Whisler LLC

Muncie, Indiana
June 24, 2009

Hamilton Township Volunteer Fire Company, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS		
CURRENT ASSETS		\$ 48,626
Cash		<u>31,703</u>
Accounts receivable, trade		80,329
Total current assets		
PROPERTY AND EQUIPMENT	\$1,673,469	
Land, buildings and equipment	<u>1,152,361</u>	<u>521,108</u>
Less accumulated depreciation		\$601,437
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		<u>\$ 75,921</u>
Current portion, long-term debt		75,921
Total current liabilities		
LONG-TERM LIABILITIES	\$317,307	
Notes payable	<u>75,921</u>	<u>241,386</u>
Less current portion		317,307
Total liabilities		
NET ASSETS	279,910	
Unrestricted net assets	<u>4,220</u>	<u>284,130</u>
Temporarily restricted net assets		\$601,437

The accompanying notes are an integral part of this statement.

Hamilton Township Volunteer Fire Company, Inc.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Support		\$ 200	\$ 200
Grant donations	\$109,403		109,403
Donated services		18,867	18,867
Fund raising	<u>34,408</u>		<u>34,408</u>
Special events	143,811	19,067	162,878
Total support			
Revenue	3,265		3,265
Pool fills	134,599		134,599
Fire fund	<u>31,123</u>		<u>31,123</u>
Fire runs	168,987		168,987
Total revenue			
Other income	<u>764</u>	<u>67</u>	<u>831</u>
Interest and other income			
Total support and revenue	313,562	19,134	332,696
Net assets released from restrictions	<u>19,272</u>	<u>(19,272)</u>	
Total support, revenue and reclassifications	332,834	(138)	332,696
Expenses	262,924		262,924
Program services	20,023		20,023
Fundraising	<u>30,862</u>		<u>30,862</u>
Management and general	<u>313,809</u>		<u>313,809</u>
CHANGE IN NET ASSETS	19,025	(138)	18,887
Net assets at beginning of year	<u>260,885</u>	<u>4,358</u>	<u>265,243</u>
Net assets at end of year	\$279,910	\$ 4,220	\$284,130

The accompanying notes are an integral part of this statement.

Hamilton Township Volunteer Fire Company, Inc.

STATEMENT OF CASH FLOW

Year Ended December 31, 2008

Cash flow from operating activities:	\$18,887
Change in net assets	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	68,476
Depreciation	<u>(31,703)</u>
Increase in accounts receivable, trade	55,660
Net cash provided by operating activities	
Cash flow from investing activities:	<u>(7,621)</u>
Purchases of equipment and furniture	(7,621)
Net cash used in investing activities	
Cash flow from financing activities:	<u>(52,858)</u>
Repayment of long-term debt	<u>(52,858)</u>
Net cash used in financing activities	(4,819)
Decrease in cash	<u>53,445</u>
Cash at beginning of year	\$48,626
Cash at end of year	
Interest paid	\$16,740

The accompanying notes are an integral part of this statement.

Hamilton Township Volunteer Fire Company, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2008

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
	\$ 88,427		\$20,976	\$109,403
Donated services	2,680			2,680
Firefighter training	11,680			11,680
Fireman gear, clothing and vehicle	1,076			1,076
First Responder expense	10,344			10,344
Fuel				20,013
		\$20,013		20,013
Fundraising		10		10
Address signs	10,218			10,218
Equipment repair	15,067		5,022	20,089
Insurance	1,274			1,274
Public education				289
	289			289
Service charges	20,681			20,681
Station expense	14,593		4,864	19,457
Utilities	68,476			68,476
Depreciation expense	16,740			16,740
Interest expense				1,379
	<u>1,379</u>	<u> </u>	<u> </u>	<u>1,379</u>
Equipment expense				313,809
	\$262,924	\$20,023	\$30,862	\$313,809

The accompanying notes are an integral part of this statement.

