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April 2, 2015

Board of Directors
Lakes of the Four Seasons Volunteer Fire Force, Inc.
10645 Randolph Street
Crown Point, IN 46307

We have reviewed the audit report prepared by Edward Opperman, CPA, for the period January 1, 2012 to December 31, 2012. 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 Lakes of the Four Seasons Volunteer Fire Force, Inc., as of December 31, 2012, 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.

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

**LAKES OF THE FOUR SEASONS
VOLUNTEER FIRE FORCE, INC**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2012



CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANT

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LAKES OF THE FOUR SEASONS
VOLUNTEER FIRE FORCE, INC.
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lakes of the Four Seasons Volunteer Fire Force, Inc.
Crown Point, Indiana

We have audited the accompanying statements of financial position of Lakes of the Four Seasons Volunteer Fire Force, Inc., (an Indiana nonprofit organization) as of December 31, 2012 and the related statement of activities, functional expenses, and cash flows 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 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakes of the Four Seasons Volunteer Fire Force, Inc., as of December 31, 2012, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.


EDWARD OPPERMAN, CPA
LAFAYETTE, INDIANA
November 29, 2013

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
 STATEMENT OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2012

	<u>2012</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 93,321
Accounts receivable	<u>40,186</u>
TOTAL CURRENT ASSETS	133,507
PROPERTY, PLANT AND EQUIPMENT	
Building	1,440,637
Trucks and equipment	2,285,485
Furniture and equipment	<u>78,536</u>
	3,804,658
Accumulated depreciation	<u>(2,496,431)</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>1,308,227</u>
TOTAL ASSETS	<u>\$ 1,441,734</u>
LIABILITIES	
CURRENT LIABILITIES	
Accrued expenses	\$ 1,146
Current Portion of Long-Term Debt	<u>97,177</u>
TOTAL CURRENT LIABILITIES	98,323
LONG-TERM LIABILITIES	
Notes Payable	137,505
Mortgage Payable	1,156,107
Current Portion of Long-Term Debt	<u>(97,177)</u>
TOTAL LONG-TERM LIABILITIES	<u>1,196,435</u>
TOTAL LIABILITIES	1,294,758
NET ASSETS	
Unrestricted Net Assets	<u>146,976</u>
TOTAL NET ASSETS	<u>146,976</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,441,734</u>

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

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>% of Total</u>
REVENUE AND SUPPORT		
Contractual Revenue	\$ 441,327	58.31%
Emergency Medical Services	256,870	33.94%
Inspection Fees	4,110	0.54%
Donations	23,630	3.12%
Gain on Sale of Assets	12,500	1.65%
Refunds and Repayments	9,851	1.30%
Other	8,517	1.13%
Total revenue and support	<u>756,805</u>	<u>100.00%</u>
Net assets released from restrictions	-	
Total revenue and support	<u><u>756,805</u></u>	<u><u>100.00%</u></u>
EXPENSES		
Program Services	618,264	81.69%
Management and General	34,195	4.52%
Fundraising	14,556	1.92%
Interest	62,980	8.32%
Total Expenses	<u>729,995</u>	<u>96.46%</u>
Increase (decrease) in Net Assets	26,810	3.54%
Net Assets - beginning of year	120,166	
Net Assets - end of year	<u><u>\$ 146,976</u></u>	

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

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 26,810
Adjustments to reconcile (Decrease) in net assets to net cash provided by (used in) operations:	
Depreciation	108,568
Gain on Sale of Assets	12,500
(Increase) decrease in operating assets:	
Accounts receivable	(40,186)
Increase (decrease) in operating liabilities:	
Accrued expenses	(836)
Net Cash Provided by (Used in) Operating Activities	<u>106,856</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Notes Payable	(63,213)
Payments on Mortgage Payable	(28,732)
Net Cash Provided by (Used in) Investing Activities	<u>(91,945)</u>
Net increase (decrease) in cash	14,911
Cash - beginning of year	78,410
Cash - end of year	<u>\$ 93,321</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING ACTIVITIES	
In-Kind contributions--	\$ -

