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November 7, 2011

Board of Directors
Cedar Lake Volunteer
Fire Department, Inc.
9530 W. 133rd Ave.
Cedar Lake, IN 46303

We have reviewed the audit report prepared by Joe Krnich & Associates, PC, 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 Cedar Lake Volunteer Fire Department, Inc., as of December 31, 2008, 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

**CEDAR LAKE VOLUNTEER FIRE DEPARTMENT, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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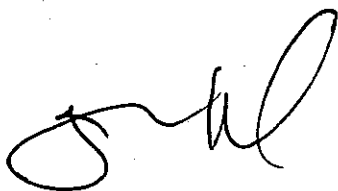
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Cedar Lake Volunteer Fire Department, Inc.

We have audited the accompanying statement of financial position of the Cedar Lake Volunteer Fire Department, Inc. as of December 31, 2008 and 2007 and the related statement of activities, cash flows and functional expenses for the years 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cedar Lake Volunteer Fire Department, Inc. as of December 31, 2008 and 2007 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.



Crown Point, IN
November 18, 2009

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Cedar Lake Volunteer Fire Department, Inc.

Statement of Financial Position

December 31, 2008 and 2007

	Assets	
	2008	2007
Current Assets-Unrestricted		
Cash-Checking	\$ 63,833	\$ 97,241
Cash-Donations	20,387	20,737
Cash-EMS	115,000	0
Cash-Savings	396	394
Cash-Scholarship Account	1,908	1,898
Cash-Inspection Account	393	3,859
Contract Receivable	0	35,504
Total Current Assets-Unrestricted	<u>201,917</u>	<u>159,633</u>
Fixed Assets-Unrestricted		
Building & Improvements	138,775	136,734
Machinery & Equipment	1,282,979	1,272,348
Furniture & Fixtures	28,289	28,289
Vehicles	953,384	936,487
Total Fixed Assets-Unrestricted	<u>2,403,427</u>	<u>2,373,858</u>
Less: Accumulated Depreciation	<u>(827,775)</u>	<u>(777,173)</u>
Total Net Fixed Assets-Unrestricted	<u>1,575,652</u>	<u>1,596,685</u>
 Total Assests-Unrestricted	 <u><u>\$ 1,777,569</u></u>	 <u><u>\$ 1,756,318</u></u>
Liabilities and Net Assets		
Current Liabilities		
Line of Credit-DeMotte State Bank	\$ 55,084	\$ 54,984
Federal Fica Tax Withheld	8,777	0
State Tax Withheld	1,153	0
Notes Payable-Current Portion	35,630	8,883
Total Current Liabilities	<u>100,644</u>	<u>63,867</u>
Long-Term Liabilities		
Note Payable- Equipment	312,377	354,945
Total Long-Term Liabilities	<u>312,377</u>	<u>354,945</u>
 Total Liabilities	 413,021	 418,812
 Net Assests-Unrestricted	 <u>1,364,548</u>	 <u>1,337,506</u>
 Total Liabilities and Net Assets	 <u><u>\$ 1,777,569</u></u>	 <u><u>\$ 1,756,318</u></u>

See Notes to Financial Statements

Cedar Lake Volunteer Fire Department, Inc.

Statement of Activities

Years Ended December 31, 2008 and 2007

	2008	2007
Unrestricted Net Assets		
Support		
Contributions	\$ 17,110	\$ 2,105
Contract Income-Fire	211,423	255,997
Contract Income-Mutual Aid-EMS	274,196	0
Permits, Reports, Inspections	5,737	7,756
Special Events	23,417	30,609
Interest	356	722
Total Unrestricted Support	<u>\$ 532,239</u>	<u>\$ 297,189</u>
Expenses - Program Services		
Program Services	\$ 489,188	\$ 313,497
Fundraising	4,874	12,496
Total Expenses-Program Services	<u>\$ 494,062</u>	<u>\$ 325,993</u>
Expenses - Supporting Services		
Management	\$ 11,135	\$ 18,651
Total Expenses - Supporting Services	<u>\$ 11,135</u>	<u>\$ 18,651</u>
Total Expenses	<u>\$ 505,197</u>	<u>\$ 344,644</u>
Increase (Decrease) in		
Unrestricted Net Assets	\$ 27,042	\$ (47,455)
Unrestricted Net Assets		
Beginning of Year	<u>1,337,506</u>	<u>1,384,961</u>
Unrestricted Net Assets		
End of Year	<u>\$ 1,364,548</u>	<u>\$ 1,337,506</u>

Cedar Lake Volunteer Fire Department, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 27,042	\$ (47,455)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	50,603	37,252
Increase (Decrease) Contract Receivable	(35,504)	35,504
Payroll Taxes	9,930	(4,934)
Total Adjustments	<u>25,029</u>	<u>67,822</u>
Net Cash Used in Operating Activities	52,071	20,367
Cash Flows from Investing Activities		
Purchase of Equipment	<u>(29,569)</u>	<u>(248,561)</u>
Net Cash Used in Investing Activities	(29,569)	(248,561)
Cash Flows from Financing Activities		
New Borrowings	35,503	180,225
Principal Payment on Bank Loan	<u>(15,721)</u>	<u>(35,813)</u>
Net Cash Used in Financing Activities	<u>19,782</u>	<u>144,412</u>
Net Increase (Decrease) in Cash & Equity	42,284	(83,782)
Cash & Cash Equivalents, Beginning of Year	<u>159,633</u>	<u>243,415</u>
Cash & Cash Equivalents, End of Year	<u>\$ 201,917</u>	<u>\$ 159,633</u>

Cedar Lake Volunteer Fire Department, Inc.
Notes to the Financial Statements
For the years ended December 31, 2008 & 2007

