



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B49503

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)


February 2, 2018

Board of Directors  
Westville Community Volunteer Fire Department, Inc.  
208 N. Flynn Road  
Westville, IN 46391

We have reviewed the report prepared by Westville Community Volunteer Fire Department, Inc. and opined upon by Applegate & Company, PC, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors Report* the financial statements included in the report present fairly the financial condition of Westville Community Volunteer Fire Department, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Applegate & Company, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and 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, CPA  
State Examiner

WESTVILLE COMMUNITY VOLUNTEER  
FIRE DEPARTMENT, INC.  
Westville, Indiana

ANNUAL REPORT  
December 31, 2016

CONTENTS

<u>REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS</u> . . . . .	1
<u>FINANCIAL STATEMENTS</u>	
Statement of Activities - Modified Cash Basis . . . . .	3
Statement of Financial Position - Modified Cash Basis . . . . .	4
Notes to the Financial Statements . . . . .	5
<u>REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION</u> . . . . .	11
Schedule of Expenses Paid . . . . .	12
Schedule of Financial Assistance Received . . . . .	13

1421 South Woodland Avenue  
Michigan City, Indiana 46360  
(219) 871-7880  
FAX (219) 879-0135  
E-mail: admin@applecpa.com

Paul E. Applegate, CPA  
John E. Applegate, PA  
(1920-1993)  
Blake E. Applegate, CPA  
Megan M. Applegate, CPA  
Ronald J. Delco, CPA  
Charles C. Fox, CPA  
Jason M. Nichols, CPA  
Brenda K. Novak, CPA

## INDEPENDENT AUDITORS REPORT

Board of Directors  
Westville Community Volunteer  
Fire Department, Inc.  
Westville, Indiana

We have audited the accompanying financial statements of Westville Community Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statement of financial position - modified cash basis as of December 31, 2016, and the related statement of activities - modified cash basis for the year 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 modified cash basis of accounting as described in Note 1; this includes determining that the modified 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 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 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 financial position of Westville Community Volunteer Fire Department, Inc. as of December 31, 2016, and the changes in its net assets for the year then ended in accordance with the modified 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 modified 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.

  
APPLEGATE & COMPANY  
Certified Public Accountants

Michigan City, Indiana  
November 3, 2017

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended December 31, 2016

<u>SUPPORT AND REVENUE</u>	
Contract revenue	\$258,656
Contributions	12,561
Investment income	<u>2,673</u>
Total support and revenue	273,890
<u>EXPENSES</u>	<u>172,642</u>
CHANGES IN NET ASSETS	101,248
NET ASSETS AT BEGINNING OF YEAR	<u>276,050</u>
NET ASSETS AT END OF YEAR	<u>\$377,298</u>

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

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2016

<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$ 155,840
Investments	<u>54,895</u>
Total current assets	<u>210,735</u>
<u>PROPERTY AND EQUIPMENT (Note 1)</u>	
Building and improvements	243,018
Fire equipment	94,172
Fire trucks and other safety vehicles	1,976,600
Furniture and office equipment	<u>5,074</u>
Total cost	2,318,864
Accumulated depreciation	<u>2,081,286</u>
Net property and equipment	<u>237,578</u>
Total assets	<u>\$ 448,313</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>CURRENT LIABILITIES</u>	
Current portion of long-term debt	\$ <u>23,623</u>
Total current liabilities	<u>23,623</u>
<u>LONG-TERM DEBT</u>	<u>47,392</u>
<u>NET ASSETS</u>	
Unrestricted net assets	<u>377,298</u>
Total liabilities and net assets	<u>\$ 448,313</u>

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

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF EXEMPT ACTIVITY - The Westville Community Volunteer Fire Department, Inc. is a not-for-profit corporation organized under the laws of the State of Indiana for the purpose of providing fire protection to the citizens of the Town of Westville and New Durham Township, located in LaPorte County, Indiana and Jackson Township, located in Porter County, Indiana. The Organization's major source of revenue results from annually renewable contracts with the Town of Westville, New Durham Township and Jackson Township, which require all monies received from the contracts to be used exclusively for the purpose of acquiring, operating and maintaining its apparatus and equipment to provide fire protection within the Town and Townships.

FINANCIAL STATEMENT PRESENTATION - The financial statements are presented on the modified cash basis of accounting. Under this method of accounting, with the exception of recording depreciation and investment income, transactions are recorded only as cash is received or disbursed. Consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The Organization uses Accounting Standards Codification, "Financial Statements of Not-for-Profit Organizations". The Organization is required

- Continued -

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Also, the Organization uses Accounting Standards Codification, "Accounting for Contributions Received and Contributions Made." Contributions and other support received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the purpose restriction. Restricted support is reported as unrestricted, if the restrictions are met in the same reporting period when received.

FIXED ASSETS - Building and improvements, fire equipment, fire trucks and other safety vehicles, and furniture and office equipment are stated at cost. Donated assets are stated at fair value at the time of the donation. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Depreciation is provided on fixed assets over the estimated useful life of the related assets using the straight-line method. The estimated useful lives of property and equipment for financial reporting are as follows:

- Continued -

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Building and improvements	5 - 20 Years
Fire equipment	5 - 10 Years
Fire trucks and other safety vehicles	10 Years
Furniture and office equipment	5 Years

When properties are retired or otherwise disposed of, the appropriate accounts are relieved of cost and accumulated depreciation and any resultant gains or losses are credited or charged to income.