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

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations—The Lakes of the Four Seasons Volunteer Fire Force, Inc. (the Organization) is an Indiana not for profit organization that engages, without charge, in the work of preventing and extinguishing fires in the homes and building situated within a 34 square mile primary response service area, including Winfield Township (in Lake County) and a portion of Western Porter Township (in Porter County) – that features over 50 bodies of water which includes streams, ponds and retention ponds. The Organization is the only fire department in North West Indiana certified by the State to provide swift water rescue service. The Organization also provides ambulance and emergency medical service assistance. The Organization has part-time employees including the Fire Chief, office administrator, inspectors and the EMS director. The Organization also has volunteer firefighters, emergency medical technicians and paramedics. The Organization responds to approximately 1,000 calls per year.
- b. Cash Equivalents—For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. There were no cash equivalents as of December 31, 2012.
- c. Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- d. Concentrations of Credit Risk—The Organization places its cash in accounts with a local financial institution. At times, such accounts may be in excess of FDIC insured limits. The Organization did not have amounts in excess of insured limits for both years.
- e. Accounts Receivable—Accounts Receivable consists of membership dues and other amounts owed to the Organization. The Organization considers accounts receivable to be fully collectible. Uncollectible accounts receivable are charges directly against operations when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.
- f. Property, Plant, Equipment and Depreciation—Property and equipment directly owned by the Organization are carried at cost, less accumulated depreciation using accelerated methods of depreciation. Depreciation expense amounted to \$121,068 for the year ended December 31, 2012. When property or equipment are sold or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss on the disposition is recorded in operations. Expenditures for maintenance and repairs are expensed when incurred. Expenditures that result in the enhancement of the value of the properties involved are treated as additions to plant and equipment.
- g. Deferred Revenue—Payments received for planned events that have not occurred are considered prepayments and will be recognized as revenue when earned in a subsequent period.

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)

- h. Contributions—The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.
- i. Income Taxes—The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and, therefore, pays no federal or state income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a)(1) of the code.
- j. Advertising—The Organization's advertising costs are expensed as incurred. The Organization receives in-kind contributions to promote the Taste of Tippecanoe event. During 2012, total advertising costs were \$0.
- k. Net Assets—Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the net assets of the Organization are reported in each of the following three classes:
 - i. Unrestricted Net Assets—Net assets that are not subject to donor-imposed stipulations.
 - ii. Temporarily Restricted Net Assets—Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.
 - iii. Permanently Restricted Net Assets—Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets, depending on the restriction. When a 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 activities as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions were received.

NOTE 2: RESTRICTIONS OF NET ASSETS

The Organization had no restrictions on net assets for the year ended December 31, 2012.

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3: FUNCTIONAL ALLOCATION OF EXPENSES

Directly identifiable expenses are charged to program services and special events. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE 4: DONATED MATERIALS AND SERVICES

The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated are capitalized on the basis explained in Note 1F. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation.

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

NOTE 5: CONTRACTUAL REVENUE

The Organization received for the year ended December 31, 2012 the following Contractual Revenues / Funding for different government sources. The revenue show the amount of each as a percentage of total revenue for the Organization, this details the concentration of revenue from each sources based on total revenue for the year.

Source	Contractual Funding	Cumulative Building Funds	Total	Percentage of Total Revenue
Town of Winfield	\$ 115,000	\$ 17,418	\$ 132,418	17.50%
Winfield Township	162,540	16,717	179,257	23.69%
West Porter Township	113,700	15,952	129,652	17.13%
	<u>\$ 391,240</u>	<u>\$ 50,087</u>	<u>\$ 441,327</u>	58.31%

NOTE 6: EMS AND AMBULANCE REVENUE

The Organization received for the year ended December 31, 2012 the following revenues for EMS and Ambulance services. In addition to direct billing of insurance, the Organization provides memberships for such services. These memberships provide for any costs that exceed reimbursements from insurance companies. Listed are amounts of revenue from each, and as a percentage of the Organization's total revenue. This table shows the concentration of total revenue received via EMS and Ambulance services.

