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September 26, 2018

Board of Directors  
Sellersburg Volunteer Fire Department, Inc.  
426 E. Utica St.  
Sellersburg, IN 47172

We have reviewed the report prepared by Sellersburg Volunteer Fire Department, Inc. and opined upon by Rodefer Moss & Co, PLLC, Independent Public Accountants, for the period April 1, 2017 to March 31, 2018. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Sellersburg Volunteer Fire Department, Inc. as of March 31, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Rodefer Moss & Co, PLLC 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

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.

Financial Statements

March 31, 2018 and 2017

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Financial Statements  
March 31, 2018 and 2017

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## Independent Auditors' Report

To the Officers and Directors  
Sellersburg Volunteer Fire Department, Inc.

We have audited the accompanying financial statements of Sellersburg Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities and cash flows 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.

### 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 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 auditors' 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 auditors consider 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 Sellersburg Volunteer Fire Department, Inc. as of March 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Rodefer Moss & Co, PLLC  
New Albany, Indiana  
August 29, 2018

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
 Statements of Financial Position  
 March 31, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Cash	\$ 787,043	\$ 506,891
Accounts receivable	4,517	10,859
Prepaid expenses	12,102	13,493
Investments	1,571,861	1,558,761
Property and equipment, net	1,657,494	1,688,674
Total assets	\$ 4,033,017	\$ 3,778,678
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 13,476	\$ 2,634
Accrued expenses	10,465	6,493
Accrued interest	6,109	2,716
Note payable	523,055	632,346
Total liabilities	553,105	644,189
Net Assets		
Unrestricted		
Unrestricted	1,158,234	976,001
Board designated	1,755,166	1,662,443
Total unrestricted	2,913,400	2,638,444
Temporarily restricted	566,512	496,045
Total net assets	3,479,912	3,134,489
Total liabilities and net assets	\$ 4,033,017	\$ 3,778,678

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Activities

For the Year Ended March 31, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue, gains, and other support			
Contract services	\$ 1,473,916	\$ -	\$ 1,473,916
In-kind contributions	78,664	145,500	224,164
Realized and unrealized gain on investments	66,518	-	66,518
Interest and dividends	45,072	-	45,072
Fire/Haz Mat runs	18,368	-	18,368
Gain on disposal of property and equipment	11,595	-	11,595
Rent	6,006	-	6,006
Other	2,298	-	2,298
Grants	-	-	-
	<u>1,702,437</u>	<u>145,500</u>	<u>1,847,937</u>
Net assets released from restrictions	<u>75,033</u>	<u>(75,033)</u>	<u>-</u>
Total revenue, gains, and other support	<u>1,777,470</u>	<u>70,467</u>	<u>1,847,937</u>
Expenses			
Salaries	579,784	-	579,784
Depreciation	228,470	-	228,470
Fire and ambulance supplies	122,214	-	122,214
In-kind	95,414	-	95,414
Employee benefits	80,313	-	80,313
Insurance	61,781	-	61,781
Utilities and telephone	59,901	-	59,901
Payroll taxes	53,537	-	53,537
Interest	29,709	-	29,709
Fuel and oil	28,035	-	28,035
Repair and maintenance	24,876	-	24,876
Miscellaneous	21,724	-	21,724
IT supplies and services	19,256	-	19,256
Incentive pay	19,055	-	19,055
Professional fees	18,038	-	18,038
Investment fees	16,081	-	16,081
Uniforms and protective clothing	11,389	-	11,389
Office	8,365	-	8,365
Training	7,014	-	7,014
Dues and subscriptions	6,612	-	6,612
Vending and food supplies	4,299	-	4,299
Radios and pagers	3,678	-	3,678
Advertising	1,546	-	1,546
Travel	1,219	-	1,219
Amortization	204	-	204
Total expenses	<u>1,502,514</u>	<u>-</u>	<u>1,502,514</u>
Change in net assets	<u>274,956</u>	<u>70,467</u>	<u>345,423</u>
Net assets at beginning of year	<u>2,638,444</u>	<u>496,045</u>	<u>3,134,489</u>
Net assets at end of year	<u>\$ 2,913,400</u>	<u>\$ 566,512</u>	<u>\$ 3,479,912</u>

See notes to financial statements.

