

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS EXAMINATION REPORT
OF

VINCENNES TOWNSHIP FIRE
PROTECTION DISTRICT
KNOX COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
11/07/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment	
Balances - Regulatory Basis	6-7
Notes to Financial Statements.....	8-12
Other Information - Unexamined:	
Combining Schedules of Receipts, Disbursements, and Cash and	
Investment Balances - Regulatory Basis	14-17
Schedule of Leases and Debt	18
Schedule of Capital Assets.....	19
Other Reports.....	20

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fire Chief	Timothy Smith	01-01-11 to 12-31-16
Treasurer	Charles Doll	01-01-11 to 12-31-16
President of the Board	Mark Hacker	01-01-11 to 12-31-16



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE VINCENNES TOWNSHIP FIRE
PROTECTION DISTRICT, KNOX COUNTY, INDIANA

We have examined the accompanying financial statements of the Vincennes Township Fire Protection District (District), for the period of January 1, 2011 to December 31, 2014. The financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2014.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2014, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

September 20, 2016

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2011 and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
Rainy Day	\$ 163,702	\$ -	\$ -	\$ 163,702	\$ -	\$ -	\$ 163,702
Levy Excess Fund	2,857	-	-	2,857	-	-	2,857
Fire Cumulative	42,539	48,444	46,339	44,644	40,999	50,000	35,643
FEMA Grant	-	17,742	17,742	-	-	-	-
District 10 Training Grant	20,001	77,314	97,316	(1)	56,902	48,166	8,735
Fire Debt Service	125,885	126,239	176,274	75,850	167,267	169,958	73,159
Fire General	<u>1,193,575</u>	<u>982,331</u>	<u>1,286,120</u>	<u>889,786</u>	<u>1,049,686</u>	<u>926,739</u>	<u>1,012,733</u>
Totals	<u>\$ 1,548,559</u>	<u>\$ 1,252,070</u>	<u>\$ 1,623,791</u>	<u>\$ 1,176,838</u>	<u>\$ 1,314,854</u>	<u>\$ 1,194,863</u>	<u>\$ 1,296,829</u>

The notes to the financial statements are an integral part of this statement.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
Rainy Day	\$ 163,702	\$ -	\$ -	\$ 163,702	\$ -	\$ -	\$ 163,702
Levy Excess Fund	2,857	-	-	2,857	-	-	2,857
Fire Cumulative	35,643	56,189	39,202	52,630	49,350	59,923	42,057
Payroll Deductions	-	120,808	120,808	-	127,018	126,350	668
District 10 Training Grant	8,735	157,532	166,267	-	47,178	47,178	-
Fire Debt Service	73,159	174,153	171,866	75,446	188,898	177,285	87,059
Fire General	<u>1,012,733</u>	<u>2,714,977</u>	<u>2,160,336</u>	<u>1,567,374</u>	<u>2,931,140</u>	<u>3,410,239</u>	<u>1,088,275</u>
Totals	<u>\$ 1,296,829</u>	<u>\$ 3,223,659</u>	<u>\$ 2,658,479</u>	<u>\$ 1,862,009</u>	<u>\$ 3,343,584</u>	<u>\$ 3,820,975</u>	<u>\$ 1,384,618</u>

The notes to the financial statements are an integral part of this statement.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes, which can include one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Intergovernmental receipts, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Other receipts, which include amounts received from various sources including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services, which include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies, which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges, which include, but are not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest, which includes fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

Capital outlay, which includes all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements, which include, but are not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the District to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the District are established by the Board of Trustees of INPRS.

OTHER INFORMATION - UNEXAMINED

The District's Annual Financial Report can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the District's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the District. It is presented as intended by the District.

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	Rainy Day	Levy Excess Fund	Fire Cumulative	FEMA Grant	District 10 Training Grant	Fire Debt Service	Fire General	Totals
Cash and investments - beginning	\$ 163,702	\$ 2,857	\$ 42,539	\$ -	\$ 20,001	\$ 125,885	\$ 1,193,575	\$ 1,548,559
Receipts:								
Taxes	-	-	38,390	-	-	113,932	744,541	896,863
Intergovernmental receipts	-	-	5,147	17,742	-	12,307	232,103	267,299
Other receipts	-	-	4,907	-	77,314	-	5,687	87,908
Total receipts	-	-	48,444	17,742	77,314	126,239	982,331	1,252,070
Disbursements:								
Personal services	-	-	-	-	-	-	599,338	599,338
Supplies	-	-	-	-	-	-	8,383	8,383
Other services and charges	-	-	-	17,742	97,316	-	329,287	444,345
Debt service - principal and interest	-	-	-	-	-	176,274	-	176,274
Capital outlay	-	-	46,339	-	-	-	349,112	395,451
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	46,339	17,742	97,316	176,274	1,286,120	1,623,791
Excess (deficiency) of receipts over disbursements	-	-	2,105	-	(20,002)	(50,035)	(303,789)	(371,721)
Cash and investments - ending	\$ 163,702	\$ 2,857	\$ 44,644	\$ -	\$ (1)	\$ 75,850	\$ 889,786	\$ 1,176,838

