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STATE BOARD OF ACCOUNTS  
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October 17, 2011

Board of Directors  
Lowell Volunteer  
Fire Department, Inc.  
P.O. Box 327  
Lowell, IN 46356

We have reviewed the audit report prepared by Gibson & Brown, CPA, Inc., Independent Public Accountants, for the period January 1, 2007 to December 31, 2008. 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 Lowell Volunteer Fire Department, Inc., as of December 31, 2007 and 2008, and the results of its operations for the periods 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

AUDIT REPORT

OF

LOWELL VOLUNTEER FIRE DEPARTMENT  
LAKE COUNTY, INDIANA

JANUARY 1, 2007 TO  
DECEMBER 31, 2008

## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Entity Officials	1
Governmental Funding Agencies	2
Auditor's Report	3
Combined Statement of Receipts, Disbursements and Balances	4-5
Detailed Schedule of Receipts	6
Detailed Schedule of Disbursements	7
Notes to Financial Statements	8-10
Audit Results and Comments	11
Exit Conference	12

LOWELL VOLUNTEER FIRE DEPARTMENT  
SCHEDULE OF ENTITY OFFICIALS  
2008

Steve Babusch  
1130 Lincoln Ave  
Lowell, IN 46356

Title: President

Randal Small  
1791 Jeffery Dr.  
Lowell, IN 46356

Title: Vice-President

Michael Ham  
248 Prairie Street  
Lowell, IN 46356

Title: Secretary

Timothy Sander  
17540 Merlin Dr.  
Lowell, IN 46356

Title: Treasurer

Sean Brady  
534 Walnut Ln.  
Lowell, IN 46356

Title: Trustee

Timothy Sheets  
205 East Street  
Lowell, IN 46356

Title: Trustee

Clint Gorbali  
17667 Calhoun St.  
Lowell, IN 46356

Title: Trustee

GOVERNMENTAL FUNDING AGENCIES

Alice Dahl  
Cedar Creek Township  
151 N. Freemont  
Lowell, IN 46356

Title: Trustee

Judith Walters  
Town of Lowell  
P.O. Box 157  
Lowell, IN 46356

Title: Clerk Treasurer

James Morrow  
Eagle Creek Township  
8305 E. 173<sup>rd</sup> Ave  
Hebron, IN 46341

Title: Trustee

Rick Niemeyer  
West Creek Township  
11003 W. 181<sup>st</sup> Ave  
P.O. Box 84  
Lowell, IN 46356

Title: Trustee

## AUDITOR'S REPORT

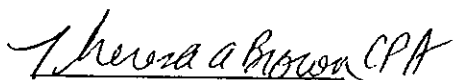
TO: THE OFFICIAL OF THE LOWELL VOLUNTEER FIRE DEPARTMENT

We have audited the accompanying statements of receipts, disbursements, and balances of the Lowell Volunteer Fire Department, Lake County, Indiana, for the years ended December 31, 2007 and 2008 as listed in the table of contents. These financial statements are the responsibility of the service agencies management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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.

As described in Note 1, the service agency's policy is to prepare its financial statements on the cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above, present fairly the cash balances of the Lowell Volunteer Fire Department, Lake County, Indiana, at December 31, 2007 and 2008, its receipts collected and disbursements paid during the years then ended, on the basis of accounting as referred to in the preceding paragraph, which has been applied in a manner consistent with that of preceding years.



Gibson & Brown, CPA

August 14, 2009

**LOWELL VOLUNTEER FIRE DEPARTMENT  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES  
 JANUARY 1, 2007 TO DECEMBER 31, 2007**

Account	BALANCE 01/01/07	RECEIPTS	DISBURSEMENTS	BALANCE 12/31/2007
Checking - Standard Bank	\$ 32,127	\$ 709,653	\$ 690,597	\$ 51,183
Gaming - Standard Bank	722	22,464	20,849	2,337
<b>Total</b>	<b>\$ 32,849</b>	<b>\$ 732,117</b>	<b>\$ 711,446</b>	<b>\$ 53,520</b>

The Accompanying Notes are an Integral Part Of The Financial Statements  
 Page 4

**LOWELL VOLUNTEER FIRE DEPARTMENT  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES  
 JANUARY 1, 2008 TO DECEMBER 31, 2008**

Account	BALANCE 01/01/08	RECEIPTS	DISBURSEMENTS	BALANCE 12/31/2008
Checking - Standard Bank	\$ 51,183	\$ 418,011	\$ 427,966	\$ 41,228
Gaming - Standard Bank	<u>2,337</u>	<u>34,906</u>	<u>29,150</u>	<u>8,093</u>
Total	<u>\$ 53,520</u>	<u>\$ 452,917</u>	<u>\$ 457,116</u>	<u>\$ 49,321</u>

The Accompanying Notes are an Integral Part Of The Financial Statements  
 Page 5

LOWELL VOLUNTEER FIRE DEPARTMENT  
 DETAILED SCHEDULE OF RECEIPTS  
 January 1, 2007 to December 31, 2008

<u>Schedule of Receipts</u>	<u>2008</u>	<u>2007</u>
Contract-Cedar Creek Township	\$ 54,143	\$ 46,000
Contract-Eagle Creek Township	7,000	7,000
Contract-Town of Lowell	113,350	109,260
Contract-West Creek Township	28,000	9,000
Donations	29,080	27,335
Restricted Income	70,000	70,000
Grants	95,922	167,294
Hazardous Materials Income	9,395	65,434
Knox Box Sales	1,041	1,242
Report Fees	121	132
Sign Income	115	80
Miscellaneous	2,095	18,585
Interest Income	284	945
Other Income	17,752	3,007
Trucks & Equipment sold	0	43,000
2007 Tanker Loan	0	140,000
Intercompany Transfers	24,619	23,803
	<hr/>	<hr/>
Total Receipts	<u>\$ 452,917</u>	<u>\$ 732,117</u>

