



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B34635

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

June 24, 2009

Board of Directors
Union Volunteer
Fire Department, Inc.
P.O. Box 105
Wheeler, IN 46393

We have reviewed the audit report prepared by Risetter & Associates, LLC, 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 Union Volunteer Fire Department, 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

**Union Volunteer Fire Department, Inc.
2007 Audit Report**

Prepared by:

Risetter & Associates LLC

Certified Public Accountants

2804 Boilermaker Court

Valparaiso, Indiana 46383

Phone 219-464-0678 Fax 800-495-9046

www.ValpoCPA.com

**Union Volunteer Fire Department, Inc.
Wheeler, In.**

TABLE OF CONTENTS

AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 8
AUDITORS REPORT ON INTERNAL CONTROL ACCOUNTING	9 - 10

REPORT OF INDEPENDENT AUDITOR'S ON THE FINANCIAL STATEMENTS

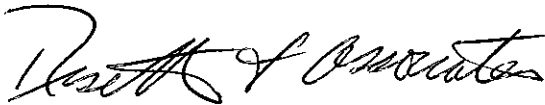
**Board of Directors
Union Volunteer Fire Department, Inc.
Wheeler, In.**

We have audited the accompanying statements of financial position of Union Volunteer Fire Department, Inc. as of December 31, 2007 and the related statements of activities 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 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 misstatements. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements of Union Volunteer Fire Department, Inc. present fairly, in all material respects, the financial position of Union Volunteer Fire Department, 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 generally accepted accounting principles in the United States of America.

Risetter & Associates LLC



Valparaiso, Indiana
November 14, 2008

Union Volunteer Fire Department, Inc.
STATEMENT OF FINANCIAL POSITION
Year Ending December 31, 2007

ASSETS

	12/31/07	12/31/06
Current assets		
Cash	\$ 121,158	\$ 41,753
Accounts receivable, net of allowances	99,868	95,116
Other current assets	12,691	9,819
Total current assets	<u>\$ 233,718</u>	<u>\$ 146,688</u>
Long-term assets		
Property, plant & equipment	1,434,543	1,441,319
Property, plant & equipment - accum deprec	(647,732)	(565,352)
Total property, plant, and equipment	<u>\$ 786,811</u>	<u>\$ 875,967</u>
Total Assets	\$1,020,528	\$1,022,656

LIABILITIES & SHAREHOLDER'S EQUITY

Current Liabilities		
Accounts payable	1,785	1,785
Current portion of long term liabilities	27,070	31,710
Total current liabilities	<u>\$ 28,855</u>	<u>\$ 33,495</u>
Long-term liabilities		
Long term debt	60,300	134,463
Total long-term liabilities	<u>\$ 60,300</u>	<u>\$ 134,463</u>
Total Liabilities	\$ 89,155	\$ 167,957
Net Assets		
Unrestricted	\$ 931,373	\$ 854,697
Total Equity	<u>\$ 931,373</u>	<u>\$ 854,697</u>
Total liabilities and net assets	\$1,020,528	\$1,022,656

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

Union Volunteer Fire Department, Inc.

STATEMENT OF ACTIVITIES

Year Ending December 31, 2007

	2007			2006
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals for 2006
Change in net assets				
Support and Revenue				
Contributions	\$ 50,592	\$ 0	\$ 0	\$ 27,916
Contract service fee	199,801			190,225
Grants and donations	80,660			120,500
Government grants	24,482			23,591
Other income	355,535	0	0	362,232
Total support & revenue	\$ 178,940	\$ 0	\$ 0	\$ 170,311
Expenses				
Program expenses	\$ 168,604	\$ 0	\$ 0	\$ 143,877
Management & general	9,623			21,956
Fund raising	713			4,478
Total expenses	\$ 178,940	\$ 0	\$ 0	\$ 170,311
Other (Income) & expenses				
Depreciation expense	\$ 104,540	\$ 0	\$ 0	\$ 99,967
Interest income	(330)			(426)
Interest expense	7,611			10,145
Gain of sale of equipment	(11,903)			(11,903)
Total other (income) & expense	\$ 99,918	\$ 0	\$ 0	\$ 109,686
Change in Net Assets	76,677			82,235
Net Assets - Beginning of Year	854,697			772,462
Net Assets - End of Year	\$ 931,373	\$ 0	\$ 0	\$ 854,697

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

Union Volunteer Fire Department, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending December 31, 2007

Expense description	2007			2006
	Program Services	Management/General	Fund Raising	Total Expenses
Advertising	\$ 0	\$ 0	\$ 0	\$ 5,526
Brokerage fee				1,100
Dues and subscriptions	244	463		2,085
Employee reimbursements	16,700			9,160
Fuel	12,286			11,197
Food			713	3,146
In-kind expense	12,000			12,000
Insurance	22,510			22,979
Maintenance and repairs - bldgs	10,566			4,885
Maintenance and repairs - equip	31,925			32,916
Office supplies	1,264	1,634		2,203
Officer's compensation		800		800
Physicals and medical	9,337			9,337
Postage and delivery		1,526		1,648
Professional fees		5,200		8,900
Public relations	908			1,100
Supplies and expenses	16,728			7,881
Telephone	5,789			7,202
Training	4,054			6,573
Utilities	17,763			14,756
Vehicle and clothing allowance	6,530			6,175
Total Expenses	\$ 168,604	\$ 9,623	\$ 713	\$ 178,940
				\$ 170,311

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

Union Volunteer Fire Department, Inc.
STATEMENT OF CASH FLOWS
Year Ending December 31, 2007

	2007	2006
Cash flows from operating activities		
Excess of revenue over expenses	76,677	82,235
Depreciation expense	104,540	99,967
Increase in accounts receivable	(4,752)	(4,532)
Increase in Prepaid expenses	(2,872)	
Decrease in Prepaid expenses		775
Decrease in accounts payable		(5,095)
Decrease in accrued expenses		(881)
Net cash provided (utilized) by operating activities	\$ 173,593	\$ 172,469
Cash flow from investing activities		
Decrease in investments		42,028
Capital expenditure & leases	(15,385)	(197,114)
Net cash provided (utilized) by investing activities	\$ (15,385)	\$ (155,086)
Cash flow from financing activities		
Redemption of debt	(78,803)	(29,402)
Net cash provided (utilized) by financing activities	\$ (78,803)	\$ (29,402)
Net cash provided (utilized)	\$ 79,405	\$ (12,019)
Cash at beginning of year	41,753	53,772
Cash at end of period	\$ 121,158	\$ 41,753

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

Union Volunteer Fire Department, Inc.

