



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B34636

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

June 24, 2009

Board of Directors  
Marrs Township Volunteer  
Fire Department, Inc.  
P.O. Box 18055  
Evansville, IN 47719

We have reviewed the audit report prepared by Krueger & Associates, CPA's, LLC, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. 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 Marrs Township Volunteer Fire Department, Inc., as of December 31, 2007, 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

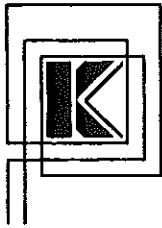
**MARRS TOWNSHIP VOLUNTEER  
FIRE DEPARTMENT, INC.  
Evansville, Indiana**

**FINANCIAL STATEMENTS  
For the Years Ended December 31, 2007 and 2006**

MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.  
Evansville, Indiana

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1
EXHIBIT A                    STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS December 31, 2007 and 2006	2
EXHIBIT B                    STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS - CASH BASIS December 31, 2007 and 2006	3-4
NOTES TO FINANCIAL STATEMENTS	5-7



# Krueger & Associates, CPA's, LLC

1845 Newton Street • Jasper, Indiana 47546 • (812) 482-4454 • (812) 482-4459 Fax

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, and net assets-cash basis of Marrs Township Volunteer Fire Department, Inc. (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of support, revenue, expenses and changes in net assets-cash basis for the years 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 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 Marrs Township Volunteer Fire Department, Inc. as of December 31, 2007 and 2006, and its support, revenue, 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

October 7, 2008

**MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**  
**Evansville, Indiana**

EXHIBIT A

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -  
CASH BASIS

	December 31	
	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 12,753	\$ 3,823
Cash - general savings	42,841	734
Cash - replacement savings	63,660	47,250
Cash - replacement savings	0	51,378
<b>TOTAL ASSETS</b>	<b>\$ 119,254</b>	<b>\$ 103,185</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 41,199	\$ 19,673
<b>LONG-TERM DEBT</b>		
Note payable	132,923	50,765
Mortgage payable	-	-
Total long-term debt	132,923	50,765
<b>TOTAL LIABILITIES</b>	174,122	70,438
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	(93,916)	(6,301)
Board designated	39,048	39,048
Total net assets	(54,868)	32,747
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 119,254</b>	<b>\$ 103,185</b>

The accompanying notes are an integral part of the financial statements.

**MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**  
**Evansville, Indiana**

EXHIBIT B

STATEMENTS OF REVENUE, EXPENSES AND  
 CHANGES IN NET ASSETS - CASH BASIS  
 For the Years Ended December 31,

	<u>2007</u>	<u>2006</u>
<b>SUPPORT AND REVENUE</b>		
Support:		
Grants and contributions	\$ 51,652	\$ 38,956
	<u>51,652</u>	<u>38,956</u>
Revenue:		
Governmental contracts	232,500	226,500
Insurance refunds	12,178	2,179
Interest	2,475	2,168
	<u>247,153</u>	<u>230,847</u>
 Total Support and Revenue	 <u>298,805</u>	 <u>269,803</u>
 <b>EXPENSES</b>		
Program Services:		
Equipment and vehicle maintenance	35,860	49,932
Fuel and oil	5,970	6,922
Supplies	7,883	7,940
Training	3,577	5,475
Member social expense	5,469	6,089
Member incentives	9,196	10,881
Protective clothing	11,101	6,728
Equipment purchases	171,458	59,783
Other	3,379	3,583
	<u>253,893</u>	<u>157,333</u>

**MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**  
**Evansville, Indiana**

EXHIBIT B (CONTINUED)

STATEMENTS OF REVENUE, EXPENSES AND  
 CHANGES IN NET ASSETS - CASH BASIS  
 For the Years Ended December 31,

	<u>2007</u>	<u>2006</u>
Supporting Services:		
Insurance	23,992	24,594
Professional fees	3,890	3,700
Dues and subscriptions	1,870	1,814
Office supplies and equipment	4,951	7,725
Fund drive	3,659	2,376
Utilities and telephone	12,587	12,413
Land purchase	67,865	-
Building maintenance	4,179	10,388
Interest	8,574	4,298
Travel	1,106	755
Other	1,554	1,729
	<u>134,227</u>	<u>69,792</u>
Total Expense	<u>388,120</u>	<u>227,125</u>
Increase (Decrease) in Net Assets	(89,315)	42,678
Net Assets - Unrestricted - Beginning of Year	<u>32,747</u>	<u>(9,931)</u>
Net Assets - Unrestricted - End of Year	<u>\$ (56,568)</u>	<u>\$ 32,747</u>

The accompanying notes are an integral part of the financial statements.

# MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

## Notes to Financial Statements

### NOTE 1--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

#### Nature of Activities

Marrs Township Volunteer Fire Department, Inc. was established to provide fire, emergency medical and rescue services to governmental units located in Posey County, Indiana. The Department's primary source of revenue is from contracts with these governmental units.

#### Basis of Accounting

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting. Under this basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

#### Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, 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 assets were held during 2007 and 2006, and accordingly, these financials do not reflect any activity related to these classes of net assets for 2007 and 2006.

#### 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.

#### 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.

**MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements**

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

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 UNITS:**

<u>Governmental Unit</u>	<u>2007</u>	<u>2006</u>
Marrs Township	\$195,000	\$190,000
Robinson Township	37,500	36,500

**NOTE 3—CONCENTRATION OF CREDIT RISK:**

Approximately 78 and 84 percent of support and revenue in 2007 and 2006, respectively, was from contracts with two Posey County Indiana townships. See Note 2.

The Department maintains their cash in bank deposit accounts at quality financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2007 and 2006, the balances exceeded federally insured limits by approximately \$23,626 and \$ 0, respectively

**NOTE 4—LONG-TERM DEBT:**

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

	<u>2007</u>	<u>2006</u>
8.25% mortgage payable to First Federal Savings Bank, secured by a fire truck, payable in monthly installment of \$2,500, maturing in July 2014	\$ 124,686	\$ -

**MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements**

**NOTE 4—LONG-TERM DEBT (continued):**

	<u>2007</u>	<u>2006</u>
4.89% note payable to Fifth Third Bank, secured by a fire truck, payable in monthly installments of \$1,890, maturing in June 2010	<u>49,436</u>	<u>70,438</u>
	174,122	70,438
Less: current portion of long-term debt:	<u>41,199</u>	<u>19,673</u>
	<u>\$132,923</u>	<u>\$ 50,765</u>

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

<u>December 31,</u>	
2008	\$ 41,199
2009	43,990
2010	31,090
2011	26,204
2012 and thereafter	<u>31,639</u>
	<u>\$174,122</u>

Interest paid on the above notes for the year ended December 31, 2007 and 2006 was \$8,574 and \$6,466, respectively.

**NOTE 5 - CONTINGENCIES:**

In 2005, an action was filed against the Department by an individual. The plaintiff claims that storm water is being backed up onto his property as a result of construction of the Department's fire house several years ago. The parties are attempting to resolve the matter out of court by obtaining an engineer's opinion regarding the issues. No estimate as to the possible outcome of the action can be made.