



STATE OF INDIANA
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July 13, 2018

Board of Directors
Utica Township Fire Department, Inc.
5203 Charlestown Road
New Albany, IN 47150

We have reviewed the report prepared by Utica Township Fire Department, Inc. and opined upon by King + Company, CPAs, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Utica Township 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, King + Company, CPAs 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

Audited Financial Statements

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

December 31, 2015

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king + company
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James O. King, Jr., CPA (1951-2015)
Ronnie J. Harris, Jr., President
Christopher A. Fralick, CEO
Susan G. Pike, Vice President

| | |
|----------------------------|--------------------------|
| <i>T. Jane Beach</i> | <i>Amanda J. Drake</i> |
| <i>Rose K. Hofmann</i> | <i>David A. James</i> |
| <i>Julie L. Kubac</i> | <i>Bryan T. Lynch</i> |
| <i>D. Logan McCauley</i> | <i>Erin B. O'Connell</i> |
| <i>Heather M. Rattliff</i> | <i>James W. Taylor</i> |
| <i>Ellen H. Thomas</i> | <i>Jonathan C. Yan</i> |

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Utica Township Fire Department, Inc.
New Albany, Indiana

We have audited the accompanying financial statements of Utica Township Fire Department, Inc. (the "Company") (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows 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 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.

Auditors' 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 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 Utica Township Fire Department, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



King + Company
Certified Public Accountants

Louisville, Kentucky
December 12, 2017

STATEMENT OF FINANCIAL POSITION

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

December 31, 2015

ASSETS

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$560,519 |
| Vehicles and equipment | 178,264 |
| Other assets | <u>27,190</u> |

TOTAL ASSETS \$765,973

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|-----------------------------------|---------------|
| Deferred revenue | \$ 75,000 |
| Current portion of long-term debt | <u>34,029</u> |

TOTAL CURRENT LIABILITIES 109,029

LONG-TERM LIABILITIES

| | |
|--------------------------------------|---------------|
| Long-term debt, less current portion | <u>75,449</u> |
|--------------------------------------|---------------|

TOTAL LIABILITIES 184,478

NET ASSETS

| | |
|------------|----------------|
| Net assets | <u>581,495</u> |
|------------|----------------|

TOTAL NET ASSETS 581,495

TOTAL LIABILITIES AND NET ASSETS \$765,973

STATEMENT OF ACTIVITIES

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

For the year ended December 31, 2015

SUPPORT AND REVENUE:

| | |
|----------------------------------|------------------|
| Property taxes | \$1,063,000 |
| Contributions | 6,370 |
| TOTAL SUPPORT AND REVENUE | <u>1,069,370</u> |

EXPENSES:

| | |
|---------------------------------|------------------|
| Building maintenance | 17,657 |
| Depreciation | 42,329 |
| Employee benefits | 41,616 |
| Firefighting equipment | 18,035 |
| Fuel | 87,824 |
| Interest | 7,940 |
| Medical supplies | 411 |
| Meetings | 130 |
| Office supplies | 13,168 |
| Professional dues | 640 |
| Property insurance | 86,187 |
| Retirement | 8,537 |
| Salaries and wages | 582,034 |
| Training | 2,940 |
| Uniforms | 4,759 |
| Utilities | 33,614 |
| Vehicle maintenance | 17,370 |
| Workers' compensation insurance | 59,869 |
| TOTAL EXPENSES | <u>1,025,060</u> |

OTHER REVENUE

| | |
|------------------------------|---------------|
| Gain on sale of fixed assets | <u>62,344</u> |
|------------------------------|---------------|

CHANGE IN NET ASSETS 106,654

NET ASSETS BEGINNING OF YEAR 474,841

NET ASSETS END OF YEAR \$ 581,495

STATEMENT OF CASH FLOWS

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

For the year ended December 31, 2015

OPERATING ACTIVITIES

| | |
|--|----------------|
| Change in net assets | \$ 106,654 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | |
| Gain on sale of vehicles | (62,344) |
| Depreciation | 42,329 |
| Decrease in other assets | 2,745 |
| Increase in unearned revenue | 75,000 |
| Decrease in accounts payable | (19,865) |
| Decrease in accrued expenses | (14,400) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 130,119 |

INVESTING ACTIVITIES

| | |
|--|----------------|
| Proceeds from sale of equipment | 410,000 |
| Purchases of equipment | (64,423) |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 345,577 |

FINANCING ACTIVITIES

| | |
|--|------------------|
| Net payments on long-term debt | (428,495) |
| NET CASH USED IN FINANCING ACTIVITIES | (428,495) |

NET INCREASE IN CASH AND CASH EQUIVALENTS 47,201

Cash and cash equivalents at beginning of year 513,318

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 560,519

SUPPLEMENTAL DISCLOSURE

Interest paid \$ 22,340

NOTES TO FINANCIAL STATEMENTS

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

December 31, 2015

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by Utica Township Fire Department, Inc. (the "Department") which materially affect the determination of financial position, results of operations and cash flows are as follows:

Background: The Department was incorporated in the state of Indiana in 2008 as a not-for-profit 501(c)(4) organization. The principal activity is to provide fire and emergency services to the people within the New Albany Township Fire Protection District (the "District"). The District provides the Department with funding and the land and buildings necessary to conduct operations.

