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November 12, 2013

Board of Directors
Monroe Township Volunteer
Fire Department, Inc.
P.O. Box 88
Henryville, IN 47126

We have reviewed the audit report prepared by J Rorrer & Co., P.C., Independent Public Accountant, for the period January 1, 2009 to December 31, 2009. 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 Monroe Township Volunteer Fire Department, Inc., as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

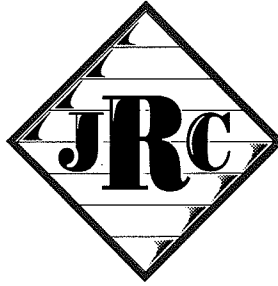
The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**Monroe Township Volunteer Fire Department, Inc.
Audited Financial Statement
For the Year Ended
December 31, 2009**

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J RORRER & CO., P.C. • CERTIFIED PUBLIC ACCOUNTANTS

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND INDIANA & KENTUCKY CPA SOCIETY

INDEPENDENT AUDITOR'S REPORT

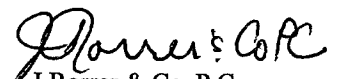
To the Board of Trustee of
Monroe Township Volunteer Fire Department, Inc.

We have audited the accompanying statement of assets liabilities and net assets –modified cash basis of the Monroe Township Volunteer Fire Department, Inc. (a nonprofit corporation) as of December 31, 2009 and the related statement of revenue and expenses and changes in net assets – modified cash basis, and statement of cash flows – 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 the 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, this financial statement has been 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 Monroe Township Volunteer Fire Department, Inc. as of December 31, 2009 and its support, revenue, and expenses for the year then ended, on the basis of accounting described in note 1.


J Rorrer & Co. P.C.
Certified Public Accountants
September 14, 2010

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Monroe Township Volunteer Fire Department, Inc.
Statement of Assets Liabilities and Net Assets
Modified Cash Basis
December 31, 2009

ASSETS

Current Assets:	
Cash and cash equivalents	<u>\$39,188</u>
Total Current Assets	39,188
Property and Equipment:	
Land	29,275
Buildings	705,986
Vehicles	438,389
Fire fighting equipment	604,265
Office	33,162
Alarm system	26,733
Less Accum. Depreciation	<u>(837,712)</u>
Total Property and Equipment	1,000,098
Total Assets	<u><u>\$1,039,286</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Current portion long-term debt	<u>22,278</u>
Total Current Liabilities	22,278
Long-Term Liabilities	
Long term debt	327,286
Less current portion	<u>(22,278)</u>
Total Long-Term Liabilities:	<u>305,008</u>
Total Liabilities	327,286
Net Assets:	
Temporarily restricted	1,314
Unrestricted	<u>710,686</u>
Total Net Assets	712,000
Total Liabilities and Net Assets	<u><u>\$1,039,286</u></u>

See accompanying notes and auditor's report.

Monroe Township Volunteer Fire Department, Inc.
Statement of Revenue and Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ending December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Revenue:			
Contract income	\$182,479	\$0	\$182,479
Miscellaneous Income	6,820	0	6,820
Insurance claims	5,330	0	5,330
Grant	0	375,193	375,193
Crusade for children	15,765	0	15,765
Net assets released from restrictions	92,318	(92,318)	0
Interest income	1,033	0	1,033
Total Revenue	<u>303,745</u>	<u>282,875</u>	<u>586,620</u>
Expenses:			
Accounting	1,495	0	1,495
Advertising	3,222	0	3,222
Bank charges	45	0	45
Building maintenance	6,390	0	6,390
Clothing allowance	14,749	0	14,749
Communication radio	2,939	0	2,939
Contract labor	11,200	0	11,200
Contribution crusade for children	15,884	0	15,884
Depreciation	81,327	0	81,327
Dues and subscriptions	1,246	0	1,246
Fuel	6,883	0	6,883
Expense for Homeland Security Grant	0	396,937	396,937
Interest on loans	18,788	0	18,788
Insurance	24,110	0	24,110
Miscellaneous expense	1,011	0	1,011
Office expense	2,414	0	2,414
Professional fees	5,700	0	5,700
Personal turnout gear	2,930	0	2,930
Meals	4,082	0	4,082
Small equipment and repairs	4,074	0	4,074
Supplies	3,375	0	3,375
Telephone	3,319	0	3,319
Training	15,517	0	15,517
Truck expense	14,197	301	14,498
Uniforms	84	0	84
Utilities	15,811	1,144	16,955
Total Expenses	<u>260,792</u>	<u>398,382</u>	<u>659,174</u>
Other Income and (Expense):			
Rental income	6,490	0	6,490
Rental expense	(1,159)	0	(1,159)
Total Other Income and Expenses	<u>5,331</u>	<u>0</u>	<u>5,331</u>
Changes in Net Assets	<u>48,284</u>	<u>(115,507)</u>	<u>(67,223)</u>
Net Assets, beginning of year	662,402	116,821	779,223
Net Assets, end of year	<u>\$710,686</u>	<u>\$1,314</u>	<u>\$712,000</u>

See accompanying notes and auditor's report.

