



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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October 14, 2011

Board of Directors  
Northeast Allen County  
Fire and EMS, Inc.  
P.O. Box 428  
Grabill, IN 46741

We have reviewed the audit report prepared by Lewis CPA Group, PC, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Northeast Allen County Fire and EMS, Inc., as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

**NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.**

Financial Statements

As of December 31, 2007

**LEWIS CPA GROUP, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
Fort Wayne, Indiana

**NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.**

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# **LEWIS CPA GROUP, P.C.**

**Certified Public Accountants**

6030 East State Boulevard  
Fort Wayne, Indiana 46815  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Northeast Allen County Fire and EMS, Inc.

We have audited the accompanying statement of financial position of Northeast Allen County Fire and EMS, Inc. (a nonprofit Organization) as of December 31, 2007, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the management of Northeast Allen County Fire and EMS, Inc. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Allen County Fire and EMS, Inc. as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Lewis CPA Group, P.C.***

Fort Wayne, Indiana  
February 4, 2010

**NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.**

Statement of Financial Position

December 31, 2007

ASSETS:

Cash and cash equivalents	\$ 272,683
Short term investments	191,352
Buildings and equipment, net	<u>139,324</u>

Total Assets \$ 603,359

LIABILITIES AND NET ASSETS:

LIABILITIES:

Accrued liabilities	<u>\$ 3,367</u>
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Total Liabilities 3,367

NET ASSETS:

Unrestricted	<u>599,992</u>
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Total Liabilities and Net Assets \$ 603,359

Subject to Independent Auditor's Report on Page 1.  
The "Notes to Financial Statements" are an integral part of this report.

# NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.

## Statement of Activities

For the year ended December 31, 2007

	<u>Unrestricted</u>
Public Support:	
Donations, public	\$ 59,361
Governmental contracts	<u>163,084</u>
Total Public Support	222,445
Revenue:	
Fire & EMS runs	51,463
Fundraising activities – net of expenses of \$14,706	7,572
Interest income	13,949
Miscellaneous income	<u>7,987</u>
Total Revenue	<u>80,971</u>
Total Public Support and Revenue	303,416
Expenses:	
Automotive expense	48,817
Bank service charges	326
Community service and fire prevention	44,975
Depreciation	73,171
Dues and subscriptions	1,206
Insurance	32,965
Miscellaneous expense	9,298
Postage	125
Repairs and maintenance	18,968
Salaries and wages	49,743
Supplies	8,369
Taxes, payroll	5,500
Telephone	9,024
Training	1,675
Utilities	15,384
Volunteer expenses	<u>25,524</u>
Total Expenses	<u>345,070</u>
Change in Net Assets	(41,654)
Net Assets – December 31, 2006	<u>641,646</u>
Net Assets – December 31, 2007	<u>\$ 599,992</u>

Subject to Independent Auditor's Report on Page 1.

The "Notes to Financial Statements" are an integral part of this report.

**NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.**

Statement of Cash Flows

For the year ended December 31, 2007

Cash Flows from Operating Activities:	
Decrease in net assets	\$ (41,654)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Increase in investments	(8,192)
Investment income	(13,949)
Increase in accounts payable	3,366
Depreciation	<u>73,171</u>
Net cash provided by operating activities	<u>12,742</u>
 Cash Flows from Investing Activities:	
Increase in investments	13,949
Purchase of fixed assets	<u>(11,233)</u>
Net cash provided by financing activities	<u>2,716</u>
 Net Increase in Cash and Cash Equivalents	15,458
 Cash and Cash Equivalents at Beginning of Year	<u>257,225</u>
 Cash and Cash Equivalents at End of Year	<u><u>\$ 272,683</u></u>

Subject to Independent Auditor's Report on Page 1.  
The "Notes to Financial Statements" are an integral part of this report.

# NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.

## Notes to Financial Statements

December 31, 2007

### 1. Nature of Activities and Significant Accounting Policies

*Nature of Activities* - Northeast Allen County Fire and EMS provides basic emergency services to the residents of Northeastern Allen County. Firehouses are located in the town of Grabill, the town of Harlan and Cedar Canyon Township and are maintained by the Organization. Many local townships have government contracts with the fire stations including Cedarville, Cedar Canyon, Milan, Perry, Scipio and Springfield. Revenue is also received from private donations, fund raising events and other miscellaneous activities in the community.

*Basis of Accounting* - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Support and Expense* - Contributions received are measured at their fair values and are reported as an increase in net assets. 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 assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

*Concentration of Credit Risk* - The Organization routinely maintains cash balances with one bank in excess of the \$100,000 limit which is insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2007, the Organization's cash balance in excess of the FDIC-insured limit was approximately \$364,035, which includes outstanding checks at that date and the investments in certificates of deposit. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and equivalents.

*Cash and Cash Equivalents* - Cash and cash equivalents consist of cash held in checking, money market and savings accounts with maturities of less than 90 days.

*Advertising Costs* - Advertising costs are expensed as incurred.

*Property, Plant and Equipment* - Property, plant and equipment are stated at cost. Depreciation is generally computed on a straight-line basis over estimated useful lives of five to ten years. Depreciation expense for the year totaled \$73,171. Expenditures for maintenance, repairs and purchase of minor items are charged to earnings as incurred. Major purchases and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

*Income Taxes* - The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

*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.

# NORTHEAST ALLEN COUNTY FIRE AND EMS, INC.

## Notes to Financial Statements

December 31, 2007

### 1. Nature of Activities and Significant Accounting Policies, Continued

*Fair values* - The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used in estimating fair values:

*Cash and cash equivalents.* The carrying amount reported in the balance sheet approximates fair value.

*Investments.* The carrying amount reported in the balance sheet approximates fair value.

The carrying amounts and fair values of the Organization's financial instruments at December 31, 2007 are as follows:

	<u>Fair Value</u>	<u>Carrying Value</u>
Cash and cash equivalents	\$ 272,683	\$ 272,683
Investments	191,351	191,351

### 2. Short Term Investments

The Organization purchased two Certificates of Deposit that were held on December 31, 2007 with Grabill Bank.

<u>Unrestricted:</u>	<u>Cost</u>	<u>Fair Value</u>
11 Month CD	\$ 136,716	\$ 136,716
6 Month CD	<u>54,636</u>	<u>54,636</u>
Total	<u>\$ 191,352</u>	<u>\$ 191,352</u>

### 3. Operating Lease

The Organization currently operates out of three fire stations: Grabill, Harlan and Cedar Canyon. The town of Grabill allows for the fire department to operate out of their fire house rent free with no contracts or agreements in place. The fire department is responsible for all repairs and maintenance on the building. The town of Harlan provides the fire house rent free and the town pays for all maintenance and repairs.

The township of Cedar Canyon has a fire house that is provided by a local family and the Organization has an agreement in which the fire house is provided rent free as long as the building is used by the fire department. If the use of the building were to change the lease agreement would be terminated.

No rent expense was recorded in relation to any of these firehouses.