Ambulance Billings	\$ 234,715	31.01%
Family Memberships	16,335	2.16%
Individual Memberships	5,820	0.77%
	<u>\$ 256,870</u>	33.94%

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 7: MORTGAGE AND NOTE PAYABLE

The Organization had the following mortgage and notes payable as of December 31, 2012:

	<u>Balance</u>	<u>Current Portion</u>
Mortgage loan payable for the construction of a new fire station, with an interest rate of 5.65%, quarterly payment of \$23,086 including interest, maturing in August 2035	\$ 1,156,107	\$ 30,940
Note payable for the purchase of a Freightline Fire Truck, with an interest rate of 4.59%, annual payment of \$50,152 including interest, maturing July 2013	57,359	47,519
Note payable for the purchase of a Ambulance, with an interest rate of 4.5%, quarterly payment of \$22,325 including interest, maturing January 2016	80,146	18,718
Total	<u>\$ 1,293,612</u>	<u>\$ 97,177</u>

Current portion of the long-term debt as of December 31, 2012:

<u>Current Portion of Long-Term Debt</u>	
Year 2013	97,177
Year 2014	61,757
Year 2015	54,278
Year 2016	56,811
Year 2017	37,005
Thereafter	<u>986,584</u>
Total	<u>1,293,612</u>

Interest expense for the year ended December 31, 2012 was \$62,980

NOTE 8: OCCUPANCY EXPENSE

The Organization occupies, at no charge, office and garage space for Station 2, owned by Winfield Township.

NOTE 9: SERVICE CONTRACTS

As of December 31, 2012 the Organization had signed contract for the year 2013 with Town of Winfield, Winfield Township, and West Porter Township.

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INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Lakes of the Four Seasons Volunteer Fire Force, Inc.
Crown Point, Indiana

We have audited the financial statement of Lakes of the Four Seasons Volunteer Fire Force, Inc., as of and for the year ended December 31, 2012, and have issued our report that appears on page 1, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of function expenses 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 related 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.



EDWARD OPPERMAN, CPA
LAFAYETTE, INDIANA
November 29, 2013

LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program		Management		Fundraising	Total	% of Total
	Services		General				
Salaries and wages	\$ 269,442	\$	30,524	\$	-	\$ 299,966	44.97%
Payroll taxes	23,263		2,350		-	25,613	3.84%
Professional fees	8,084		1,321		-	9,405	1.41%
Clothing allowance	9,393		-		-	9,393	1.41%
Office expenses	12,001		-		-	12,001	1.80%
Communications equipment	3,832		-		-	3,832	0.57%
Depreciation expense	121,068		-		-	121,068	18.15%
Insurance	48,144		-		-	48,144	7.22%
Small equipment and supplies	-		-		-	-	0.00%
Repairs	1,500		-		-	1,500	0.22%
Communications equipment	-		-		-	-	0.00%
Dues and subscriptions	4,122		-		-	4,122	0.62%
Inspections and testing	3,863		-		-	3,863	0.58%
Fire and rescue equipment	9,379		-		-	9,379	1.41%
Fire and rescue supplies	321		-		-	321	0.05%
EMS equipment	1,706		-		-	1,706	0.26%
EMS supplies	7,550		-		-	7,550	1.13%
Utilities expenses	20,997		-		-	20,997	3.15%
Vehicle expenses	55,492		-		-	55,492	8.32%
Station and grounds expenses	8,361		-		-	8,361	1.25%
Educational	3,787		-		-	3,787	0.57%
Fundraising expenses	-		-		14,556	14,556	2.18%
Banking fees	697		-		-	697	0.10%
EMS billing costs	724		-		-	724	0.11%
Other	4,538		-		-	4,538	0.68%
	<u>\$ 618,264</u>	<u>\$</u>	<u>34,195</u>	<u>\$</u>	<u>14,556</u>	<u>\$ 667,015</u>	<u>100.00%</u>

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