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October 28, 2019

Board of Directors
Scott Township Volunteer Fire Department, Inc.
1540 E. Baseline Road
Evansville, IN 47725

We have reviewed the audit report of Scott Township Volunteer Fire Department, Inc. which was opined upon by Krueger & Associates, CPA's, LLC, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition Scott Township Volunteer Fire Department, Inc. as of June 30, 2018 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, CPA's, 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.

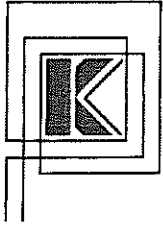
Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

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

**FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

SCOTT TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

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Krueger & Associates, CPA's, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Scott Township Volunteer Fire Department, Inc.

We have audited the accompanying financial statements of Scott Township Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—cash basis as of June 30, 2018 and 2017, and the related statements of support, revenue, and expenses—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 cash basis of accounting as described in Note 1; 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.

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 Scott Township Volunteer Fire Department, Inc. as of June 30, 2018 and 2017, and its support, revenue, and expenses for the years then ended in accordance with the 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 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

December 18, 2018

SCOTT TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

EXHIBIT A

STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS-CASH BASIS
JUNE 30, 2018 and 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash - payroll	\$348,822	\$398,804
Cash - checking	547,872	518,800
Cash - ambulance transports	25	20
Cash - fund drive	25	206,922
	\$896,744	\$1,124,546
TOTAL ASSETS		

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Payroll tax liabilities	\$35,448	\$12,374
	35,448	12,374
TOTAL LIABILITIES		
NET ASSETS		
Unrestricted		
Undesignated	861,296	1,112,172
	861,296	1,112,172
TOTAL NET ASSETS		
	\$896,744	\$1,124,546
TOTAL LIABILITIES AND NET ASSETS		

The accompanying notes are an integral part of the financial statements.

SCOTT TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

EXHIBIT B

STATEMENTS OF REVENUE, EXPENSES AND
 CHANGES IN NET ASSETS - CASH BASIS
 For the Years Ended June 30,

	2018	2017
SUPPORT AND REVENUE		
Support:		
Grants and contributions	\$1,880,606	\$1,515,221
	1,880,606	1,515,221
Revenue:		
Ambulance transports	264,832	226,449
Recovery services	47,051	349,157
Fundraising	4,238	15,631
Other	11,060	214,544
Sale of assets	0	74,779
Interest	37	11
	327,218	880,571
Total Support and Revenue	2,207,824	2,395,792
 EXPENSES		
Program Services:		
Equipment and vehicle maintenance	405,674	129,476
Fuel and oil	29,288	14,566
Supplies	46,350	28,049
Training	38,576	58,595
Member social expense	12,559	14,008
Member incentives	768	0
Protective clothing	52,942	47,359
Other	1,004	2,677
	587,161	294,730

SCOTT TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.
Evansville, Indiana

EXHIBIT B (CONTINUED)

STATEMENTS OF REVENUE, EXPENSES AND
 CHANGES IN NET ASSETS - CASH BASIS
 For the Years Ended June 30,

	2018	2017
Supporting Services:		
Insurance	357,457	287,900
Professional fees	20,949	36,723
Dues and subscriptions	4,219	3,964
Office supplies and equipment	58,641	56,911
Payroll and related	1,300,213	898,317
Utilities and telephone	44,180	35,268
Building maintenance	47,723	43,477
Travel	10,566	12,819
Other	27,591	17,342
	1,871,539	1,392,721
Total Expenses	2,458,700	1,687,451
Increase (Decrease) in Net Assets	(250,876)	708,341
Net Assets - Unrestricted - Beginning of Year	1,112,172	403,831
Net Assets - Unrestricted - End of Year	\$861,296	\$1,112,172

The accompanying notes are an integral part of the financial statements

SCOTT TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements

NOTE 1–NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Scott Township Volunteer Fire Department, Inc. was established to provide fire, emergency medical and rescue services to governmental units located in Vanderburgh 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 cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, 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 2018 and 2017, and accordingly, these financials do not reflect any activity related to these classes of net assets for 2018 and 2017.

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 2015 are subject to examination by taxing authorities.

SCOTT 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 December 18, 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>2018</u>	<u>2017</u>
Scott Township	\$1,880,606	\$1,406,741
Armstrong Township	-	53,480
Town of Darmstadt	-	55,000

NOTE 3–CONCENTRATION OF CREDIT RISK:

Approximately 85% and 63% of support and revenue in 2018 and 2017, respectively, was from a contract with Vanderburgh County Indiana township. 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 June 30, 2018 and 2017, the balances exceeded federally insured limits by approximately \$646,744 and \$936,647, respectively.