Hamilton Township Volunteer Fire Company, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Hamilton Township Volunteer Fire Company, Inc. is a nonprofit volunteer fire fighting company in Hamilton Township in Delaware County, Indiana. The company provides fire fighting and fire prevention services to Hamilton Township and, if needed, to surrounding areas.

Hamilton Township Volunteer Fire Company, Inc. is a qualified nonprofit organization qualifying under Section 501(c)(4) of the Internal Revenue Code. As such, it is not liable for federal and state income taxes and no liability for such taxes appears in these statements.

2. Cash and Cash Equivalents

For purposes of the statement of cash flow, the company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

3. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

4. Property, Building and Equipment

Buildings and equipment are valued at cost for items purchased and at fair market value at date of gift for items donated. Depreciation was computed on the straight-line and 200% declining balance methods over the estimated useful lives of the assets, generally as follows.

Equipment	5 to 7 years
Furniture and fixtures	7 to 10 years
Buildings	39 years

5. Revenue

Hamilton Township Volunteer Fire Company, Inc. receives substantially all of its grant and contract revenue from Hamilton Township tax revenue.

6. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are recorded as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Hamilton Township Volunteer Fire Company, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Contributed Services

During the year ended December 31, 2008, the value of contributed services meeting the requirements for recognition in the financial statements was estimated to be \$109,403. These services include the hours donated by trained firefighters and EMTs to respond to actual calls, and administrative hours.

8. 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.

NOTE B - LONG-TERM LIABILITIES

Long-term liabilities consist of the following.

Note payable to Star Financial Bank requiring semi-annual payments of \$25,218 including interest at 5.35% per annum, secured by certain equipment, and maturing December 31, 2011.	\$137,905
Mortgage payable to Star Financial Bank requiring annual payments of \$41,735 including interest at 5.12% per annum, secured by certain real estate, and maturing January 1, 2012.	<u>179,402</u>
	317,307
Less current maturities	<u>75,921</u>
	\$241,386

Annual maturities are shown below.

Year ending December 31, 2009	\$75,921
2010	\$80,006
2011	\$42,263
2012	\$119,117

NOTE C - INTEREST EXPENSE

Interest expense totaling \$16,740 was incurred and paid during the year ended December 31, 2008.

Hamilton Township Volunteer Fire Company, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE D - OPERATING LEASE

Hamilton Township Volunteer Fire Company, Inc. leases real estate from Delaware Community School Corporation for its fire station. It has a term of 99 years that commenced in 1974. The annual lease payment is \$1 per year of the lease.

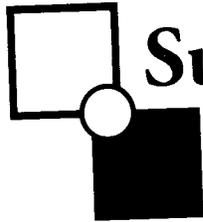
NOTE E - CONCENTRATIONS

Hamilton Township, Delaware County, Indiana, is a major source of revenue for the fire company. The township accounted for \$134,599, which represented 40% of the total revenue.

NOTE F - COMMITMENTS AND CONTINGENCIES

The company is subject to laws and regulations relating to the protection of the environment. The company's policy is to accrue environmental and cleanup-related costs of a noncapital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the company's continuing compliance efforts, management believes any future remediation or other compliance-related costs will not have a material adverse effect on the financial condition or reported results of operations of the company.

SPECIAL REPORT



Summers, Carroll, Whisler LLC

Certified Public Accountants

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

**Board of Directors
Hamilton Township Volunteer Fire Company, Inc.**

We have audited the financial statements of Hamilton Township Volunteer Fire Company, Inc. as of and for the year ended December 31, 2008 and have issued our report thereon dated June 24, 2009. We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Hamilton Township Volunteer Fire Company, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance relating to a nongovernmental grant, which we have reported to management of Hamilton Township Volunteer Fire Company, Inc. in a separate letter dated June 24, 2009.

Internal Control over Financial Reporting

In planning and performing our audits, we considered Hamilton Township Volunteer Fire Company, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management, and the Indiana State Board of Accounts and should not be used by anyone other than these specified parties.

Summers, Carroll, Whisler LLC

Muncie, Indiana
June 24, 2009