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Activities

For the Year Ended March 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue, gains, and other support			
Contract services	\$ 1,343,434	\$ -	\$ 1,343,434
In-kind contributions	25,838	409,314	435,152
Realized and unrealized gain on investments	119,436	-	119,436
Interest and dividends	56,309	-	56,309
Fire/Haz Mat runs	15,269	-	15,269
Gain on disposal of property and equipment	17,031	-	17,031
Rent	8,116	-	8,116
Other	3,066	-	3,066
Grants	-	5,000	5,000
	<u>1,588,499</u>	<u>414,314</u>	<u>2,002,813</u>
Net assets released from restrictions	<u>162,234</u>	<u>(162,234)</u>	<u>-</u>
Total revenue, gains, and other support	<u>1,750,733</u>	<u>252,080</u>	<u>2,002,813</u>
Expenses			
Salaries	459,677	-	459,677
Depreciation	247,023	-	247,023
Fire and ambulance supplies	162,799	-	162,799
In-kind	50,020	-	50,020
Employee benefits	64,054	-	64,054
Insurance	61,538	-	61,538
Utilities and telephone	63,187	-	63,187
Payroll taxes	45,713	-	45,713
Interest	39,728	-	39,728
Fuel and oil	22,942	-	22,942
Repair and maintenance	28,265	-	28,265
Miscellaneous	19,235	-	19,235
IT supplies and services	12,073	-	12,073
Incentive pay	30,845	-	30,845
Professional fees	17,743	-	17,743
Investment fees	18,117	-	18,117
Uniforms and protective clothing	21,990	-	21,990
Office	8,694	-	8,694
Training	3,446	-	3,446
Dues and subscriptions	4,125	-	4,125
Vending and food supplies	3,681	-	3,681
Radios and pagers	10,037	-	10,037
Advertising	1,980	-	1,980
Travel	229	-	229
Amortization	204	-	204
Total expenses	<u>1,397,345</u>	<u>-</u>	<u>1,397,345</u>
Change in net assets	<u>353,388</u>	<u>252,080</u>	<u>605,468</u>
Net assets at beginning of year	<u>2,285,056</u>	<u>243,965</u>	<u>2,529,021</u>
Net assets at end of year	<u>\$ 2,638,444</u>	<u>\$ 496,045</u>	<u>\$ 3,134,489</u>

See notes to financial statements.

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.

Statements of Cash Flows

For the Years Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from service recipients	\$ 32,789	\$ 54,788
Cash received from contract and local support	1,474,141	1,343,434
Interest paid	(29,709)	(39,728)
Interest income	2,786	3,356
Cash paid to employees and suppliers	<u>(1,113,038)</u>	<u>(1,080,124)</u>
Net cash flows from operating activities	<u>366,969</u>	<u>281,726</u>
<b>Cash Flows Used By Investing Activities</b>		
Purchases of equipment	(68,744)	(258,420)
Proceeds from disposal of equipment	11,595	28,570
Purchases of investments	(598,297)	(899,089)
Proceeds from sale of investments	<u>677,920</u>	<u>978,078</u>
Net cash flows used by investing activities	<u>22,474</u>	<u>(150,861)</u>
<b>Cash Flows Used By Financing Activities</b>		
Principal payments of debt	<u>(109,291)</u>	<u>(187,770)</u>
Net cash flows used by financing activities	<u>(109,291)</u>	<u>(187,770)</u>
Net change in cash and cash equivalents	280,152	(56,905)
Cash and cash equivalents at the beginning of the year	<u>506,891</u>	<u>563,796</u>
Cash and cash equivalents at the end of the year	<u>\$ 787,043</u>	<u>\$ 506,891</u>
<b>Supplemental Disclosures</b>		
<b>Noncash Transactions</b>		
Use of vehicles donated to Organization	<u>\$ 67,148</u>	<u>\$ 42,834</u>
Use of equipment donated to Organization	<u>\$ 6,017</u>	<u>\$ 6,017</u>
Buildings and equipment donated to Organization	<u>\$ 128,750</u>	<u>\$ 385,132</u>

