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February 5, 2015

Board of Directors
Patoka Township Volunteer Fire Department, Inc.
425 West Pike Avenue
Petersburg, IN 47567

We have reviewed the audit report prepared by Krueger & Associates, CPA's, LLC, 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 Patoka Township Volunteer Fire Department, 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

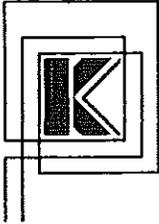
**PATOKA TOWNSHIP VOLUNTEER
FIRE DEPARTMENT, INC.
Winslow, Indiana**

**FINANCIAL STATEMENTS
For the Year Ended December 31, 2011**

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Winslow, Indiana

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Krueger & Associates, CPA's, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Patoka Township Volunteer Fire Department, Inc.

We have audited the accompanying statement of assets, liabilities, and net assets-modified cash basis of Patoka Township Volunteer Fire Department, Inc. (a nonprofit organization) as of December 31, 2011, and the related statement of support, revenue, and expenses and changes in net assets-modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Patoka Township Volunteer Fire Department, Inc. as of December 31, 2011, and its support, revenue, and expenses, and changes in its net assets for the year then ended, on the basis of accounting described in Note 1.

Krueger & Associates, CPA's, LLC

Krueger & Associates, CPA's, LLC

Jasper, Indiana
September 4, 2012

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Winslow, Indiana

EXHIBIT A

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS

December 31, 2011

ASSETS

CURRENT ASSETS

Cash - checking	\$ 670
Cash - savings	5,933
Cash - building fund	<u>58,796</u>

TOTAL ASSETS	<u>\$ 65,399</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt	\$ 4,650
Payroll taxes payable	<u>305</u>

TOTAL CURRENT LIABILITIES	<u>4,955</u>
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LONG-TERM DEBT	<u>15,350</u>
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NET ASSETS

Unrestricted	<u>45,094</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 65,399</u>
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See accompanying notes and accountant's report.

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Winslow, Indiana

EXHIBIT B

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the Year Ended December 31, 2011

SUPPORT AND REVENUE

Support:

Grants and contributions	\$ 232,019
	<u>232,019</u>

Revenue:

Governmental contracts	83,000
Run charges	2,040
Proceeds from sale of asset	4,150
Other	4,706
	<u>93,896</u>

Total Support and Revenue	<u>325,915</u>
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EXPENSES

Program Services:

Member incentives	2,638
Fuel and oil	5,225
Equipment and vehicle maintenance	8,514
Meals	1,506
Equipment and vehicle purchases	219,813
Fundraising expenses	892
Grant fee expense	19,000
Supplies	1,526
Training	656
	<u>259,770</u>

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Winslow, Indiana

EXHIBIT B (CONTINUED)

STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the Year Ended December 31, 2011

Supporting Services:	
Office salaries	7,535
New building expense	10,302
Building maintenance	3,355
Trash disposal	923
Dues	520
Professional fees	140
Office supplies	1,211
Payroll tax expense	906
Licenses and permits	667
Utilities and telephone	9,211
Miscellaneous	1,217
	<u>35,987</u>
 Total Expenses	 <u>295,757</u>
 Increase in Net Assets	 30,158
 Net Assets - Unrestricted - Beginning of Year	 <u>14,936</u>
 Net Assets - Unrestricted - End of Year	 \$ <u><u>45,094</u></u>

See accompanying notes and accountant's report.

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Date of Management's Review

Management has evaluated subsequent events through August 17, 2012, the date on which the financial statements were available to be issued.

Nature of Activities

Patoka Township Volunteer Fire Department, Inc. was established to provide fire protection services to all residents of Patoka Township located in Pike County, Indiana. The Department's primary source of revenue is from a contract with the Patoka Township Fire District.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. Under this method of accounting revenues are recognized when received and expenses when paid. The only asset recognized is cash and noncash transactions are not recognized. The Department records notes payable.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958, formerly Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No temporarily or permanently restricted net assets were held during 2011, and accordingly, these financial statements do not reflect any activity related to these classes of net assets for 2011.

Contributions

Contributions are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. The Department has not received any contributions with donor imposed restrictions.

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements (Continued)

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):**

Income Taxes

The Department is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Construction in Progress

During 2011 the Department started the construction of a new fire station. Cost incurred on this project as of December 31, 2011 were \$10,302.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH RECEIVED FROM GOVERNMENTAL UNIT:

Governmental Unit

Patoka Township Fire District	\$ <u>138,000</u>
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NOTE 3 - LONG-TERM DEBT:

At December 31, 2011 long-term debt consisted of the following:

5.5% note payable to Old National Bank, secured by the collateral under any and all existing and subsequent security documents, including mortgages, security agreements and collateral assignments, payable in annual installments of \$5,690, maturing on September 5, 2015	\$ 20,000
Less: current portion of long-term debt	<u>4,650</u>
	<u>\$ 15,350</u>

PATOKA TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements (Continued)

NOTE 3 - LONG-TERM DEBT (CONTINUED):

Maturities of long-term debt for the next five years and subsequently are as follows:

2012	\$	4,650
2013		4,845
2014		5,112
2015		<u>5,393</u>
	\$	<u>20,000</u>