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March 28, 2017

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, for the period January 1, 2015 to December 31, 2015. 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 Marrs Township Volunteer Fire Department, Inc., as of December 31, 2015, 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.

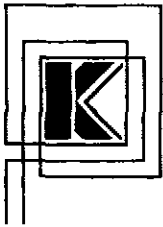
Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

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

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2015 and 2014**

MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

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Krueger & Associates, CPA's, LLC

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Marrs Township Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of December 31, 2015 and 2014, and the related statements of support, revenue, and expenses—modified cash basis for the years 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 modified cash basis of accounting as described in Note 1; this includes determining that the modified 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 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 from 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 Marrs Township Volunteer Fire Department, Inc. as of December 31, 2015 and 2014, and its support, revenue, and expenses for the years then ended in accordance with the modified 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 modified 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 this matter.

Krueger & Associates, CPA's, LLC

Krueger & Associates, CPA's, LLC

Jasper, Indiana

September 9, 2016

MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

EXHIBIT A

**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS**

ASSETS

	December 31,	
	2015	2014
CURRENT ASSETS		
Cash - payroll	\$10,583	\$2,500
Cash - CSB fund drive	12,359	49,635
Cash - sweep	97,065	20,590
Cash - operating	0	8,785
Cash - truck replacement	2,556	42,277
	122,563	123,787
TOTAL CURRENT ASSETS		
	122,563	123,787
TOTAL ASSETS	\$122,563	\$123,787

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	\$66,625	\$48,930
Bank overdraft	4,358	0
Accrued payroll taxes	839	584
	71,822	49,514
LONG-TERM DEBT		
Notes payable	517,937	279,941
	517,937	279,941
TOTAL LIABILITIES	589,759	329,455
NET ASSETS		
Unrestricted		
Undesignated	(506,244)	(244,716)
Board designated	39,048	39,048
	(467,196)	(205,668)
TOTAL NET ASSETS	(467,196)	(205,668)
TOTAL LIABILITIES AND NET ASSETS	\$122,563	\$123,787

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 - MODIFIED CASH BASIS
 For the Years Ended December 31,

	2015	2014
SUPPORT AND REVENUE		
Support:		
Grants and contributions	\$69,990	\$50,144
	69,990	50,144
Revenue:		
Governmental contracts	334,410	308,500
Miscellaneous	400	10,085
Gain on sale of assets	25,000	0
Interest	208	325
	360,018	318,910
Total Support and Revenue	430,008	369,054
EXPENSES		
Program Services:		
Equipment and vehicle maintenance	29,592	42,009
Fuel and oil	5,855	12,484
Supplies	2,711	1,322
Training	8,120	9,931
Member social expense	4,964	5,143
Member incentives	10,683	15,994
Protective clothing	8,193	10,227
Equipment purchases	486,986	64,220
Other	1,690	2,266
	558,794	163,596

MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

EXHIBIT B (CONTINUED)

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

	2015	2014
Supporting Services:		
Insurance	31,428	33,759
Wages	31,610	28,975
Payroll taxes	3,169	2,939
Professional fees	6,844	9,186
Donations	500	0
Office supplies and equipment	7,327	9,699
Fund drive	4,674	4,799
Utilities and telephone	14,872	13,647
Building maintenance	10,131	9,917
Interest	17,030	17,549
Other	5,157	6,294
	<u>132,742</u>	<u>136,764</u>
 Total Expenses	<u>691,536</u>	<u>300,360</u>
 Increase (Decrease) in Net Assets	<u>(261,528)</u>	<u>68,694</u>
 Net Assets - Unrestricted - Beginning of Year	<u>(205,668)</u>	<u>(274,362)</u>
 Net Assets - Unrestricted - End of Year	<u><u>(\$467,196)</u></u>	<u><u>(\$205,668)</u></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 modified cash basis of accounting. Under this method of accounting, revenues are recognized when received and expenses when paid. The Department records notes payable.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958, formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958, 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 2015 and 2014, and accordingly, these financials do not reflect any activity related to these classes of net assets for 2015 and 2014.

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. There are no material tax provisions taken by the organization which require recognition or disclosure under the provisions of FASB ASC 740 (formerly FIN 48) "Accounting for Uncertainty in Income Taxes". The organization's federal and state income tax returns for all years after 2012 are subject to examination by taxing authorities.

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.

Date of Management’s Review

Management has evaluated subsequent events through September 9, 2016, the date of which the financial statements were available to be issued.

NOTE 2–CASH RECEIVED FROM GOVERNMENTAL UNITS:

<u>Governmental Unit</u>	<u>2015</u>	<u>2014</u>
Marrs Township	\$260,000	\$240,000
Robinson Township	74,410	68,500

NOTE 3–CONCENTRATION OF CREDIT RISK:

Approximately 78 and 83 percent of support and revenue in 2015 and 2014, 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, 2015 and 2014, the balances exceeded federally insured limits by approximately \$ 0 and \$ 0, respectively

MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements

NOTE 4—LONG-TERM DEBT:

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

	<u>2015</u>	<u>2014</u>
5.25% mortgage payable to CSB State Bank, secured by a building, payable in monthly installment of \$2,913, maturing in March 2031	\$280,763	\$307,200
3.25% note payable to CSB State Bank, secured by a vehicle, payable in monthly installments of \$3,600 maturing in October 2023	303,799	-
3.25% note payable to CSB State Bank, secured by a vehicle, payable in monthly installments of \$1,675 maturing in June 2017	<u>-</u>	<u>21,671</u>
	584,562	328,871
Less: current portion of long-term debt:	<u>66,625</u>	<u>48,930</u>
	<u>\$517,937</u>	<u>\$279,941</u>

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

<u>December 31,</u>	
2016	\$ 66,625
2017	69,404
2018	72,305
2019	75,335
2020 and thereafter	<u>300,893</u>
	<u>\$584,562</u>

Interest paid on the above notes for the year ended December 31, 2015 and 2014 was \$17,030 and \$17,549, respectively.