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
 Statements of Cash Flows (Continued)  
 For the Years Ended March 31, 2018 and 2017

	2018	2017
Reconciliation of change in net assets to net cash flows from operating activities		
Change in net assets	\$ 345,423	\$ 605,468
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	228,470	247,023
Amortization	204	204
Investment income, net of investment fees	(92,723)	(154,272)
Gain on disposal of property and equipment	(11,595)	(17,031)
Donated assets	(128,750)	(385,132)
Decrease (increase) in assets:		
Accounts receivable	6,342	23,337
Prepaid expenses	1,391	(3,641)
Increase (decrease) in liabilities:		
Accounts payable	10,842	(37,160)
Accrued expenses	3,972	1,645
Accrued interest	3,393	1,285
Net cash flows from operating activities	\$ 366,969	\$ 281,726

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements  
March 31, 2018 and 2017

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities** - Sellersburg Volunteer Fire Department, Inc. ("Organization") is an Indiana nonprofit corporation serving parts of Clark County. The Organization operates a staff of volunteer firefighters to fight fires, to use and maintain rescue and fire fighting equipment, and to otherwise provide fire protection and prevention for the Town of Sellersburg and the Townships of Carr, Silver Creek, and Union.

**Basis of Accounting** - The accounting records of the Organization are maintained using the accrual method. Under this method of accounting, support, revenue and expenditures are identified with specific periods of time and are recorded as incurred along with assets acquired, without regard to the date of receipt or payment of cash. Financial statements prepared on this basis conform to the practices of business organizations in general with respect to such items as receivables, prepayments and accrual of liabilities.

**Cash and Cash Equivalents** - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Accounts Receivable** - Accounts receivable are stated at the amount management expects to collect from outstanding balances at period-end. Based on management's assessment of the credit history with individuals having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at period-end will be immaterial. At March 31, 2018 and 2017 the accounts receivable balance was deemed collectible.

**Property and Equipment** - Property and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is recorded using primarily the straight-line method over the estimated useful lives of the assets. Amortization is recorded using the straight-line method over fifteen years.

Donated Property and Equipment - Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Disposal of Equipment - The Organization's policy with respect to retirements, sales and disposals of equipment is to remove the cost of the asset and the related accumulated depreciation from the accounts. The resulting gain or loss is reported as gain or loss on the sale of fixed assets.

Trade-In of Equipment - The Organization's policy with respect to the trade-in of equipment is to remove the cost of the asset traded and the related accumulated depreciation from the accounts. The remaining basis of the asset traded-in is added to the cost of the asset acquired. No gain or loss is recognized on trade-ins.

**Repairs and Maintenance** - Expenditures are charged to operations as incurred for maintenance, repairs and renewals which do not materially extend the useful life of the property.

**Advertising** - The Organization uses advertising to promote its programs. The costs of advertising are expensed as incurred. During the periods ended March 31, 2018 and 2017, advertising costs totaled \$1,546 and \$1,980, respectively.

**Income Taxes** - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is included in the accompanying financial statements. The Organization evaluates its uncertain tax positions in accordance with applicable standards. It has evaluated its tax positions, and believes that it has none that are uncertain.

**Basis of Presentation** - The Organization reports 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. In addition, the Organization is required to present a Statement of Cash Flows.

**Board Designated Net Assets** - Represent amounts designated by the Board of Directors to retain as investments.

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Temporarily Restricted Net Assets** - Represent assets that are donor-restricted for a specific time period or for a specific purpose.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Contributed Services** - During the periods ended March 31, 2018 and 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

**Reclassifications** - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

**Date of Management's Review** - Management has evaluated events and transactions occurring subsequent to the Statement of Financial Position date of March 31, 2018 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, which was the date these financial statements were available to be issued.

