



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B52659

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

May 9, 2019

Board of Directors
Marrs Township Volunteer Fire Department, Inc.
P.O. Box 18055
Evansville, IN 47719

We have reviewed the audit report of Marrs Township Volunteer Fire Department, Inc. which was opined upon by Krueger & Associates, CPAs, LLC, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Marrs Township Volunteer Fire Department, Inc. as of December 31, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Krueger & Associates, CPAs, LLC prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

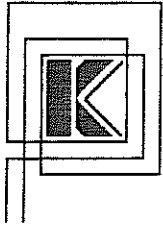
Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

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

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

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

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
AUDITORS' REPORT.....	1- 2
EXHIBIT A STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS.....	3
EXHIBIT B STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS.....	4 - 5
NOTES TO FINANCIAL STATEMENTS.....	6 - 8



Krueger & Associates, CPA's, LLC

1845 Newton Street • Jasper, Indiana 47546 • (812) 482-4454 • (812) 482-4459 Fax

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, 2017 and 2016, 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, 2017 and 2016, 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

July 31, 2018

MARRS TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

EXHIBIT A

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

	December 31,	
	2017	2016
ASSETS		
CURRENT ASSETS		
Cash - payroll	\$4,351	\$8,043
Cash - CSB fund drive	4,215	54,875
Cash - equipment replacement	112,658	35,851
Cash - operating	45,452	2,102
Cash - capital replacement	5,872	2,559
Revenue receivable	0	1,113
TOTAL CURRENT ASSETS	172,548	104,543
TOTAL ASSETS	\$172,548	\$104,543
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$72,246	\$69,400
Accrued payroll taxes	920	892
	73,166	70,292
LONG-TERM DEBT		
Notes payable	377,460	448,653
TOTAL LIABILITIES	450,626	518,945
NET ASSETS		
Unrestricted		
Undesignated	(317,126)	(453,450)
Board designated	39,048	39,048
TOTAL NET ASSETS	(278,078)	(414,402)
TOTAL LIABILITIES AND NET ASSETS	\$172,548	\$104,543

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,

	2017	2016
SUPPORT AND REVENUE		
Support:		
Grants and contributions	\$46,110	\$44,717
	46,110	44,717
Revenue:		
Governmental contracts	338,900	288,200
Miscellaneous	6,741	3,462
Gain (loss) on sale of assets	0	(35)
Interest	157	94
	345,798	291,721
Total Support and Revenue	391,908	336,438
EXPENSES		
Program Services:		
Equipment and vehicle maintenance	38,104	43,224
Fuel and oil	7,150	5,702
Supplies	8,224	3,310
Training	7,251	8,340
Member social expense	7,862	11,170
Member incentives	10,310	9,367
Protective clothing	6,071	4,310
Equipment purchases	16,876	36,494
Other	3,381	2,322
	105,229	124,239

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,

	2017	2016
Supporting Services:		
Insurance	33,681	32,454
Wages	30,605	29,670
Payroll taxes	2,492	2,662
Professional fees	4,389	7,152
Office supplies and equipment	3,777	6,304
Fund drive	4,529	4,768
Utilities and telephone	13,985	14,108
Building maintenance	30,188	35,279
Interest	21,654	23,491
Other	5,056	3,517
	150,356	159,405
Total Expenses	255,585	283,644
Increase (Decrease) in Net Assets	136,323	52,794
Net Assets - Unrestricted - Beginning of Year	(414,401)	(467,196)
Net Assets - Unrestricted - End of Year	(\$278,078)	(\$414,402)

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 2017 and 2016, and accordingly, these financials do not reflect any activity related to these classes of net assets for 2017 and 2016.

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 2014 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 July 31, 2018, the date of which the financial statements were available to be issued.

NOTE 2–CASH RECEIVED FROM GOVERNMENTAL UNITS:

<u>Governmental Unit</u>	<u>2017</u>	<u>2016</u>
Marrs Township	\$290,400	\$264,200
Robinson Township	48,500	24,000

NOTE 3–CONCENTRATION OF CREDIT RISK:

Approximately 86 and 86 percent of support and revenue in 2017 and 2016, 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, 2017 and 2016, 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>2017</u>	<u>2016</u>
5.25% mortgage payable to CSB State Bank, secured by a building, payable in monthly installment of \$2,913, maturing in March 2031	\$224,411	\$252,841
3.25% note payable to CSB State Bank, secured by a vehicle, payable in monthly installments of \$3,600 maturing in October 2023	<u>225,295</u>	<u>265,212</u>
	449,706	518,053
Less: current portion of long-term debt:	<u>72,246</u>	<u>69,400</u>
	<u>\$377,460</u>	<u>\$448,653</u>

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

<u>December 31,</u>	
2018	\$ 72,246
2019	75,273
2020	78,434
2021	81,736
2022 and thereafter	<u>142,017</u>
	<u>\$449,706</u>

Interest paid on the above notes for the year ended December 31, 2017 and 2016 was \$21,654 and \$23,491, respectively.