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July 8, 2009

Board of Directors  
Vincennes Township Volunteer  
Fire Department, Inc.  
1265 Hart Street  
Vincennes, IN 47591

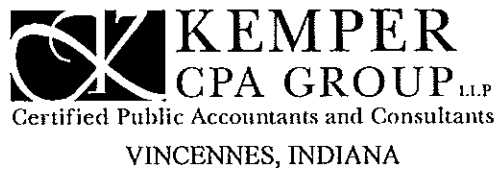
We have reviewed the audit report prepared by Kemper CPA Group, LLP, Independent Public Accountants, for the period January 1, 2006 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Vincennes Township Volunteer Fire Department, Inc., as of December 31, 2007 and 2006, and the results of its operations for the periods 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

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

**FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**



**VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.  
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, and net assets (deficit) – modified cash basis of the Vincennes Township Volunteer Fire Department, Inc. (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of support, revenues, expenses and changes in net assets (deficit) – modified 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 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, these financial statements were prepared on the modified cash basis of accounting, which 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 assets, liabilities, and net assets of the Vincennes Township Volunteer Fire Department Inc. as of December 31, 2007 and 2006, and its support, revenues, and expenses for the years then ended, on the basis of accounting described in Note 1.

*KEMPER CPA GROUP LLP*  
Certified Public Accountants and Consultants

November 14, 2008

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VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Statements of Assets, Liabilities and Net Assets (Deficit) - Modified Cash Basis  
December 31, 2007 and 2006

|  | <u>2007</u>          | <u>2006</u>          |
|--|----------------------|----------------------|
| <b><u>ASSETS</u></b>                                   |                      |                      |
| CURRENT ASSETS   |                      |                      |
| Cash in bank   | \$ 33,105            | \$ 21,538            |
| TOTAL CURRENT ASSETS                                   | <u>33,105</u>        | <u>21,538</u>        |
| <br>TOTAL ASSETS                                       | <br><u>\$ 33,105</u> | <br><u>\$ 21,538</u> |
| <br><b><u>LIABILITIES AND NET ASSETS (DEFICIT)</u></b> |                      |                      |
| CURRENT LIABILITIES                                    |                      |                      |
| Note payable   | \$ 0                 | \$ 38,814            |
| TOTAL CURRENT LIABILITIES                              | <u>0</u>             | <u>38,814</u>        |
| <br>NET ASSETS (DEFICIT)                               |                      |                      |
| Unrestricted   |                      |                      |
| Operating  | <u>33,105</u>        | <u>(17,276)</u>      |
| TOTAL NET ASSETS (DEFICIT)                             | <u>33,105</u>        | <u>(17,276)</u>      |
| <br>TOTAL LIABILITIES AND NET ASSETS                   | <br><u>\$ 33,105</u> | <br><u>\$ 21,538</u> |

VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

**Statements of Support, Revenues, Expenses and  
Changes in Net Assets (Deficit) - Modified Cash Basis**  
For the years ended December 31, 2007 and 2006

|                                   | <u>2007</u>    | <u>2006</u>    |
|-----------------------------------|----------------|----------------|
| <b>SUPPORT AND REVENUES</b>       |                |                |
| Vincennes fire district           | \$ 210,000     | \$ 183,000     |
| Corporation dues                  | 8,595          | 8,287          |
| Gain on sale of truck             | 10,152         | 0              |
| Other income                      | 250            | 2,599          |
| Bank interest                     | 277            | 100            |
| <b>TOTAL SUPPORT AND REVENUES</b> | <u>229,274</u> | <u>193,986</u> |
| <b>EXPENSES</b>                   |                |                |
| Bonuses                           | 2,200          | 1,900          |
| Building and equipment repairs    | 4,436          | 5,523          |
| Donations                         | 1,000          | 1,000          |
| Dues and subscriptions            | 2,055          | 1,730          |
| Equipment rental                  | 0              | 140            |
| Fees                              | 27             | 26             |
| Fire fighting equipment           | 32,416         | 27,756         |
| Fire prevention                   | 7,312          | 4,734          |
| Fuel                              | 16,341         | 14,691         |
| Gifts                             | 25             | 125            |
| Holiday expenses                  | 1,729          | 796            |
| Interest expense                  | 1,339          | 3,712          |
| Ladder and pump testing           | 1,888          | 2,099          |
| Legal and professional fees       | 645            | 0              |
| Licenses and permits              | 0              | 15             |
| Maintenance                       | 4,907          | 5,633          |
| Meals and entertainment           | 0              | 112            |

VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Statements of Support, Revenues, Expenses and  
Changes in Net Assets - Modified Cash Basis (Continued)  
 For the years ended December 31, 2007 and 2006

|   | <u>2007</u>      | <u>2006</u>        |
|---|------------------|--------------------|
| EXPENSES (continued)                    |                  |                    |
| Miscellaneous                           | 202              | 132                |
| Office supplies                         | 4,426            | 3,795              |
| Physicals                               | 0                | 130                |
| Postage and delivery                    | 304              | 18                 |
| Professional development                | 7,394            | 10,565             |
| Public relations                        | 1,428            | 833                |
| Radio repairs                           | 7,150            | 5,074              |
| Run money                               | 24,675           | 26,085             |
| Supplies                                | 2,788            | 3,405              |
| Survey costs                            | 2,165            | 0                  |
| Telephone, internet, pager              | 10,282           | 9,542              |
| Title search                            | 1,350            | 0                  |
| Travel                                  | 1,159            | 0                  |
| Truck repairs                           | 19,378           | 13,221             |
| Uniforms                                | 1,138            | 1,291              |
| Utilities                               | 18,734           | 19,499             |
| TOTAL EXPENSES                          | <u>178,893</u>   | <u>163,582</u>     |
| CHANGE IN NET ASSETS (DEFICIT)          | 50,381           | 30,404             |
| NET ASSETS (DEFICIT), beginning of year | <u>(17,276)</u>  | <u>(47,680)</u>    |
| NET ASSETS (DEFICIT), end of year       | <u>\$ 33,105</u> | <u>\$ (17,276)</u> |

VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements  
December 31, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Vincennes Township Volunteer Fire Department, Inc. was originally incorporated under the laws of the state of Indiana in 1967, as a nonprofit corporation.

The primary objective of the Organization is to foster and promote fire safety and protection among the Vincennes Township. The Internal Revenue Service has ruled that the Organization is exempt from payment of federal income tax under the provisions of Section 501(c)(4) of the Internal Revenue Code.

Basis of Accounting

The organization's policy is to prepare its financial statements on the modified cash basis of accounting. Therefore, revenues are recognized when received instead of over the time associated with service provided, payments to vendors are recognized when paid instead of when goods or services are received, and note payables are recognized as payable instead of a cash disbursement. The modified cash basis of accounting is not in conformity with accounting principles generally accepted in the United States of America.

Basis of 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 of *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. As of December 31, 2007 and 2006, the Organization had no temporarily or permanently restricted net assets.

Property and Equipment

Capital assets are recorded on a pure cash basis in which there are no capital assets recorded. Property and equipment is expensed at the time of purchase.

VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment (continued)

Expenditures for maintenance and repairs are charged to expense. Items which are sold, retired, or otherwise disposed of are recorded as a gain.

Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated as restricted by the donor for a special purpose are reported as temporarily or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenues, expenses and changes in net assets as assets released from restrictions. For the years ended December 31, 2007 and 2006, the Organization had no temporarily or permanently restricted contributions.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - RELATED-PARTY TRANSACTION AND COMMON CONTROL

The Vincennes Township Volunteer Fire Department, Inc. has a direct relationship with the Vincennes Township Fire District. This relationship allows the district to produce over 90% of the volunteer fire department's revenues as shown below.

|      | <u>District Revenue</u> | <u>Total Revenue</u> | <u>Percentage</u> |
|------|-------------------------|----------------------|-------------------|
| 2007 | \$ 210,000              | \$ 229,274           | 91.5%             |
| 2006 | 183,000                 | 193,986              | 94.3%             |

VINCENNES TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following:

|   | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| Note payable, Old National Bank,<br>payable in monthly installments of<br>\$3,086, including interest at 6.15%,<br>due December 2008, secured by first<br>security interest in all leasehold<br>improvements situated on or affixed<br>to Hart Street real estate | \$ 0        | \$ 38,814   |
|   | 0           | 38,814      |
| Less: Current maturities  |             | (38,814)    |
| Total long-term liabilities   | <u>\$ 0</u> | <u>\$ 0</u> |