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September 23, 2019

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

We have reviewed the audit report of Green Township Volunteer Fire Rescue, Inc. which was opined upon by Capin Crouse LLP, Independent Public Accountants, for the period January 1, 2017 to December 31, 2018. 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, 2018 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 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



GREEN TOWNSHIP VOLUNTEER FIRE  
RESCUE, INC.

Statements of Cash Receipts,  
Disbursements, and Cash Balances  
With Independent Auditors' Report And  
State of Indiana Awards

December 31, 2018 and 2017

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

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, 2018 and 2017, 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, 2018 and 2017, 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.

***Emphasis of Matter***

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as described in Note 2. This has had a material effect on the presentation of the December 31, 2018 and 2017 financial statements. Our opinion is not modified with respect to this matter.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of Indiana state financial assistance on page 8, as required by Indiana State Board of Accounts, is also presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Capin Crouse LLP*

Greenwood, Indiana  
September 11, 2019

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

## Statements of Cash Receipts, Disbursements, and Cash Balances

	Year Ended December 31,	
	2018	2017
CASH RECEIPTS:		
Public support:		
Donations	\$ 10,779	\$ 15,730
Lemon shake stand fund-raising event	24,372	23,746
Other fund-raising events	1,348	652
	36,499	40,128
Revenues:		
Green Township contract revenue	217,000	211,000
Other income	4,808	6,042
	221,808	217,042
Total Cash Receipts	258,307	257,170
CASH DISBURSEMENTS:		
Program service:		
Fire protection services	198,553	188,658
Supporting activities:		
Management and general	29,490	34,445
Fund-raising—lemon shake stand and other events	12,259	12,407
	41,749	46,852
Total Cash Disbursements	240,302	235,510
Change in Cash	18,005	21,660
Cash, Beginning of Year	159,045	137,385
Cash, End of Year	\$ 177,050	\$ 159,045

See notes to financial statements

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

## Notes to Financial Statements

December 31, 2018 and 2017

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 cash receipts revenue from annual government service contract from Green Township of Morgan County.

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

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 in such accounts and believes it is not exposed to any significant credit risk on cash.

### 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, 2018 and 2017, no gifts with restrictions were received.

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

## Notes to Financial Statements

December 31, 2018 and 2017

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 Organization incurred no joint costs for the years ended December 31, 2018, and 2017.

The costs of providing various program services and supporting activities are summarized on a functional basis below. Accordingly, certain cash disbursements have been allocated among the program services and supporting activities that benefited; on either a square footage basis or on the basis of estimates of time and effort. The table below presents the cash disbursements by functional allocation for:

	Year Ended December 31, 2018				2017 Total
	Program Service	Management and General	Fundraising	Total	
Salaries and benefits	\$ 78,117	\$ 21,533	\$ -	\$ 99,650	\$ 97,354
Facility and utilities	13,846	-	-	13,846	12,025
Principal payments on bank debt	25,197	-	-	25,197	23,804
Fees for services	-	5,487	-	5,487	13,180
Insurance	22,388	-	-	22,388	21,555
Supplies	4,339	-	-	4,339	4,028
Gear, gas, and oil	11,118	-	-	11,118	9,538
Interest	8,823	980	-	9,803	11,196
Repairs and maintenance	19,696	-	-	19,696	19,612
Capital expenditures	11,650	-	-	11,650	-
Other	3,379	1,490	12,259	17,128	23,218
	<u>\$ 198,553</u>	<u>\$ 29,490</u>	<u>\$ 12,259</u>	<u>\$ 240,302</u>	<u>\$ 235,510</u>

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

## Notes to Financial Statements

December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

ADOPTION OF NEW ACCOUNTING STANDARD

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe the categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 3), and disclosures related to functional allocation of cash disbursements were expanded.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of cash and investment balances as December 31, 2018.

Financial assets- cash:

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 177,050</u>
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The Organization is substantially supported by revenues from state and local government funding. As part of the Organization's liquidity management, the Organization has established guidelines for making decisions related to managing short term cash reserves in a prudent manner. The Organization also operates under an annual balanced budget.

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

## Notes to Financial Statements

December 31, 2018 and 2017

4. BANK LOAN:

The Organization has a variable interest bank loan with an interest rate of 5.75% as of December 31, 2018 and 2017, with an outstanding balance of \$147,084 and \$172,281, 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. The loan is payable in semi-annual principal and interest payments of \$15,475. The final payment is due in February 2025. The Organization in the past year has made extra payments so the bank loan is schedule to be paid off before February 2025.

The bank loan matures as follows:

Year Ending December 31,

2019	\$ 22,238
2020	23,551
2021	24,941
2022	26,414
2023	27,973
Thereafter	<u>21,967</u>
	<u>\$ 147,084</u>

5. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 11, 2019, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**STATE OF INDIANA AWARDS**

**GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.**

**Schedule of Indiana State Financial Assistance**

Years Ended December 31, 2018 and 2017

<u>Grantor/Pass Through Grantor/Program Name</u>	<u>CFDA #</u>	<u>Agreement Number</u>	<u>Type of Funding</u>	<u>A/R (Advance) at BOY</u>	<u>Received</u>	<u>Disbursed</u>	<u>A/R (Advance) at EOY</u>
Green Township of Morgan County, Indiana							
2018 Contract for Fire Services	N/A	None	Fee for Service	\$ -	\$ 217,000	\$ 217,000	\$ -
2017 Contract for Fire Services	N/A	None	Fee for Service	\$ -	\$ 211,000	\$ 211,000	\$ -

See Notes to Schedule of Indiana State Financial Assistance

# GREEN TOWNSHIP VOLUNTEER FIRE RESCUE, INC.

## Notes to Schedule of Indiana State Financial Assistance

December 31, 2018 and 2017

A. BASIS OF PRESENTATION:

The accompanying schedule of government financial assistance (the schedule) includes the financial assistance activity of Green Township Volunteer Fire Rescue, Inc. (Organization) for the years ending December 31, 2018 and 2017, that the Organization received for financial assistance from local Indiana government agencies. The Organization did not receive any financial assistance under any federal programs. The information in the schedule is presented in accordance with the requirements of Indiana State Board of Accounts. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The schedule is reported on the cash basis of accounting.

C. FEDERAL UNIFORM GUIDANCE AUDIT REQUIREMENTS:

The Organization did not expend more than \$750,000 in federal awards and therefore, is exempt from the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

D. CONTRACTS FOR FIRE SERVICES:

The Organization maintains adequate fire equipment and services in accordance with IC 36-8-12 and provides such fire protection and firefighting services for Green Township of Morgan County, Indiana.