



**STATE OF INDIANA**  
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June 24, 2009

Board of Directors  
Ohio County Rescue Services, Inc.  
121 S. High St.  
Rising Sun, IN 47040

We have reviewed the audit report prepared by Dawson and Company, CPAs, 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 Ohio County Rescue Services, 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

**OHIO COUNTY RESCUE SERVICES, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2007**

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# DAWSON AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

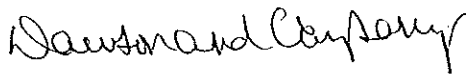
To the Board of Directors  
Ohio County Rescue Services, Inc.

We have audited the accompanying Statement of Financial Position – Modified Cash Basis of Ohio County Rescue Services, Inc. (a not-for-profit organization) as of December 31, 2007, and the related Statement of Activities – Modified Cash Basis for the year then ended. These financial statements are the responsibility of the Organization's management. 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 and guidelines established by the Indiana State Board of Accountants. 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 audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio County Rescue Services, Inc. as of December 31, 2007, and the changes in net assets for the year then ended, on the basis of accounting described in Note 2.



Dawson and Company, CPAs  
Cincinnati, Ohio  
August 18, 2008

OHIO COUNTY RESCUE SERVICES, INC.  
 STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS  
 DECEMBER 31, 2007

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 155,032
TOTAL CURRENT ASSETS	<u>155,032</u>

FIXED ASSETS

Vehicles and Equipment	406,828
Accumulated Depreciation	(278,208)
Furniture and Fixtures	12,735
Accumulated Depreciation	<u>(10,145)</u>
NET FIXED ASSETS	131,210

OTHER ASSETS

Endowment Fund	<u>46,501</u>
TOTAL OTHER ASSETS	46,501

TOTAL ASSETS	<u><u>\$ 332,743</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Portion - Long Term Debt	\$ 17,170
Payroll Taxes Payable	<u>3,084</u>
TOTAL CURRENT LIABILITIES	20,254

LONG-TERM LIABILITIES

Friendship Loan Payable	53,671
Less: Current Portion	<u>(17,170)</u>
TOTAL CURRENT LIABILITIES	36,501

TOTAL LIABILITIES	<u>56,755</u>
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UNRESTRICTED NET ASSETS	275,988
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 332,743</u></u>
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

OHIO COUNTY RESCUE SERVICES, INC.  
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES

Riverboat Gaming Profits	\$ 154,107
Run Payments	141,117
Grants	34,169
Contributions and Donations	6,757
Fundraisers	7,904
Interest and Dividend Income	2,319
Miscellaneous Income	411
Unrealized Gains (Losses) on Investments	2,382
<b>TOTAL REVENUES</b>	<b>349,166</b>

EXPENSES

Bank Charges	644
Billing Service Fees	12,723
Building Supplies & Maintenance	12,065
Clothing	3,545
Depreciation	50,943
Dues & Subscriptions	209
EMS / EMT Education	4,036
Fundraisers	5,662
Grants Given	4,000
Insurance	25,971
Interest Expense	2,694
Medical Supplies	4,305
Memorials & Gifts Given	939
Office Supplies & Expenses	6,406
Payroll	108,569
Payroll Taxes	8,305
Postage	341
Professional Fees	7,457
Rent	17,625
Service Calls	39,422
Telephone	2,493
Vehicles Supplies & Maintenance	12,054
<b>TOTAL EXPENSES</b>	<b>330,408</b>

CHANGE IN NET ASSETS 18,758

BEGINNING NET ASSETS 257,230

ENDING NET ASSETS \$ 275,988

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

OHIO COUNTY RESCUE SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 1 – SUMMARY OF ACTIVITIES**

Ohio County Rescue Services, Inc. (the Organization) is a not-for-profit organization established for the purpose of providing emergency services for the City of Rising Sun, Indiana, Ohio County, Indiana and surrounding areas. The organization is also involved in promoting safety education and awareness. Ohio County Rescue Services, Inc. receives support in the form of revenue sharing from riverboat gaming, payments for services rendered, grants, and contributions.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

METHOD OF ACCOUNTING

The Organization's financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis of accounting differs from generally accepted accounting principles primarily in that under the modified cash basis of accounting, revenue is recognized when cash or other assets are received, rather than when earned, and expenses are recognized when paid, rather than when incurred, with certain exceptions.

BASIS OF PRESENTATION

The presentation of the Organization's financial statements follows the recommendations of the American Institute of Certified Public Accountants in its FASB Statement of Financial Accounting Standard Number 117, "Financial Statements of Not-For-Profit Organizations".

NET ASSETS

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that they be maintained permanently by the Organization.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Unrestricted Net Assets – Net assets not subject to any donor-imposed stipulations.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

DONATED MATERIALS AND SERVICES

No amounts have been reflected in the financial statements for donated services since the requirements for revenue recognition have not been met. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Organization's operations and program services.