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Rainy Day	Levy Excess Fund	Fire Cumulative	FEMA Grant	District 10 Training Grant	Fire Debt Service	Fire General	Totals
Cash and investments - beginning	\$ 163,702	\$ 2,857	\$ 44,644	\$ -	\$ (1)	\$ 75,850	\$ 889,786	\$ 1,176,838
Receipts:								
Taxes	-	-	37,023	-	-	151,049	777,387	965,459
Intergovernmental receipts	-	-	3,976	-	-	16,218	266,344	286,538
Other receipts	-	-	-	-	56,902	-	5,955	62,857
Total receipts	-	-	40,999	-	56,902	167,267	1,049,686	1,314,854
Disbursements:								
Personal services	-	-	-	-	-	-	590,354	590,354
Supplies	-	-	-	-	-	-	11,231	11,231
Other services and charges	-	-	-	-	48,166	-	325,154	373,320
Debt service - principal and interest	-	-	-	-	-	169,958	-	169,958
Capital outlay	-	-	50,000	-	-	-	-	50,000
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	50,000	-	48,166	169,958	926,739	1,194,863
Excess (deficiency) of receipts over disbursements	-	-	(9,001)	-	8,736	(2,691)	122,947	119,991
Cash and investments - ending	<u>\$ 163,702</u>	<u>\$ 2,857</u>	<u>\$ 35,643</u>	<u>\$ -</u>	<u>\$ 8,735</u>	<u>\$ 73,159</u>	<u>\$ 1,012,733</u>	<u>\$ 1,296,829</u>

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Rainy Day	Levy Excess Fund	Fire Cumulative	Payroll Deductions	District 10 Training Grant	Fire Debt Service	Fire General	Totals
Cash and investments - beginning	\$ 163,702	\$ 2,857	\$ 35,643	\$ -	\$ 8,735	\$ 73,159	\$ 1,012,733	\$ 1,296,829
Receipts:								
Taxes	-	-	40,500	-	-	156,732	789,915	987,147
Intergovernmental receipts	-	-	4,009	-	-	15,513	240,528	260,050
Other receipts	-	-	11,680	120,808	157,532	1,908	1,684,534	1,976,462
Total receipts	-	-	56,189	120,808	157,532	174,153	2,714,977	3,223,659
Disbursements:								
Personal services	-	-	-	-	-	-	604,622	604,622
Supplies	-	-	-	-	-	-	13,931	13,931
Other services and charges	-	-	-	-	166,267	-	365,411	531,678
Debt service - principal and interest	-	-	-	-	-	171,866	-	171,866
Capital outlay	-	-	39,202	-	-	-	-	39,202
Other disbursements	-	-	-	120,808	-	-	1,176,372	1,297,180
Total disbursements	-	-	39,202	120,808	166,267	171,866	2,160,336	2,658,479
Excess (deficiency) of receipts over disbursements	-	-	16,987	-	(8,735)	2,287	554,641	565,180
Cash and investments - ending	\$ 163,702	\$ 2,857	\$ 52,630	\$ -	\$ -	\$ 75,446	\$ 1,567,374	\$ 1,862,009

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Rainy Day	Levy Excess Fund	Fire Cumulative	Payroll Deductions	District 10 Training Grant	Fire Debt Service	Fire General	Totals
Cash and investments - beginning	\$ 163,702	\$ 2,857	\$ 52,630	\$ -	\$ -	\$ 75,446	\$ 1,567,374	\$ 1,862,009
Receipts:								
Taxes	-	-	41,152	-	-	172,937	808,959	1,023,048
Intergovernmental receipts	-	-	8,198	-	47,178	15,961	242,337	313,674
Other receipts	-	-	-	127,018	-	-	1,879,844	2,006,862
Total receipts	-	-	49,350	127,018	47,178	188,898	2,931,140	3,343,584
Disbursements:								
Personal services	-	-	-	-	46,629	-	632,011	678,640
Supplies	-	-	-	-	549	-	12,079	12,628
Other services and charges	-	-	-	-	-	-	392,224	392,224
Debt service - principal and interest	-	-	-	-	-	177,285	-	177,285
Capital outlay	-	-	59,923	-	-	-	498,925	558,848
Other disbursements	-	-	-	126,350	-	-	1,875,000	2,001,350
Total disbursements	-	-	59,923	126,350	47,178	177,285	3,410,239	3,820,975
Excess (deficiency) of receipts over disbursements	-	-	(10,573)	668	-	11,613	(479,099)	(477,391)
Cash and investments - ending	<u>\$ 163,702</u>	<u>\$ 2,857</u>	<u>\$ 42,057</u>	<u>\$ 668</u>	<u>\$ -</u>	<u>\$ 87,059</u>	<u>\$ 1,088,275</u>	<u>\$ 1,384,618</u>

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2014

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	2008 Rescue Truck and Equipment	\$ -	\$ -
Notes and loans payable	2010 Fire Truck	108,007	76,321
Notes and loans payable	2013 Fire Apparatus Loan	<u>455,566</u>	<u>107,986</u>
Total governmental activities		<u>563,573</u>	<u>184,307</u>
Totals		<u>\$ 563,573</u>	<u>\$ 184,307</u>

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2014

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 209,514
Buildings	1,187,246
Machinery, equipment, and vehicles	1,488,034
Total governmental activities	2,884,794
Total capital assets	\$ 2,884,794

OTHER REPORTS

In addition to this report, other reports may have been issued for the District. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.