NOTES TO THE FINANCIAL STATEMENT

December 31, 2007

NOTE 1 NATURE OF ACTIVITIES

Union Volunteer Fire Department, Inc. is incorporated in Indiana and operates as a not-for-profit organization under the laws of the State of Indiana. The organization furnishes fire protection, emergency first aid, and related emergency services to the residents of Union Township, Porter County, Indiana.

The Organization receives its operation funds from Union Township in accordance with an annual contract to provide fire protection to the township. Union Volunteer Fire Department, Inc. locations consist of two fire stations located within the township with vehicles and related equipment used for fire protection.

The Organization's primary support is from the Union Township Trustee along with additional the Department Homeland Security funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 2 Income Taxes

Union Volunteer Fire Department, Inc. is incorporated in Indiana and operates as a not-for-profit organization under the laws of the State of Indiana. The organization is exempt from federal income taxes under U.S. Internal Revenue code Section 501(c)(3). The Organization is not considered a private foundation.

Property & Equipment

The property and equipment purchased by Union Fire is capitalized and depreciated over their estimated useful lives on a straight line basis, half year basis. The property and equipment are stated at cost less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense in the period incurred, with major upgrades/ betterments being capitalized and depreciated.

Revenue & Expense Recognition:

The financial statements are presented on the accrual basis of accounting. All revenue and expenses are recorded in the period earned or incurred.

Use of Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires managements to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

Union Volunteer Fire Department, Inc.

NOTES TO THE FINANCIAL STATEMENT

December 31, 2007

also affect the reported amounts of revenues and expenses during the reporting period. Areas where estimates are used in the accompanying financial statements include depreciation lives of fixed assets. Actual results could differ from those estimates.

Net Assets:

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. SFAS No. 117 requires the net assets are reported separately under the three (3) classifications of net assets as follows:

Unrestricted net assets represent the part of the net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent the part of the net assets of the Organization resulting (a) from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, (b) from other asset enhancements and diminishment subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets represent the part of the net assets of the Organization resulting (a) from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire thru the passage of time nor can be fulfilled or otherwise removed by actions of the Organization, (b) from other asset enhancements and diminishment subject to the same kinds of stipulations, and (c) from reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

Cash and Statement of Cash Flows:

Cash and cash equivalents include cash on hand, checking and savings and any certificates of deposits less than ninety (90) day maturity.

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

Union Volunteer Fire Department, Inc.
NOTES TO THE FINANCIAL STATEMENT
 December 31, 2007

NOTE 3 DONATED SERVICES, EQUIPMENT AND SUPPLIES

The volunteers that donate their time and services are instrumental to the success of the Organization, however the value of these services are not reflected in the accompanying financial statements, as there is no objective basis to determine the value of these services. The volunteers are reimbursed for vehicle, clothing, and thru a point system. The point system is reimbursement to each firefighter based upon the number of service calls donated. These expenses are shown on the Supplemental Schedule of Expense under the program expenses.

The Quint Aerial Truck (value @\$470,000) was purchased by the Union Township, but was purchased for use by the Union Volunteer Fire Department, Inc. Union Township is paying the liability note and will transfer title to Union Volunteer Fire Department, Inc. upon the final payment. Quint Aerial Truck remains the property of Union Township as of December 31, 2007. To reflect the income and expense of this vehicle, the in-kind revenue and in-kind expense is valued at \$12,000 for each year.

NOTE 4 ACCOUNTS RECEIVABLE & BAD DEBT

The Union Township second payment in the amount of \$ 99,868 for 2007 fire fighting services provided was received in January of 2008. Union Fire Department, Inc. receives a majority of its revenue from Union Township, Indiana.

NOTE 5 NOTES PAYABLE & LONG-TERM DEBT

The Organization has one (1) building mortgage notes payable with 1st Source Bank (formally First National Bank of Valparaiso). The previous loan vehicle loan for the two (2) Tahoe's was paid off with insurance proceeds from one (1) Tahoe disposal.

The monthly payment is \$2,227.09 at the current 5.6% interest rate. The current and long-term portion is as follows:

	2007	2006
Current liability	27,070	19,030
long-term liability	60,300	117,885
Totals	\$ 87,370	\$ 136,915

See Accountant's Audit Report

The Accompanying Notes are Integral Part of these Financial Statements

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED**

Board of Directors
Union Volunteer Fire Department, Inc.
Wheeler, Indiana

We have audited the financial statements of Union Volunteer Fire Department, Inc. as of and for the year ending December 31, 2007 and have issued our report thereon dated November 14, 2008

The management of Union Volunteer Fire Department, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by managements are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide managements with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of the policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Union Volunteer Fire Department, Inc. for the year December 31, 2007 we obtained an understanding of the internal controls structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standard established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the Indiana State Board of Accounts. However, this report is a matter of public record, and its distribution is not limited.

Risetter & Associate

Risetter & Associates LLC
Valparaiso, Indiana
November 14, 2008