



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B49755

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 29, 2018

Board of Directors
Sugar Creek Fire Department, Inc.
375 W. National Avenue
West Terre Haute, IN 47885

We have reviewed the report prepared by Sugar Creek Fire Department, Inc. and opined upon by Sackrider & Company, Inc., Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Sugar Creek 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.

In our opinion, Sackrider & Company, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

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

SUGAR CREEK FIRE DEPARTMENT, INC.

**Financial Statements and
Independent Auditor's Report**

December 31, 2015

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2.
FINANCIAL STATEMENTS	
Statements of Financial Position	3.
Statements of Activities	4.
Statements of Cash Flows	5.
Statements of Functional Expenses	6.
Notes to Financial Statements	7-8.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sugar Creek Fire Department, Inc.
West Terre Haute, Indiana

We have audited the accompanying financial statements of the Sugar Creek Fire Department, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses 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 accounting principles generally accepted in the United States of America; this includes 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 financial position of the Sugar Creek Fire Department, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Sackrider & Company, Inc.

Terre Haute, Indiana
November 4, 2016

SUGAR CREEK FIRE DEPARTMENT, INC.

Statements of Financial Position

December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Cash	\$ 94,970	\$ 254,923
Accounts receivable	176,610	-
Total current assets	<u>271,580</u>	<u>254,923</u>
Property and equipment		
Equipment	471,044	445,037
Less: Accumulated depreciation	<u>390,651</u>	<u>354,455</u>
	<u>80,393</u>	<u>90,582</u>
	<u>\$ 351,973</u>	<u>\$ 345,505</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 9,819	\$ 14,358
Payroll taxes	4,306	5,449
Total current liabilities	<u>14,125</u>	<u>19,807</u>
Net assets, unrestricted	<u>337,848</u>	<u>325,698</u>
	<u>\$ 351,973</u>	<u>\$ 345,505</u>

The accompanying notes are an integral part of these statements.

SUGAR CREEK FIRE DEPARTMENT, INC.

Statements of Activities

Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Support and Revenue		
Contributions	\$ 47,165	\$ 52,215
Service contract revenue	332,300	322,070
Interest income	117	96
Miscellaneous income	8,026	11,575
Total support and revenue	<u>387,608</u>	<u>385,956</u>
Program Expenses		
Fire and emergency medical services	<u>375,458</u>	<u>366,741</u>
Change in unrestricted net assets	12,150	19,215
Net assets at beginning of year	<u>325,698</u>	<u>306,483</u>
Net assets at end of year	<u>\$ 337,848</u>	<u>\$ 325,698</u>

The accompanying notes are an integral part of these statements.

SUGAR CREEK FIRE DEPARTMENT, INC.

Statements of Cash Flows

Years Ended December 31,

	<u>2015</u>		<u>2014</u>
Cash flows from operating activities:			
Change in net assets	\$ 12,150	\$	19,215
Adjustments to reconcile change in net assets to net cash from operating activities:			
Depreciation	36,196		38,247
Change in assets and liabilities:			
Accounts receivable	(176,610)		-
Accounts payable	(4,539)		(385)
Payroll taxes	(1,143)		(127)
Net cash from operating activities	<u>(133,946)</u>		<u>56,950</u>
Cash flows from investing activities:			
Expenditures for property and equipment	<u>(26,007)</u>		<u>(28,627)</u>
Net cash from investing activities	<u>(26,007)</u>		<u>(28,627)</u>
NET CHANGE IN CASH	(159,953)		28,323
Cash at beginning of period	<u>254,923</u>		<u>226,600</u>
Cash at end of period	\$ <u>94,970</u>	\$	<u>254,923</u>

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as cash in the statement of financial position which includes a checking account.

The accompanying notes are an integral part of these statements.

SUGAR CREEK FIRE DEPARTMENT, INC.

Statements of Functional Expenses

Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Fire and Emergency Medical Services:		
Salaries	\$ 157,728	\$ 152,070
Payroll taxes	12,066	11,633
Building maintenance	14,819	8,145
Payroll processing fees	318	216
Communications	635	847
Fire prevention and emergency medical service equipment	31,721	36,025
Fuel	15,537	21,085
Information systems	160	624
Outside services	28,914	16,421
Public relations	-	868
Safety	1,661	2,250
Supplies	7,545	6,422
Training and education	8,303	10,255
Utilities	19,655	21,055
Vehicle maintenance	16,175	27,584
Employee health insurance	<u>24,025</u>	<u>12,994</u>
Total functional expenses before depreciation	339,262	328,494
Depreciation expense	<u>36,196</u>	<u>38,247</u>
Total functional expenses	\$ <u>375,458</u>	\$ <u>366,741</u>

The accompanying notes are an integral part of these statements.

SUGAR CREEK FIRE DEPARTMENT, INC.

Notes to Financial Statements

December 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES

Sugar Creek Fire Department, Inc. provides fire protection and emergency medical services to persons who reside in Sugar Creek Township in Vigo County, Indiana.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Sugar Creek Fire Department, Inc.'s significant accounting policies applied in preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements of the Sugar Creek Fire Department, Inc. have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is zero at December 31, 2015 and 2014, respectively. The Department uses the direct write-off method for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Depreciation is computed on a straight-line basis over the estimated useful life of the assets.

Functional Allocation of Expenses

Expenses by function have been allocated entirely to the Organization's fire and emergency medical services program.

Support and Revenue

Support and revenue received are measured at their fair values and are reported as an increase in net assets. Support and revenue are reported as restricted support if they are received with stipulations that limit the use of the assets, or if they are designated as support for future periods. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Restricted support whose restrictions are met in the same reporting period are reported as unrestricted support.

SUGAR CREEK FIRE DEPARTMENT, INC.

Notes to Financial Statements - Continued

December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Contributed Services

The Organization is a voluntary organization, and as such, services are contributed, be it in connection with service on the board of directors or in providing fire protection and emergency medical services. It is not practical to measure the extent of the services provided for the period under audit, to recognize the services as revenue, or to value services not recognized as revenue.

Subsequent Events

Management has evaluated subsequent events through November 4, 2016, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statement or disclosure in the notes to the financial statements.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Sugar Creek Fire Department, Inc. is subject to a concentration of credit risk primarily from its dependence on tax levy revenue from Vigo County and Sugar Creek Fire Protection District.

NOTE 4 - INCOME TAXES

The Sugar Creek Fire Department, Inc. is a wholly-exempt not-for-profit organization in accordance with the Internal Revenue Code Section 501(c)(3). Therefore, no provision for federal or state income taxes has been reflected in the financial statements.

The Organization's policy is to evaluate the likelihood that its uncertain tax provisions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Organization has no uncertain tax positions.

The Organization's information returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2015, the Organization's federal and state tax returns for the last three years are open for examination as each year's returns remain open for examination for three years.

NOTE 5 - FUNDING

Funding of the Organization for the year was primarily provided by property tax levies. Amounts provided from the Vigo County Treasurer, passed through to Sugar Creek Fire Protection District for the year ended December 31, 2015 and 2014 was \$332,300 and \$322,070, respectively. Included in accounts receivable at December 31, 2015 and 2014 from Sugar Creek Fire Protection District was \$176,610 and \$0, respectively.