LOWELL VOLUNTEER FIRE DEPARTMENT  
 DETAILED SCHEDULE OF DISBURSEMENTS  
 January 1, 2007 to December 31, 2008

<u>Schedule of Disbursements</u>	<u>2008</u>	<u>2007</u>
Automobile/Truck Maintenance	\$ 18,159	\$ 9,583
Bank Service Charges	30	121
Equipment Maintenance	8,735	10,994
Grant Expenses	132,913	163,294
Bad Debt	0	7,884
Fund Drive Expenses	3,777	3,734
Donations	500	50
Insurance	12,550	11,098
Intercompany Transfers	10,010	27,000
Loan Payment-Interest	6,323	2,236
Loan Payment-Principle	90,854	61,785
Janitorial Services	3,600	3,571
KnoxBox Products	831	0
Communications Equipment	7,255	4,375
Telephone	3,004	3,760
Dues and Subscriptions	1,042	1,606
Entertainment	3,836	417
Hazardous Materials Supplies	495	28,104
Truck Fuel	2,824	642
Equipment Rental	828	0
Fire Inspections	917	401
License and Permits	0	15
SCBA Equipment	0	69
Miscellaneous and Other Expenses	1,204	5,253
Office Supplies	2,664	2,532
Postage and Delivery	543	551
Computer Expense	1,445	1,755
Payroll Taxes	10,516	20,202
Professional Fees	1,066	2,821
Service Contracts	776	1,244
Uniforms	8,681	8,111
Building Repairs	3,939	4,347
Training and Education	2,757	5,490
Travel & Entertainment	2,144	919
Vending Expense	2,550	2,993
Trucks & Equipment	0	219,470
Wages	110,348	95,019
	<hr/>	<hr/>
Total Disbursements	<u>\$ 457,116</u>	<u>\$ 711,446</u>

LOWELL VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 and 2008

Note 1. Basis of Presentation and Significant Accounting Policies

- A. This report of the Lowell Volunteer Fire Department includes all funds of the Lowell Volunteer Fire Department. The following funds were used:

Operating Checking: The operating checking fund is a checking account. All expenses were paid from this account and all donations and fund raising revenue are deposited into this account.

Gaming: The gaming fund is a checking account. Revenue from gaming activities is deposited and gaming disbursements are paid from this account.

- B. The Lowell Volunteer Fire Department's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received and certain expenses are recognized when paid.

Generally accepted accounting principles require the use of the accrual basis of accounting. The accrual basis of accounting requires that revenues be recognized in the accounting period when earned and become measurable and expenses are recognized in the period incurred, if measurable.

Since the Lowell Volunteer Fire Department's policy is to prepare its financial statements on the basis of cash receipts and disbursements, the financial statements presented herein are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Note 2. Basis of Organization

The Lowell Volunteer Fire Department was incorporated on October 12, 1971 under the statutes prescribed by the Indiana Not-For-Profit Corporation Act of 1935.

Note 3. Direct and Indirect Benefit from Governmental Units

Cash Received: 2008

Cedar Creek Township	\$54,143
Town of Lowell	113,350
Eagle Creek Township	7,000
West Creek Township	28,000

Total Benefit from Governmental Units \$202,493

Cash Received: 2007

Cedar Creek Township	\$46,000
Town of Lowell	109,260
Eagle Creek Township	7,000
West Creek Township	9,000

Total Benefit from Governmental Units \$171,260

Note 4. Cash Balances

The cash balances of the Lowell Volunteer Fire Department at December 31, 2008 consisted of the following:

<u>Account</u>	<u>Account #</u>	<u>Bank</u>	<u>Amount</u>
Checking	3415019004	Standard Bank	\$41,228
Gaming	3415018005	Standard Bank	\$8,093

Note 4. Cash Balances – cont...

The cash balances of the Lowell Volunteer Fire Department at December 31, 2007 consisted of the following:

<u>Account</u>	<u>Account #</u>	<u>Bank</u>	<u>Amount</u>
Checking	3415019004	Standard Bank	\$51,183
Gaming	3415018005	Standard Bank	\$2,337

Note 5. Board Compensation

Each firefighter is allowed \$200.00 each year for uniforms and they are compensated for fire calls, training classes, and fire meetings based on their attendance. Each individual having a total compensation over \$600.00 is given Form 1099.

Note 6. Loans

The notes payable to Demotte State Bank had a total outstanding principle balance of \$0 as of December 31, 2008 and \$1,079 as of December 31, 2007.

The note payable to Standard Bank had an outstanding principle balance of \$29,121 as of December 31, 2008 and \$118,896 as of December 31, 2007.

LOWELL VOLUNTEER FIRE DEPARTMENT

AUDIT RESULTS AND COMMENTS

JANUARY 1, 2007 TO DECEMBER 31, 2008

1. FINDING: There are no significant variations of the Lowell Volunteer Fire Department books. We have no recommendations for changes.

LOWELL VOLUNTEER FIRE DEPARTMENT

EXIT CONFERENCE

JANUARY 1, 2007 TO DECEMBER 31, 2008

On August 14, 2009, an exit conference was conducted with Mr. Timothy Sander, Treasurer of the Lowell Volunteer Fire Department. Mr. Sander concurred with the audit results.