Depreciation expense was \$40,699 for the year ended December 31, 2016.

INCOME TAXES - The Organization is exempt from tax on income under Section 501(c)(4) of the Internal Revenue Code and similar code sections for the State of Indiana. Therefore, these statements do not include any provision for income taxes.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification "Accounting for Uncertainty in Income Taxes," that clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. The Organization has adopted the Standard. As of December 31, 2016, the Organization does not believe that it has taken any tax positions that would require the recording of any tax liability nor does it believe that there are any unrealized tax benefits that would either increase or

- Continued -

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

decrease within the next twelve months. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions and the open tax years are 2013-2016.

NOTE 2 - INVESTMENTS

The Organization accounts for its investments under "Not for Profit Entities - Investments - Debt and Equity Securities", which requires it to report investments at market value. In addition, unrealized gains and losses are reflected in the Statement of Activities.

Investments consist of the following at December 31, 2016:

Cash equivalents	\$ 3,556
Equity securities	29,284
Fixed income	<u>22,054</u>
Total	<u>\$54,894</u>

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments securities and the level of uncertainty related to changes in the values of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

- Continued -

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE 2 - INVESTMENTS (Continued)

FINANCIAL INSTRUMENTS - The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments.

- Cash: The carrying amounts reported in the statement of financial position approximate fair values because of the nature of cash.
- Short-term investments: The fair values of investments are based on quoted market prices for those or similar investments.

The estimated fair values of the Organization's financial instruments are as follows as of December 31, 2016:

	<u>Fair Value</u>	<u>Quoted Price in Active Markets For Identical Assets (Level 1)</u>
Financial assets:		
Investments	\$54,895	\$54,895

NOTE 3 - LONG-TERM DEBT

A schedule of the Organization's long-term debt at December 31, 2016 follows:

<u>Due to/(Security)</u>	<u>Interest Rate</u>	<u>Payment Amount</u>	<u>2016 Amount</u>
Horizon Bank/ (Vehicle)	3.895%	\$12,682 including interest due semi annually	\$71,015
Less current maturities			<u>23,623</u>
Net long-term debt			<u>\$47,392</u>

- Continued -

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE 3 - LONG-TERM DEBT (Continued)

At December 31, 2016, long-term debt matures as follows:

2017	\$23,623
2018	23,733
2019	<u>23,659</u>
Total	<u>\$71,015</u>

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in a local financial institution. The balances are insured by the Federal Deposit Insurance Corporation and the National Credit Union Share Insurance Fund up to \$250,000. At December 31, 2016, the Organization's uninsured cash balances totaled \$-0-.

NOTE 5 - SUBSEQUENT EVENTS

No other subsequent events were noted as of November 3, 2017, which is the date the financial statements were available to be issued.

# APPLEGATE & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS

1421 South Woodland Avenue  
Michigan City, Indiana 46360  
(219) 871-7880  
FAX (219) 879-0135  
E-mail: admin@applecpa.com

Paul E. Applegate, CPA  
John E. Applegate, PA  
(1920-1993)  
Blake E. Applegate, CPA  
Megan M. Applegate, CPA  
Ronald J. Delco, CPA  
Charles C. Fox, CPA  
Jason M. Nichols, CPA  
Brenda K. Novak, CPA

## Independent Auditors' Report On Supplementary Information

Board of Directors  
Westville Community Volunteer  
Fire Department, Inc.  
Westville, Indiana

We have audited the financial statements of Westville Community Volunteer Fire Department, Inc. as of and for the year ended December 31, 2016, and have issued our report thereon dated November 3, 2017, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of expenses paid and financial assistance received is 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 audit 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.

  
APPLEGATE & COMPANY  
Certified Public Accountants

Michigan City, Indiana  
November 3, 2017

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

SCHEDULE OF EXPENSES

For the year ended December 31, 2016

Firefighters compensation and reimbursement	\$ 31,973
Fundraising expense	5,455
Insurance	22,351
Interest expense	2,685
Depreciation	40,699
Utilities	10,076
Office expense	2,446
Professional fees	8,010
Repairs and maintenance	22,402
Supplies	354
Small tools	3,539
Fuel	3,660
Equipment testing	8,804
Training	2,487
Clothing	51
Meals	708
Christmas party	1,429
Dues	560
Miscellaneous expense	<u>4,953</u>
Total expenses	<u>\$172,642</u>

WESTVILLE COMMUNITY VOLUNTEER FIRE DEPARTMENT, INC.

SCHEDULE OF FINANCIAL ASSISTANCE RECEIVED

December 31, 2016

<u>Program Title</u>	<u>Government Agency Name</u>	<u>CFDA Number</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Type of Funding</u>
Fire protection	Town of Westville	N/A	\$ 75,656	\$ 75,656	Fee for Service
Fire protection	New Durham Township	N/A	161,000	161,000	Fee for Service
Fire protection	Jackson Township	N/A	22,000	22,000	Fee for Service