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STATE OF INDIANA

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October 9, 2014

Board of Directors
Bright Volunteer Fire Company, Inc.
23759 Brightwood Drive
Bright, IN 47025

We have reviewed the audit report prepared by Collins Heeb Miller & Co., Inc., for the period January 1, 2011 to December 31, 2011. 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 Bright Volunteer Fire Company, Inc., as of December 31, 2011, 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.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

BRIGHT VOLUNTEER FIRE COMPANY, INC.

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEARS ENDED DECEMBER 31, 2011 AND 2010

COLLINS HEEB MILLER & CO., INC.
CERTIFIED PUBLIC ACCOUNTANTS

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COLLINS HEEB MILLER & CO., INC.
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET
CINCINNATI, OH 45217-1252

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Bright Volunteer Fire Company, Inc.
Bright, Indiana

We have audited the accompanying Statements of Financial Position of Bright Volunteer Fire Company, Inc. (an Indiana not-for-profit organization) as of December 31, 2011 and 2010, the related Statements of Activities and Cash Flows for the years then ended. These financial statements are the responsibility of the Fire Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Fire Company prepares its financial statements on the modified cash basis; accordingly, accounts receivable are not recorded as income until collected and certain expenses are recorded when paid rather than when the obligation is incurred, except that the statements include a provision for depreciation of buildings, improvements and equipment and amortization of loan fees. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bright Volunteer Fire Company, Inc. at December 31, 2011 and 2010, and its activities and cash flows for the years then ended on the basis of accounting described in Note 1 in conformity with accounting principles generally accepted in the United States of America.

Collins Heeb Miller & Co.

June 26, 2012

BRIGHT VOLUNTEER FIRE COMPANY, INC.

STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS

December 31, 2011 and 2010

ASSETS	2011	2010
Current assets:		
Cash - Merchants Bank and Trust:		
Checking	$ 127,700	$ 142,719
Savings accounts (Note 2)	11,610	11,599
Accounts receivable – Festival	34,000	-
Total current assets	173,310	154,318
Investments and other assets:		
Available-for-sale securities and cash at fair market value:		
Lincoln Financial Advisors (Note 4)	564,166	563,314
Deferred loan closing fees – net	2,160	2,282
	566,326	565,596
Property and equipment (Note 3)	1,227,317	1,281,419
Total assets	$1,966,953	$2,001,333

LIABILITIES AND NET ASSETS	2011	2010
Current liabilities:		
Accrued and withheld payroll taxes	$ 800	$ 218
Long-term debt due within one year (Note 5)	63,233	57,740
Total current liabilities	64,033	57,958
Long-term debt due after one year (Note 5)	816,378	880,237
Total liabilities	880,411	938,195
Net assets:		
Unrestricted - General Fund	1,086,542	1,063,138
Total liabilities and net assets	$1,966,953	$2,001,333

See accompanying notes.

BRIGHT VOLUNTEER FIRE COMPANY, INC.

STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS

Years ended December 31, 2011 and 2010

	2011	2010
Changes in unrestricted net assets:		
Revenue:		
Festival and fundraising	$ 35,850	$ 42,000
Township fire contracts	223,926	95,346
EMS contract	40,000	40,000
EMS run fees	178,459	167,035
Fire run fees	150	20
Insurance and tax refunds	7,147	3,683
Donations	24,025	20,714
Memorials	5,595	2,020
Grant income	62,336	36,000
Revenue sharing – riverboat	34,621	31,105
Address plates	60	40
Interest	11	10
Investment income (loss) – Lincoln Financial	50,408	3,365
Unrealized gains (losses) Lincoln Financial Investments	(49,556)	58,170
Total unrestricted revenue	613,032	499,508
Expenses:		
Operating expenses	388,482	314,344
Interest expense	50,213	47,283
Depreciation:		
Firehouses	21,730	21,730
Fire trucks and EMS vehicles	65,438	69,340
Fire fighting equipment and training materials	59,862	51,404
Furniture and fixtures	3,903	3,632
	150,933	146,106
Total expenses	589,628	507,733
Increase (decrease) in unrestricted net assets	23,404	(8,225)
Net assets, beginning of year	1,063,138	1,071,363
Net assets, end of year	$1,086,542	$1,063,138

See accompanying notes.