NOTE 2 - INVESTMENTS

Investments in marketable securities are stated at fair value. Fair values at March 31, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Mutual funds	\$ 874,776	\$ 853,608
Fixed income	437,610	461,237
Equities	162,668	153,123
Other alternative investment	<u>96,807</u>	<u>90,793</u>
	<u>\$ 1,571,861</u>	<u>\$ 1,558,761</u>

The following schedule summarizes the investment return for the periods ended March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Realized and unrealized gain on investments	\$ 66,518	\$ 119,436
Interest and dividends	<u>45,072</u>	<u>56,309</u>
Total	<u>\$ 111,590</u>	<u>\$ 175,745</u>

Interest income includes interest earned from investments as well as money market funds, which are included in cash and cash equivalents in the Statements of Financial Position. Dividend income includes dividends received from common stocks and capital gain distributions from mutual funds.

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements (Continued)

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Organization's cash, certain cash equivalents, receivables, payables, and accrued liabilities approximate fair value because of the short-term maturity of these instruments. The Organization has various financial assets that are measured at fair value on the financial statements using input from the three levels of the fair value hierarchy. A financial asset classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The three levels are as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 - Unobservable inputs reflect the Organization's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Organization develops these inputs based on the best information available, including its own data.

Investments are valued at the closing price reported on the active market on which the individual investment is traded. There have been no changes in the methodologies used to value investments at March 31, 2018 or 2017.

The following tables represent the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of March 31, 2018 and 2017. All investments are included in Level 1 of the fair value hierarchy:

	<u>2018</u>		<u>2017</u>	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	\$ 805,319	\$ 874,776	\$ 821,686	\$ 853,608
Fixed income	423,000	437,610	438,000	461,237
Equities	146,554	162,668	139,973	153,123
Other alternative investment	109,695	96,807	101,703	90,793
	<u>\$ 1,484,568</u>	<u>\$ 1,571,861</u>	<u>\$ 1,501,362</u>	<u>\$ 1,558,761</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Fire trucks, ambulances and autos	\$ 2,223,653	\$ 2,344,987
Fire and office equipment	1,264,292	1,285,029
Buildings and improvements	935,926	930,831
Furniture and fixtures	142,831	137,378
Closing costs	<u>3,067</u>	<u>3,067</u>
	4,569,769	4,701,292
Less accumulated depreciation and amortization	<u>(2,912,275)</u>	<u>(3,012,618)</u>
Property and equipment, net	<u>\$ 1,657,494</u>	<u>\$ 1,688,674</u>

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements (Continued)

NOTE 5 - LINES OF CREDIT

The Organization has an unsecured line of credit with JPMorgan Chase, N.A. in the amount of \$100,000. The line of credit was due to mature on April 14, 2017, and it was renewed as an evergreen note with no maturity date. The interest rate charged on this line of credit was 6.0% and 5.0% at March 31, 2018 and 2017, respectively. The balance at March 31, 2018 and 2017 was \$0.

The Organization has a line of credit with WesBanco Bank, Inc. in the amount of \$100,000. The line of credit is secured by fire trucks. The interest rate for the line of credit was 1.50% over the index, with a floor of 5.0%. At March 31, 2018 and 2017 the interest rate was 6.25% and 5.5%, respectively. The balance on the line of credit at March 31, 2018 and 2017 was \$0. The line of credit matured on April 24, 2017 and was renewed on May 22, 2017 with an annually renewable maturity date (an evergreen note).

The Organization has a line of credit with German American Bancorp in the amount of \$100,000. The line of credit is secured by a fire truck. The interest rate for the line of credit is 2.0% over the index, with a floor of 5.5%. At March 31, 2018 the interest rate was 6.75%. At March 31, 2017 the interest rate was prime + 2.0%. The balance on the line of credit at March 31, 2018 and 2017 was \$0. The line of credit matured December 1, 2017 and was renewed through December 1, 2018.

NOTE 6 - NOTE PAYABLE

The Organization has a note from New Washington State Bank, secured by real estate. The note matures on December 31, 2023. The interest rate on the note is 4.9%. The note is secured by real estate. At March 31, 2018 and 2017 the balance of the note payable was \$523,055 and \$632,346, respectively.

