



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B46012

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

March 17, 2016

Board of Directors
Mt. Etna Volunteer Fire Department
9750 E. 1000 South 35
Lafontaine, IN 46940

We have reviewed the audit report prepared by David Culp & Co. LLP, for the period January 1, 2014 to December 31, 2014. 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 Mt. Etna Volunteer Fire Department, as of December 31, 2014, 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

MT. ETNA VOLUNTEER FIRE DEPARTMENT

AUDIT REPORT

DECEMBER 31, 2014

CONTENTS

	Page No.
Independent auditor's report	1
Statement of assets, liabilities and net assets - Cash basis	3
Statement of receipts, disbursements and change in net assets - Cash basis	4
Notes to financial statements	5

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mt. Etna Volunteer Fire Department
LaFontaine, Indiana 46940

Report on the Financial Statements

We have audited the accompanying financial statements of Mt. Etna Volunteer Fire Department (a nonprofit organization), which comprise the statement of assets, liabilities and net assets - cash basis as of December 31, 2014, and the related statements of revenues, expenses and change in net assets - cash basis and functional expenses - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Mt. Etna Volunteer Fire Department as of December 31, 2014, and its revenues and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.



David Culp & Co. LLP
Certified Public Accountants

Huntington, Indiana
January 29, 2016

MT. ETNA VOLUNTEER FIRE DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS
DECEMBER 31, 2014

ASSETS

<u>Current Assets:</u>	
Cash and cash equivalents - Notes 1 and 2	<u>\$16,107</u>
Total assets	<u>\$16,107</u>

LIABILITIES AND NET ASSETS

<u>Total Liabilities</u>	\$ -
<u>Unrestricted Net Assets - Note 1</u>	<u>16,107</u>
Total liabilities and net assets	<u>\$16,107</u>

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

MT. ETNA VOLUNTEER FIRE DEPARTMENT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Receipts -

Fire protection contract payments	\$ 82,152
Fire truck township payments	149,349
Bank loan proceeds	60,285
Central Harvest States grant	9,200
DNR grant	4,747
Roundup grant	1,154
Interest income	4
Miscellaneous income	67
	<hr/>
Total receipts	306,958

Disbursements -

Supplies	3,937
Building repairs and maintenance	4,218
Internet	574
Firefighter expenses	10,000
Training	459
IVFA dues	660
Insurance	19,678
Workman's compensation insurance	1,338
Loan payment	10,000
Truck purchase	199,634
Truck repair and maintenance	3,616
LP expense	6,678
Equipment maintenance	5,631
Truck fuel	2,152
Equipment purchases	22,354
Postage	54
Telephone	683
Electricity	2,600
Miscellaneous expense	1,307
	<hr/>
Total disbursements	295,573

Change in net assets 11,385

Net assets, beginning of year 4,722

Net assets, end of year \$ 16,107

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

MT ETNA VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

Note 1: Organization and summary of significant accounting policies -

Organization - The mission of the Mt. Etna Volunteer Fire Department is to provide fire protection and emergency medical service to the townships of Lancaster, Jefferson, Wayne and Polk, and the town of Mt. Etna in the Southwest corner of Huntington County. Mt. Etna Volunteer Fire Department was incorporated in 1961 and has served the community since 1948.

Basis of accounting - The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that 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 in the financial statement. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues at the date of the financial statement are not included in the financial statement.

Basis of presentation - The financial statements have been prepared in accordance with FASC 958, which requires, among other things, that the financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Temporarily restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by passage of time. As of December 31, 2014, there were no temporarily restricted net assets.

MT ETNA VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014

Note 1: Organization and summary of significant accounting policies
(Continued) -

Basis of presentation (Continued) -

Permanently restricted - Net assets whose use by The Organization is subject to donor-imposed restrictions requiring that the principle be invested in perpetuity and the income only be utilized for purposes specified by the donor. As of December 31, 2014, there were no permanently restricted net assets.

Income tax status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and state income taxes under corresponding provisions of Indiana tax law. Additionally, the Organization is not considered a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes. This standard addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits that could be recognized in the financial statements from such positions would be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2014, there were no unrecognized tax benefits identified or recorded as liabilities. The Organization files Form 990 and the related state of Indiana return, and remains subject to examination by the Internal Revenue Service for the most recent three years.

MT. ETNA VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014

Note 1: Organization and summary of significant accounting policies
(Continued) -

Contributions - Under FASC 958, all contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities - cash basis as net assets released from restrictions. Donor-imposed stipulations are reported as unrestricted net assets if the stipulations expire in the reporting period in which the revenue is recognized.

Cash and cash equivalents - For purposes of the statement of assets, liabilities and net assets - cash basis, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Note 2: Concentration of credit risk - The Organization maintains its cash account in a local commercial bank. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash was insured the entire year.

Note 3: Subsequent events - The Organization evaluated all events or transactions that occurred after December 31, 2014 up through January 29, 2016, which is the date the financial statements were available to be issued. During this period, management has determined that the Organization did not have any material recognizable or disclosable subsequent events.