BRIGHT VOLUNTEER FIRE COMPANY, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Net increase (decrease) in unrestricted net assets	$ 23,404	$ (8,225)
Depreciation and amortization	151,055	146,228
Investment (income) loss	(50,408)	(3,365)
Unrealized (gains) losses in investments	49,556	(58,170)
Gain on sale of equipment	-	-
(Increase) decrease ~~in~~ on accounts receivable	(34,000)	-
Increase (decrease) in accrued liabilities	582	(1,064)
Net cash provided by (used in) operating activities	140,189	75,404
Cash flows from investing activities:		
Capital expenditures for property and equipment	(96,831)	(42,708)
Proceeds from sale of equipment	-	-
Net cash provided by (used in) investing activities	(96,831)	(42,708)
Cash flows from financing activities:		
Reduction of long-term debt	(58,366)	(48,788)
Net cash provided by (used in) financing activities	(58,366)	(48,788)
Net decrease in cash	(15,008)	(16,092)
Cash at beginning of year	154,318	170,410
Cash at end of year	$139,310	$154,318
Supplemental disclosures:		
Cash paid for interest during the year	$50,213	$47,283

See accompanying notes.

1. Summary of significant accounting policies

Organization and basis of accounting – Bright Volunteer Fire Company, Inc. was incorporated on June 3, 1948 in the State of Indiana as a not-for-profit organization to provide fire protection for the city and surrounding area of Bright, Indiana, located in Dearborn County, Indiana. The Fire Company receives revenue from three townships from the collection of taxes assessed on personal property values within their districts. The Fire Company contracts with Miller, West Harrison and Logan townships to provide fire protection services for their areas. The Fire Company provides emergency medical services in these townships.

The Fire Company maintains its books, records and accounts on the modified cash basis and prepares its tax returns on the modified cash basis. Under this basis the accounts receivable and revenue are recorded as income when collected rather than when earned; accounts payable and expenses are generally recorded when paid rather than when incurred. The accompanying financial statements are prepared on the modified cash basis and therefore present the Fire Company's assets and liabilities resulting from cash transactions and its revenue received and expenses paid and its changes in cash, except that the statements include a provision for depreciation of buildings, improvements and equipment and amortization of loan closing fees.

Income earned but not collected and expenses incurred but not paid are not included in the financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In 2011, the Fire Company received approval from the Internal Revenue Service to change its year end from a fiscal year ending February 28 to a calendar year ending December 31, 2010. The year ended December 31, 2010 consists of ten months.

Estimates in financial statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund accounting – To ensure observance of limitations and restrictions placed on the use of resources available to the Fire Company, the accounts of the Fire Company are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by fund groups.

The assets, liabilities and net assets of the Fire Company are reported in one self balancing fund group as follows:

> Unrestricted general operating funds represent the portion of expendable funds that are available for support of the Fire Company's activities.

1. Summary of significant accounting policies (continued)

Revenue recognition – All revenue received from township contracts, festival, and other sources are considered available for unrestricted use unless specifically restricted by the board of trustees.

Investment income – Investment income is recorded when earned and is considered available for unrestricted purposes unless specifically restricted. Unrealized gains and losses are included in the changes in net assets. Investment income and realized gains are reported as increases in unrestricted net assets in the period the income and gains are recognized.

Cash and cash equivalents – The Fire Company considers cash and cash equivalents to include cash on hand, cash in banks, certificates of deposit and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of credit risk – Financial instruments that potentially subject the Fire Company to concentrations of credit risk consist principally of temporary cash investments. The Fire Company places its temporary cash investments with one financial institution and limits the amount of credit exposure to one financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000. The Fire Company has a checking account and two savings accounts at one local bank. There were no uninsured cash balances at December 31, 2011. The available-for-sale securities held at Lincoln Financial Advisors consist of fifteen mutual funds and a cash account as of December 31, 2011.

Deferred loan closing – The loan closing fees consist of mortgage loan expense incurred in financing the purchase of two pumpers and the construction of the third fire station in 2002. Loan closing fee amortization expense was $122 in 2011 and 2010.

Donated services – Donated services are normally reflected as revenue in the financial statements at their estimated value with a corresponding charge to expense. No amounts are reflected for donated services unless an objective basis is available to measure the value of such services.

No amounts have been reflected in the accompanying financial statements for donated services because no objective basis is available to measure the value of such services; however, a substantial number of individuals have donated significant amounts of their time to the Fire Company's fire fighting and fire prevention activities.