Monroe Township Volunteer Fire Department, Inc
Statement of Cash Flows
Modified Cash Basis
December 31, 2009

	2009
Operating activities:	
Changes in net assets	(67,223)
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	81,838
Net cash provided by operating activities	14,615
Investing activities:	
Purchase of equipment	(131,853)
Net cash used in investing activities	(131,853)
Financing activities:	
Long term debt proceeds (payments)	(22,613)
Net cash used in financing activities	(22,613)
Net increase (decrease) in cash and cash equivalents	(139,851)
Beginning Cash and Cash Equivalents	179,039
Ending Cash and Cash Equivalents	\$39,188
Supplemental disclosure:	
Interest paid	\$18,788
Taxes paid	\$0

See accompanying notes and auditor's report.

Monroe Township Volunteer Fire Department, Inc.
Notes to the Financial Statements
December 31, 2009

Note 1- Nature of Activities and Significant Accounting Policies:

Nature of Activities:

Monroe Township Volunteer Fire Department, Inc. (a non for Profit Corporation) operates trained volunteers to fight fires, maintain fire fighting equipment, and otherwise provide fire protection and fire prevention services for Monroe Township.

Basis of Presentation:

The Organization maintains its accounts on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, support and revenue are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, accounts receivable from supporting agencies, accounts payable to vendors and suppliers, accrued income and expenses are not included in these financial statements.

Estimates:

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

Cash and Cash Equivalents:

For financial statement purpose, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalent.

Revenue:

The Organization has an annual contract with the Monroe Township Fire Protection District of Clark County, Indiana. They receive funds twice a year from the District when collected by the District. In the event the tax revenues of the District are less than anticipated, than the Organization shall be paid an amount less than the contract amount.

Contributions:

Contributions received are recorded on cash basis, they are recorded when received and no allowance for doubtful accounts is used. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted.

Income Taxes:

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Note 2-Cash:

Unrestricted Cash consists of five accounts. One main operating account is used for receipts and disbursements. Separate accounts are used for rental property, short term savings, and fund raising activities. The balance of unrestricted cash as of December 31, 2009 is \$37,874.

Monroe Township Volunteer Fire Department, Inc.
 Notes to the Financial Statements
 December 31, 2009

Note 3-Property Plant and Equipment:

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method for financial reporting purposes. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Note 4-Long Term Notes Payable:

Long-term notes payable at December 31, 2009 consisted of the following:

Note payable to New Washington State Bank with monthly payments of \$1,733 bearing interest at 6% and collateral of real estate.	\$133,964
Note payable to New Washington State Bank With monthly payments of \$1,721 bearing interest at 5.5% and collateral of real estate located 805 Henryville Blue Lick Rd	<u>193,322</u>
Total	\$327,286
Less current portion	<u>22,278</u>
	<u>\$305,008</u>

Maturities of long term debt are as follows:

Year ending December	<u>Amount</u>
2010	22,278
2011	23,652
2012	25,110
2013	26,659
2014	28,307
Thereafter	<u>201,280</u>
	<u>\$327,286</u>

Note 5-Federal Financial Assistance:

The Organization was awarded a grant from the FEMA and the Department of Homeland Security. The approved project cost total is \$1,069,324. The federal share is 90 percent and the grant recipients share is 10 percent. The period of performance is August 29, 2008 to August 28, 2009. The grant was to purchase 800 MHZ portable radios, including programming, spare battery, lapel microphone, vehicle charger and desk charger. Monroe Township Volunteer Fire Department is a regional host for this grant. Monroe Township acted as a host for six different departments, Borden-Wood Township, Monroe Township, Sellersburg, Utica Township, Charlestown, and New Washington. Monroe Township total grant was \$146,851 their match was \$17,722.

Monroe Township Volunteer Fire Department, Inc.
Notes to the Financial Statements
December 31, 2009

Monroe Township also received a grant from FEMA and the Department of Homeland Security. The approved project cost is \$99,370. The federal share is 95 percent and Organization's share is 5 percent. The period of performance is January 8, 2009 to January 7, 2010. Monroe Township did not meet the match on this grant as of September 14, 2010, they have a balance of \$1,314 left to spend on this grant.

Monroe Township received a grant from FEMA and Department of Homeland Security. The approved project cost is \$293,213. The federal share is 80 percent or \$234,571 and Monroe Township's share is 20 percent or \$58,642. The performance period is July 17, 2010 to July 16, 2011. The grant is to purchase a mobile live fire multiple training prop system.

Note 6-Leases:

The Organization subleases two vehicles #2024 engine and #2022 engine from the Monroe Township Fire Protection District of Clark County, Indiana for the sum of \$1 per year plus the Organization must provide maintenance and insurance for the vehicle. The lease is for the term of one year. The Organization also leases one vehicle 1988 ladder truck from Sellersburg Fire Department for the sum of \$1 per year plus the Organization must provide maintenance and insurance for the vehicle. The lease is for the term of one year.

Note 7 - Donated Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of task that assists the Organization. The Organization could not operate if they did not have volunteers.

Note 8 - Fair Value of Financial Instruments:

The carrying amount of the following financial instruments approximate fair value because of the short maturity of the instruments: cash equivalents.

The fair value of the Organization's long-term debt is estimated at \$327,286 based on the future cash flows associated with each note discounted using the Organization's current borrowing rate for similar debt.

Note 9 - Concentration of Credit Risk and Economic Dependence:

The Organization maintains its cash at a financial institution located in Charlestown, Indiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year, the Organization's cash balance may be in excess of federally insured limits.

The Organization has only one customer Monroe Township Fire Protection District of Clark County, Indiana. However, their services will always be needed by the public.

Note 10-Subsequent Event

The Organization has evaluated subsequent events through September 14, 2010 the date which the financial statements were available to be issued.