A five-year summary of debt payments is presented below:

Year ending March 31,	
2019	\$ -
2020	84,044
2021	114,020
2022	119,606
2023	125,467
Thereafter	<u>79,918</u>
	<u>\$ 523,055</u>

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are donor-restricted for a specific use or by the passage of time and include the following at March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Restricted vehicles and equipment	\$ 566,512	\$ 491,045
Restricted funds for equipment purchases	<u>-</u>	<u>5,000</u>
	<u>\$ 566,512</u>	<u>\$ 496,045</u>

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements (Continued)

NOTE 8 - CONCENTRATIONS

The Organization entered into a contract with Clark County, Indiana (Tri-Township Fire Protection District, Inc.) on February 9, 2016. Under the contract, the Organization will provide fire protection services in exchange for funding from Clark County, Indiana. The contract term began January 1, 2016 and expires December 31, 2019. The Organization is materially dependent on Clark County, Indiana for its funding. In the periods ended March 31, 2018 and 2017 the Organization received 84 and 69 percent of its revenue, respectively, from Clark County, Indiana.

NOTE 9 - LEASES

The Organization leases several properties in Clark County, Indiana from the Tri-Township Fire Protection District, Inc. The leases began December 1, 1991 with rent in the amount of \$1 per year for a period of forty-eight years and six months. Management was unable to determine the fair market value of the leased real property; thus, the value of such leases was not recorded as in-kind revenue or in-kind expense.

On February 9, 2016 the Organization entered into a lease agreement with the Tri-Township Fire Protection District, Inc. Under this agreement, the Organization leases certain equipment, vehicles, and personal property from the Tri-Township Fire Protection District, Inc. for \$1 dollar per year. The lease term began January 1, 2016 and expires December 31, 2019. Fair value of the equipment, vehicles, and other property is recorded as in-kind revenue and expense.

The Organization leases a house under a month-to-month agreement with rent of \$231 due every two weeks. There is no written lease agreement for this lease.

NOTE 10 - RETIREMENT PLAN

The Organization established a 401(k) deferred compensation plan on January 1, 1997. When established, the Plan covered all full-time employees over the age of 21. New employees must complete at least one year of service and attain the age of 21 to be eligible.

Under this Plan, the Organization has agreed to make a matching contribution of 50 percent of each eligible employee's elective deferrals up to 12 percent of wages. In April 2010, the Organization amended the Plan to include a 401(k) deferred compensation bonus incentive based on the years of service with the Organization. The Organization's matching contribution expense was \$17,691 and \$17,042 for the periods ended March 31, 2018 and 2017, respectively. This expense is included under Employee Benefits on the Statements of Activities.

NOTE 11 - RISKS AND UNCERTAINTIES

Investments in marketable securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values could materially affect the amounts reported in the Statements of Financial Position.

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

NOTE 12 - RELATED PARTIES

The collateral on the Organization's debt, described in Note 6, is owned by Clark County, Indiana (Tri Township Fire Protection District, Inc.). Additionally, the Organization leases several properties from Clark County, Indiana, as discussed in Note 9.

SELLERSBURG VOLUNTEER FIRE DEPARTMENT, INC.  
Notes to Financial Statements (Continued)

NOTE 12 - RELATED PARTIES (Continued)

For the year ended March 31, 2018, Clark County, Indiana provided funding to the Organization in the amount of \$1,473,916 and donated vehicles in the amount of \$64,421 and equipment in the amount of \$6,017. For the year ended March 31, 2017, Clark County, Indiana provided funding to the Organization in the amount of \$1,343,434 and donated vehicles in the amount of \$40,106 and equipment in the amount of \$6,017. The Organization's economic dependency on Clark County, Indiana is described in Note 8.

NOTE 13 - SUBSEQUENT EVENT

In June 2018 the Organization purchased a new fire truck for approximately \$390,000. The Organization obtained a loan on June 6, 2018 from New Washington State Bank for \$200,928 to finance part of the truck cost. The remainder of the truck purchase was paid with cash. The loan matures June 5, 2026. The loan accrues interest at a rate of 5.0% and is due in ninety-six monthly payments of \$2,544 beginning July 5, 2018.