Basis of Accounting: The Department follows accounting principles generally accepted in the United States of America. The financial statements are presented on an accrual basis.

Financial Statement Presentation: The Department presents its financial statements in conformance with the disclosure and display requirements of the Financial Accounting Standards Board as set forth in Accounting Standards Codification (ASC) Topic 958, "Not-for-Profit Entities." ASC Topic 958 establishes standards for external financial reporting by nonprofit organizations. It requires that information regarding financial position and activities be reported into three classes of net assets based on the existence or absence of externally donor-imposed restrictions: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets consist of contributions without donor-imposed restrictions. The Department has no permanently or temporarily restricted net assets.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents: For purposes of reporting the statement of cash flows, the Department considers all cash accounts, which are not subject to withdrawal restrictions or penalties to be cash equivalents.

The Department may maintain cash balances with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

NOTES TO FINANCIAL STATEMENTS

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

December 31, 2015

NOTE A--SIGNIFICANT ACCOUNTING POLICIE--CONTINUED

Land & Buildings: The Department uses two real estate properties in New Albany, Indiana that are provided by the District. The values of these properties are not recorded on the statement of financial position, because the properties are not leased and deeds to the properties remain with the District.

Vehicles and Equipment: Additions and improvements are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Vehicles and equipment are stated at cost. Provisions for depreciation of vehicles and equipment have been computed using straight-line methods over the estimated useful lives of the assets.

Net Assets: There are no restrictions applied to any contributions received and all assets are available for unrestricted use.

Income Taxes: The Department is a not-for-profit organization exempt from the payment of federal income tax under the provisions of Section 501(c)(4) of the Internal Revenue Code.

The Department's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Support and Revenue: The District pays the Department annually for services to be performed, which is subject to final approval by the Indiana Department of Local Government Finance. The Department receives these payments in semi-annual installments.

Subsequent Events: The Department has evaluated all events or transactions that occurred after December 31, 2015 through December 12, 2017, the date these financial statements were issued. During this period no material recognizable subsequent events that required disclosure to the December 31, 2015 financial statements occurred.

Compensated Absences: The amount for compensated absences has not been accrued because these costs cannot be reasonably estimated.

NOTES TO FINANCIAL STATEMENTS

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

December 31, 2015

NOTE B--VEHICLES AND EQUIPMENT

Department vehicles and equipment at December 31, 2015 were as follows:

| | |
|--|------------|
| Vehicles | \$ 239,041 |
| Equipment | 46,457 |
| | <hr/> |
| | 285,498 |
| Less accumulated depreciation and amortization | (107,234) |
| | <hr/> |
| | \$ 178,264 |
| | <hr/> |

Depreciation expense for year ended December 31, 2015 was \$42,329.

In February 2015, the Clark County Fire Board purchased the Department's ladder truck for \$410,000. The net effect of this disposition after accounting for the corresponding loan balance and accumulated depreciation resulted in a gain of \$62,344, which is reflected on the Other Revenue section of the Statement of Activities. Subsequent to this purchase, the Clark County Fire Board provided the Department with a new ladder truck in exchange for discontinuing annual contributions provided to the Department. The value of the ladder truck is not recorded on the statement of financial position, because the new ladder truck is not leased and title to the new ladder truck remains with the Clark County Fire Board.

NOTE C--LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2015:

| | |
|--|-----------|
| Installment loan payable to a bank, with a fixed interest rate of 4.99%. The monthly payments are \$1,016, with the last payment due April 2020. The loan is secured by a vehicle used in Department operations. | \$ 48,377 |
| Installment loan payable to a bank, with a fixed interest rate of 4.60%. The monthly payments are \$984, with the last payment due June 2020. The loan is secured by a vehicle used in Department operations. | 45,685 |
| Installment loan payable to a bank, with a fixed interest rate of 6.39%. The monthly payments are \$1,248 with the last payment due January 2017. | 15,416 |
| | <hr/> |
| | 109,478 |
| Less current portion | (34,029) |
| | <hr/> |
| | \$ 75,449 |
| | <hr/> |

NOTES TO FINANCIAL STATEMENTS

UTICA TOWNSHIP FIRE DEPARTMENT, INC.

December 31, 2015

NOTE C--LONG-TERM DEBT--CONTINUED

Maturities of long-term debt are as follows:

| | |
|------|-----------|
| 2016 | \$ 34,029 |
| 2017 | 23,589 |
| 2018 | 21,939 |
| 2019 | 23,015 |
| 2020 | 6,906 |
| | <hr/> |
| | \$109,478 |
| | <hr/> |

NOTE D--SIMPLE IRA PLAN

The Department has a SIMPLE IRA plan for its employees. Employees are eligible to contribute to their SIMPLE IRA after 90 days of employment. The Department matches employee pre-tax deferrals on a dollar-for-dollar basis up to 3% of employee compensation. The Department recognized an expense of \$8,537 for the year ended December 31, 2015.