OHIO COUNTY RESCUE SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INCOME TAXES

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore, has no provision for federal income taxes.

CASH AND CASH EQUIVALENTS

For purposes of the financial statements, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

COMPENSATED ABSENCES

The organization maintains a policy in which full-time employees become eligible for one-week paid vacation upon the completion of one year of service and are also eligible for paid personal and sick days. Available vacation time is increased, depending on the length of service, up to a maximum of three weeks paid vacation after seven years of service. Employees entitled to paid vacation and personal days must use those days during the year earned and cannot carry them over to following years. As such, there is no accrual made for compensated absences.

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization normally maintains sufficient cash to meet its anticipated operating needs. The balance, at times, may exceed federally insured limits, but did not do so at December 31, 2007.

**NOTE 4 – FIXED ASSETS AND DEPRECIATION**

It is the policy of the Organization to capitalize machinery, equipment, furniture, and fixtures at cost and depreciate them over the estimated useful lives of each asset. At December 31, 2007, capitalized assets consisted mainly of the Organization's emergency vehicles and related equipment and building furnishings. The assets are being depreciated using the straight-line method over useful lives of between five and seven years. Depreciation expense recorded for 2007 was \$50,943.

**NOTE 5 – REVENUE SHARING**

During the year ended December 31, 2007, the Organization received proceeds from revenue sharing agreements with the City of Rising Sun and Ohio County for general operating purposes. The amount of revenue sharing proceeds and respective percentage of total revenue were as follows:

City of Rising Sun	\$ 110,645	32%
Ohio County	43,462	12%
Total	<u>\$ 154,107</u>	<u>44%</u>

OHIO COUNTY RESCUE SERVICES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 6 – BUILDING RENT**

On February 1, 2003, the Organization entered into a lease agreement with the Rising Sun Emergency Services Board for use of a newly constructed building that will also house the Rising Sun Volunteer Fire Department and Ohio County 911 Services. The terms of the lease were \$1,000 monthly rent, payable at the 1<sup>st</sup> of each month for twelve months.

The lease described above expired on January 31, 2004. According to the terms of the lease, after its expiration, the Organization became a month-to-month tenant with rent payments to be determined every six months. Total rent payments made for 2007 were \$17,625. The Organization is currently still a tenant in the building and has no plans to move.

**NOTE 7 – ENDOWMENT INVESTMENTS**

During 2000, Ohio County Rescue Services, Inc. established an endowment investment account through the Ohio County Community Foundation. This account is maintained by the foundation for the benefit of the Organization. The account was created with unrestricted funds, and is not subject to withdrawal restrictions; therefore, it has been included in unrestricted net assets. Interest, dividends, and capital gains earned by the account are reinvested.

During the year ended December 31, 2007, the Organization received matching contributions from the Ohio County Community Foundation for Organization funds transferred into the fund. The amounts transferred and matching contributions received are shown in the table below.

In accordance with Financial Accounting Standard Number 124 "Accounting for Certain Investments Held by Not-For-Profit Organizations", investments are carried at fair market value. An unrealized gain has been recorded for the year ended December 31, 2007, to the extent that the fair market value of the investments at year end exceeds the fair market value of the investments at the previous year end, adjusted for any purchases, reinvestments, and sales during the period. The amount of unrealized gain recorded for the year is \$2,382.

A summary of the endowment investment account is as follows:

	<u>2007</u>
Fair Market Value - Beg. Of Year	\$ 41,436
Matching Contributions	1,535
Interest and Dividends Reinvested	1,793
Fees Charged	(644)
Realized Loss on Investments	-
Unrealized Gain (Loss) on Investm	<u>2,381</u>
Fair Market Value - End of Year	<u>\$ 46,501</u>

Due to the risk associated with equity securities, it is at least reasonably possible that changes in fair market value will occur in the near term, and that such changes could materially affect the amounts reported in the financial statements.

OHIO COUNTY RESCUE SERVICES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 8 – LONG TERM DEBT**

The Organization's long-term debt consists of the following:

	<u>2007</u>
Bank note payable in semi-annual installments of \$9,572, including interest at 4.0%, through December 2010. Collateral consists of a certain vehicle with an undepreciated cost of \$135,983 at December 31, 2007.	\$ 53,671
	<u>Subtotal 53,671</u>
Less: Current Portion of Long Term Debt	17,170
Long Term Debt	<u>\$ 36,501</u>

The approximate aggregate maturity of long-term debt for the five years ending December 31, 2010, is as follows:

2008	\$ 17,170
2009	17,863
2010	18,638
	<u>\$ 53,671</u>