Property and equipment – The Fire Company capitalizes the cost of all expenditures for building improvements, furniture and fire equipment in excess of $1,000. Repairs and maintenance are expensed currently. Donations of property and equipment are recorded as unrestricted contributions at their estimated fair value. The cost of buildings, fire trucks, ambulances, equipment, and furniture and fixtures are depreciated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Firehouse buildings	35 years
Fire trucks	5 – 20 years
Fire fighting equipment	7 – 10 years
Furniture and fixtures	10 years
Training manuals	5 years
Ambulances and EMS automobile	7 – 10 years

1. **Summary of significant accounting policies (continued)**

Income taxes - The Fire Company is exempt from federal and state income taxes under IRS Code Sec. 501(c)4, and accordingly, no provision for income taxes has been made in the financial statements on the income from the Fire Company's activities. The Fire Company's calendar year tax returns for the years ended 2009 through 2011 are open for income tax audits.

2. **Savings accounts**

Savings accounts consist of the following:

	2011	2010
Merchants Bank & Trust Co.:		
Money market savings - #8804011 - .10%	$11,610	$ 7,907
Savings account - #8819167	-	3,692
	$11,610	$11,599

3. **Property and equipment**

The following is a summary of property, vehicles, and equipment at insured value or estimated cost and the accumulated depreciation thereon.

	2011	2010
Land:		
Fire Station #1, at cost	$ 15,000	$ 15,000
Fire Station #1 – vacant land with structure, at market value	135,000	135,000
Fire Station #2, at market value	4,000	4,000
Fire Station #3, at market value	37,200	37,200
Building:		
Firehouse #1	222,882	222,882
Fire Station #2	103,379	103,379
Fire Station #3	430,282	430,282
Fire trucks and equipment	959,645	951,445
Fire fighting equipment	529,922	466,282
Furniture and fixtures	37,313	36,318
Training materials and equipment	20,517	18,471
Ambulances	276,778	254,828
	2,771,918	2,675,087
Less accumulated depreciation	1,544,601	1,393,668
Property and equipment - net	$1,227,317	$1,281,419

4. Investments

Investments are recorded at fair value, which is estimated based on quoted market prices for those investments. Generally Accepted Accounting Principles in the United States of America established 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). At both December 31, 2011 and 2010, investments are valued using the Level 1 measurements.

Security transactions are accounted for on the date that the securities are purchased or sold. Dividend income and interest income is recorded on the date received. Marketable securities have been valued at the last reported sales price on the New York or American Stock Exchanges on December 31, 2011 and 2010.

Investments are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with the investments, it is at least reasonably possible that changes in the values of these assets will occur in the near term and that such changes could materially affect investment income and total net assets.

		Market value	
	Cost	2011	2010
Lincoln Financial Advisors mutual funds and cash	$578,803	$564,166	$563,314

5. Long-term debt

The long-term debt consists of the following:

	Due within one year	2011	2010
5.45% mortgage note payable due to Merchants Bank and Trust, due in monthly payments of $6,253, including interest, secured by Fire Station #3, final payment due April, 2030.	$31,239	$847,617	$875,621
4.99% commercial loan payable due to Merchants Bank and Trust, due in yearly payments of $33,540, including interest, secured by 2009 Peterbilt Tanker, final payment due July, 2012.	31,994	31,994	62,356
	$63,233	879,611	937,977
Less debt due within one year		63,233	57,740
		$816,378	$880,237

5. Long-term debt (continued)

The aggregate required principal payments at December 31, 2011 are as follows:

2012	$ 63,233
2013	30,500
2014	33,650
2015	37,200
2016	41,360
Later years	673,668
	$879,611

6. Employee benefits

The Fire Company has a medical health benefit plan for its full time paid EMT staff. The Fire Company's contribution was $11,456 for 2011 and $8,189 for 2010.

7. Subsequent events

The Fire Company has evaluated subsequent events through June 26, 2012, the date the financial statements were issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosures.

8. Responsibilities for financial statements

The financial statements of Bright Volunteer Fire Company, Inc. were prepared in accordance with the comprehensive basis of accounting principles for organizations on the modified cash basis. The integrity and consistency of these financial statements, and of other data presented in this report, are the responsibility of the Fire Company's Board of Trustees and properly include some amounts that are based upon estimates and judgments.

The Fire Company's trustees are further responsible for maintaining a system of internal controls, including internal accounting control, that provides an appropriate division of responsibility and is designed to assure that the books and records reflect the transactions of the Fire Company and that its established policies and procedures are carefully followed. The system is constantly reviewed for its effectiveness and is augmented by written policies and guidelines, and the careful selection and training of qualified personnel.

