

**SANATOGA FIRE COMPANY
TOWNSHIP ACCOUNT**

FINANCIAL STATEMENT

Year Ended December 31, 2011

**SANATOGA FIRE COMPANY
TOWNSHIP ACCOUNT
POTTSTOWN, PENNSYLVANIA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Lower Pottsgrove Township

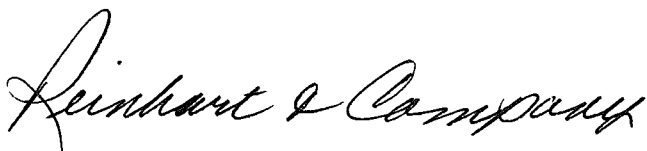
We have audited the accompanying statement of cash receipts and disbursements of the Township Account of the Sanatoga Fire Company (a nonprofit organization) for the year ended December 31, 2011. This financial statement is the responsibility of the Organization's management. Our responsibility is to express an opinion on this financial statement 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 statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note #2, this financial statement presents only the Township Account of Sanatoga Fire Company and does not purport to, and does not, present fairly the financial position of Sanatoga Fire Company, as of December 31, 2011, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note #2, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Township Account of the Sanatoga Fire Company for the year ended December 31, 2011, on the basis of accounting described in Note #2.



Boyertown, Pennsylvania
March 6, 2012

**SANATOGA FIRE COMPANY
TOWNSHIP ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Year Ended December 31, 2011**

CASH BALANCE - January 1, 2011		\$ 4,488
RECEIPTS AND TRANSFERS		
Fire Tax - Lower Pottsgrove Township		141,483
Contributions - Lower Pottsgrove Township		30,000
Transfer From General Account		10,000
Monies Deposited Into Wrong Account		<u>18,047</u>
Total Cash Receipts And Transfers		<u>199,530</u>
Total Cash Available		<u>204,018</u>
DISBURSEMENTS		
Bank Charges		195
Contribution		100
Dues And Subscriptions		280
Equipment (Hose And Storage Lockers)		6,354
Finance Charges Paid		305
Fire Truck Operation		
Fire Apparatus and Supplies	\$ 1,440	
Fuel, Gas And Oil	6,171	
Repairs	<u>22,137</u>	
Total Fire Truck Operation		29,748
Loan Principal And Interest - Note #3		48,589
Insurance		15,021
Meals		334
Occupancy		
Electric	4,691	
Heat	324	
Maintenance - Building	13,032	
Maintenance - Equipment	2,343	
Pest Control	240	
Sewer	421	
Trash Disposal	<u>1,664</u>	
Total Occupancy		22,715
Office Expenses		1,239
Supplies		1,590
Travel		60
Special Events (Chicken BBQ And Santa Supper)		374
Web Site		<u>1,182</u>
Total Cash Disbursements		<u>128,086</u>
CASH BALANCE - December 31, 2011		<u><u>\$ 75,932</u></u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT"

**SANATOGA FIRE COMPANY
TOWNSHIP ACCOUNT
NOTES TO FINANCIAL STATEMENT
December 31, 2011**

Note #1 - Organization And Nature Of Activities

The Sanatoga Fire Company provides volunteer fire fighting and prevention services in Lower Pottsgrove Township, Montgomery County, PA. The entity's primary sources of revenue include fire tax, donations and other fund raising activities.

Note #2 - Summary Of Significant Accounting Policies

Method Of Accounting

The entity prepares its financial statements on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenue and the related assets are recorded when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred.

Financial Statement Presentation

This financial statement presents only the activity of the Township Account of the Sanatoga Fire Company as of December 31, 2011. This financial statement does not include the activity of the other accounts of the Sanatoga Fire Company.

Cash

Cash consists of the Township Account only and is in a non-interest bearing checking account.

Use Of Estimates

The preparation of financial statements requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date Of Management's Review

Management has evaluated subsequent events through March 6, 2012, the date on which the financial statements were available to be issued.

Note #3 - Loan Principal And Interest

Twelve (12) payments totaling \$ 28,162 including principal payments of \$ 22,156 and interest expense of \$ 6,006 were made to First Niagara Bank in 2011. The outstanding loan balance at December 31, 2011 was \$ 170,239. The interest rate at December 31, 2011 was 3.25%. The loan matures October 2, 2018.

One (1) payment totaling \$ 20,427 including a principal payment of \$ 13,421 and interest expense of \$ 7,006 was made to First Niagara Bank in 2011. The outstanding loan balance at December 31, 2011 was \$ 138,520. The interest rate at December 31, 2011 was 4.61%. The loan matures July 19, 2016 and is collateralized with Fire Engine 58.