NOTE 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Cedar Lake Fire Department, Inc. is a not for profit organization that engages, without charge, in the work of preventing and extinguishing fires in the homes and buildings situated within Cedar Lake and Hanover Township. The Department has 35 dedicated members who are available 24/7- 365 days a year. The department covers 50 square miles, protects approximately 15,000 residents and responds to over 500 calls per year. The Department is equipped to handle fire and chemical emergencies and provides Basic and Advanced Emergency Medical Services. The fire department has a lake within their jurisdiction which contains 800 acres of water and they respond to both warm and cold water emergencies. New in 2006, is an amendment to the Town of Cedar Lake's agreement with the Cedar Lake Volunteer Fire Department to provide ambulance emergency services assistance.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services

During the years ended December 31, 2008 and 2007, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Estimates

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

Property and Equipment

It is the Organizations policy to capitalize property and equipment. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair market value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restriction when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using both the straight-line and accelerated methods.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted new assets, and permanently restricted net assets.

Income Taxes

The Organization is a not-for-profit civic organization that is exempt from income taxes under Section 501(c) (4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Investments

The Organization has no investments in marketable or debt securities.

Cash and Cash Equivalents

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

NOTE 2—RESTRICTIONS ON NET ASSETS

For the years ending December 31, 2008 and 2007, there are no restrictions on net assets.

NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Building and Improvements	\$ 138,775	\$ 136,734
Machinery and Equipment	1,282,979	1,272,348
Furniture and Fixtures	28,289	28,289
Fire Trucks and Vehicles	<u>953,384</u>	<u>936,487</u>
	2,403,427	2,373,858
Accumulated Depreciation	<u>(827,775)</u>	<u>(777,173)</u>
Total Property and Equipment	\$ <u>1,575,652</u>	\$ <u>1,596,685</u>

NOTE 4—LOANS PAYABLE

The organization has a long term loan payable to First State Bank for a Pierce Ladder Truck with 2008 and 2007 loan balances of \$348,009 and \$363,828 respectively, with a maturity date of July 02, 2017. Semi-annual loan payments of \$17,815.14 are due in January and July of each year. The loan interest rate is 5.5% and is paid currently.

The organization also has a line of credit for 2008 and 2007 with the Demotte State Bank in the amount of \$55,084 and \$54,984.43. The 2007 balance was rolled over into the First state Bank the beginning of 2008 and is listed below.

Long term debt on December 31, 2008 and 2007 consists of the following obligations:

	<u>2008</u>	<u>2007</u>
Line of Credit Payable-Demotte State Bank	\$ 55,084	\$ 54,985
Loan Payable Long Term-Equipment	348,461	363,828
Less: Current Portion	<u>(35,630)</u>	<u>(35,630)</u>
Total Long Term Loan Payable	<u>\$367,915</u>	<u>\$383,183</u>

Interest Paid

For the years ended December 31, 2008 and 2007, total interest paid was \$4,453 and \$12,795 respectively.

NOTE 5-- 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 6--SUBSEQUENT EVENTS

The Cedar Lake Fire Department, Inc. has established a log in 2007 to record the acquisition and disposition of all equipment.

In lieu of a petty cash fund, the Chief and Assistant Treasurer were each issued a cash card carrying a \$1000 limit.

SUPPLEMENTAL INFORMATION

Cedar Lake Volunteer Fire Department, Inc.

Program Services Schedule of Expenses Years Ended December 31, 2008 and 2007

	2008	2007
Salaries - Per Call Services		
Salaries	\$ 212,056	\$ 74,017
Per Call Services	38,772	46,804
Total	<u>250,828</u>	<u>120,821</u>
Employee Benefits		
Health Insurance	28,503	0
Life & Disability Insurance	11,800	6,931
Medical Expense	1,321	0
Total	<u>41,624</u>	<u>6,931</u>
Payroll		
Social Security/Medicare	15,915	5,662
Workman's Compensation	17,985	6,808
Unemployment Tax	0	20
Total	<u>33,900</u>	<u>12,490</u>
Other Expenses		
Building & Equipment Maintenance	23,026	18,328
Interest	4,453	12,795
Supplies & Small Tools	16,798	13,175
Telephone	8,749	5,534
Occupancy-Utilities	9,936	11,276
Scavenger Service	762	179
Depreciation	50,603	37,252
Uniforms	6,323	2,153
Dues & Subscriptions	980	849
Education Expenses	112	882
Fuel & Vehicle Expense	13,474	10,351
Insurance	20,272	30,098
Auto Expense	1,379	22,454
Fire Gear	0	485
Licenses & Fees	224	0
Meals	1,422	5,033
Miscellaneous	4,323	2,411
Total	<u>162,836</u>	<u>173,255</u>
Total Expenses	<u>\$ 489,188</u>	<u>\$ 313,497</u>

See Notes to the Financial Statements

Cedar Lake Volunteer Fire Department, Inc.
Fundraising Schedule of Expenses
Years Ended December 31, 2008 and 2007

	2008		2007
Direct Fundraising Costs			
Awards & Gifts	\$ 4,439	\$	7,858
Advertising	359		524
Printing	76		4,114
Total Direct Fundraising Costs	<u>\$ 4,874</u>	<u>\$</u>	<u>12,496</u>

Cedar Lake Volunteer Fire Department, Inc.
Supporting Services Schedule of Expenses
Years Ended December 31, 2008 and 2007

	2008		2007
Management Costs			
Accounting	\$ 4,655	\$	9,600
Legal	414		2,593
Postage	124		106
Travel	200		1,306
Office Expense	5,703		3,463
Bank Charges	39		1,583
Total Management Costs	<u>\$ 11,135</u>	<u>\$</u>	<u>18,651</u>