COLLINS HEEB MILLER & CO., INC.
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET
CINCINNATI, OH 45217-1252

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

The Board of Trustees
Bright Volunteer Fire Company, Inc.
Bright, Indiana

Our report on our audits of the basic financial statements of Bright Volunteer Fire Company, Inc. (an Indiana not-for-profit organization) for the years ended December 31, 2011 and 2010 appears on page 1. These audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information appearing on pages 11, 12 and 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying schedules of Operating Expenses, County and Township Financial Assistance and Historical Summary are presented for purposes of additional analysis as required by Audits of States, Local Governments, and Non-Profit Organizations, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Collins Heeb Miller & Co.

June 26, 2012

BRIGHT VOLUNTEER FIRE COMPANY, INC.

OPERATING EXPENSES

Years ended December 31, 2011 and 2010

	2011	2010
Firehouse expenses:		
Building repairs, maintenance and cleaning	$ 20,749	$ 8,045
Telephone	3,765	3,648
Electricity, water and natural gas	16,749	11,831
Trash removal	951	765
Administrative and other	1,939	549
Fire department expenses:		
Protective clothing	858	462
Repairs and maintenance	7,252	8,126
Training	7,169	3,273
EMS expenses:		
Agency billing fees	11,462	12,132
Refunds	2,374	10
Pay-per runs	85,715	81,729
Medical supplies	13,228	8,352
Medical consultant	-	5,200
Training	637	2,137
Vehicle expenses:		
Repairs and maintenance	17,752	14,266
Fuel	17,778	14,524
Other expenses:		
Communications	3,513	4,992
Operating supplies, maps and uniforms	6,758	1,640
Dues, books and subscriptions	2,397	1,246
Payroll – EMT's	61,472	55,828
Payroll taxes	4,757	4,271
Medical insurance	11,456	8,189
Office expense	2,353	1,459
Accounting and auditing fees	6,300	6,100
General and liability insurance	57,151	32,996
Postage	816	678
Internet and computer expenses	707	684
Personal clothing allowance	7,890	8,800
Loan fees amortization	122	122
Recruiting and personnel incentives	3,783	1,050
Flowers/memorials	665	-
Festival expenses	9,964	11,240
	$388,482	$314,344

BRIGHT VOLUNTEER FIRE COMPANY, INC.

SCHEDULE OF COUNTY AND TOWNSHIP FINANCIAL ASSISTANCE

Years ended December 31, 2011 and 2010

	2011	2010
Dearborn County – EMS	$ 40,000	$ 40,000
West Harrison Township	55,044	18,000
Logan Township	58,182	24,246
Miller Township	110,700	53,100
	$263,926	$135,346

BRIGHT VOLUNTEER FIRE COMPANY, INC.

HISTORICAL SUMMARY

INCOME DATA	Dec. 2011	Dec. 2010	Feb. 2010	Feb. 2009	Feb. 2008	Feb. 2007	Feb. 2006	Dec. 2004	Dec. 2003	Dec. 2002
Revenue and support	$613,032	$499,508	$640,096	$ 321,975	$621,636	$587,505	$530,817	$566,905	$462,691	$ 235,901
Expenses	589,628	507,733	552,951	669,099	538,181	553,177	395,408	455,290	419,042	386,551
Excess revenue over (under) expenses	$ 23,404	$ (8,225)	$ 87,145	$(347,124)	$ 83,455	$ 34,328	$135,409	$111,615	$ 43,649	$(150,650))
FINANCIAL CONDITION DATA										
Current assets	$ 173,310	$ 154,318	$ 170,410	$ 152,345	$ 270,667	$ 216,300	$ 226,304	$ 279,510	$ 167,586	$ 103,401
Current liabilities	64,033	57,958	56,499	54,091	25,477	23,310	22,747	20,249	18,394	17,245
Working capital	109,277	96,360	113,911	98,254	245,190	192,990	203,557	259,261	149,192	86,156
Investments and other assets	566,326	565,596	504,183	360,995	570,219	570,133	531,975	448,302	400,255	311,489
Property and equipment – net	1,227,317	1,281,419	1,384,817	1,514,524	1,436,945	1,429,751	1,447,970	1,372,614	1,439,088	1,589,576
	1,902,920	1,943,375	2,002,911	1,973,773	2,252,354	2,192,874	2,183,502	2,080,177	1,988,535	1,987,221
Long-term debt	816,378	880,237	931,548	989,555	921,012	944,987	969,943	996,230	1,016,203	1,058,538
Net assets	$1,086,542	$1,063,138	$1,071,363	$ 984,218	$1,331,342	$1,247,887	$1,213,559	$1,083,947	$ 972,332	$ 928,683