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April 3, 2018

Board of Directors
Green Township Volunteer Fire Rescue, Inc.
6475 Maple Grove Road
Martinsville, IN 46151

We have reviewed the report prepared by Green Township Volunteer Fire Rescue, Inc. and opined upon by Capin Crouse LLP, Independent Public Accountants, for the period January 1, 2015 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Green Township Volunteer Fire Rescue, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Capin Crouse LLP 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



GREEN TOWNSHIP VOLUNTEER FIRE
RESCUE, INC.

Statements of Cash Receipts,
Disbursements, and Cash Balances
With Independent Auditors' Report

December 31, 2016 and 2015

GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Green Township Volunteer Fire Rescue, Inc.
Martinsville, Indiana

We have audited the accompanying financial statements of Green Township Volunteer Fire Rescue, Inc. (a nonprofit corporation) (Organization), which comprise the statements of cash receipts, disbursements, and cash balances as of and for the years ended December 31, 2016 and 2015, 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 described in Note 2; 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.

Auditors' 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 audits 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.

Board of Directors
Green Township Volunteer Fire Rescue, Inc.
Martinsville, Indiana

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the cash receipts, disbursements, and cash balances of Green Township Volunteer Fire Rescue, Inc. as of and for the years ended December 31, 2016 and 2015, on the cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. These 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.

Capin Crouse LLP

Greenwood, Indiana
June 7, 2017

GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

Statements of Cash Receipts, Disbursements, and Cash Balances

	Year Ended December 31,	
	2016	2015
CASH RECEIPTS:		
Public support:		
Donations	\$ 700	\$ 937
Lemon shake stand fund-raising event	27,800	30,958
Other fund-raising events	-	1,819
	<u>28,500</u>	<u>33,714</u>
Revenues:		
Green Township contract revenue	178,200	182,000
LOIT revenue	20,000	20,000
Grants income	5,000	84,429
Other income	1,342	8,542
	<u>204,542</u>	<u>294,971</u>
Total Cash Receipts	<u>233,042</u>	<u>328,685</u>
CASH DISBURSEMENTS:		
Program service:		
Fire protection services	<u>177,011</u>	<u>277,563</u>
Supporting activities:		
Management and general	24,820	30,582
Fund-raising—Lemon shake stand and other events	9,479	11,896
	<u>34,299</u>	<u>42,478</u>
Total Cash Disbursements	<u>211,310</u>	<u>320,041</u>
Change in Cash	21,732	8,644
Cash, Beginning of Year	<u>115,653</u>	<u>107,009</u>
Cash, End of Year	<u>\$ 137,385</u>	<u>\$ 115,653</u>

See notes to financial statements

GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

Notes to Financial Statements

December 31, 2016 and 2015

1. NATURE OF ORGANIZATION:

Green Township Volunteer Fire Rescue, Inc. (Organization), an Indiana not-for-profit corporation, was incorporated in 1987. The Organization provides medical, fire, and rescue protection services to those within its geographic boundaries. The value of human life and property saved is immeasurable.

The Organization is exempt from federal and state income taxes under Section 501(c)(4) of the U.S. Internal Revenue Code (code) and comparable state law. The department is also classified as a publicly supported organization, which is not a private foundation under Section 509(a)(2) of the code. Contributions to the Organization are deductible for income tax purposes.

The Organization receives the majority of its revenue from annual government service contracts from Green Township, Morgan County, and Martinsville, Indiana.

2. SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under that basis, receipts and disbursements are recognized when cash is received or paid.

CASH AND CREDIT RISK

The Organization's cash consists of checking accounts, a money market account, and a savings account. From time to time, these accounts exceed federally insured limits. However, the Organization has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

PUBLIC SUPPORT AND REVENUE CASH RECEIPTS

Support and revenue is reported when cash is received. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. During the years ended December 31, 2016 and 2015, no gifts with restrictions were received.

GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

Notes to Financial Statements

December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CONCENTRATION OF GOVERNMENT REVENUE RISK

Based on the budget restrictions at the state and local levels, the Organization's governmental revenue is subject to the government's budget fluctuations.

CONTRIBUTED SERVICES

The Organization's services could not be fully achieved without the dedicated efforts of many volunteers. These contributed services are not reported as they do not meet the "specialized skills" requirements under the *Not-For-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

CASH DISBURSEMENTS, FUNCTIONAL ALLOCATION OF DISBURSEMENTS, AND JOINT COSTS

Disbursements are reported when paid. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of cash receipts, disbursements and cash balances. Accordingly, certain costs, have been allocated among the program services and supporting activities benefited. The Organization incurred no joint costs for the years ended December 30, 2016, and 2015.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in disbursements in the statements of cash receipts, disbursements, and cash balances. As of December 31, 2016 and 2015, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

Notes to Financial Statements

December 31, 2016 and 2015

3. BANK LOAN:

The Organization has a variable interest bank loan with an interest rate of 5.75% as of December 31, 2016 and 2015, with an outstanding balance of \$196,085 and \$218,583, respectively. The variable rate may change on February 16, 2022, and every year thereafter. The changed rate will be based on the Treasury Constant Maturity one year in effect 45 days prior to the change date plus 3.75%. The interest rate will never be less than 5.75%. The loan is secured by the Organization's building. Loan is payable in semi-annual principal and interest payments of \$15,475. Final payment is due in February 2025.

The bank loan matures as follows:

<u>Year Ending December 31,</u>	
2017	\$ 19,828
2018	20,998
2019	22,238
2020	23,551
2021	24,941
Thereafter	<u>84,529</u>
	<u><u>\$ 196,085</u></u>

4. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.