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November 6, 2017

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, 2015 to December 31, 2015. 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, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

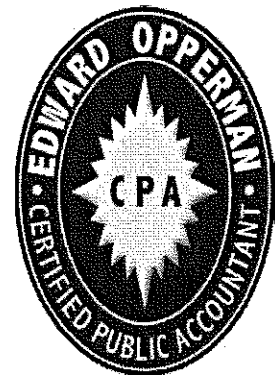
The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

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

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

**REPORT ON AUDITED  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**



**EDWARD OPPERMAN, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

**"NOT JUST YOUR ACCOUNTANT, YOUR PARTNER IN SUCCESS"**

LAKES OF THE FOUR SEASONS  
VOLUNTEER FIRE FORCE, INC.  
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Lakes of the Four Seasons Volunteer Fire Force, Inc. (an Indiana nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and net assets, functional expenses, and cash flows for the years 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 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 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 Lakes of the Four Seasons Volunteer Fire Force, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EDWARD OPPERMAN, CPA  
Lafayette, Indiana  
December 16, 2016

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

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 111,391	\$ 97,417
Additional funding receivable	25,000	-
Employee advances	55	-
Prepaid expenses	20,507	-
<b>TOTAL CURRENT ASSETS</b>	<b>156,953</b>	<b>97,417</b>
<b>PROPERTY, PLANT AND EQUIPMENT, at Cost</b>		
Buildings	1,478,053	1,478,053
Trucks and equipment	2,772,555	2,642,425
Furniture	13,406	78,536
	<u>4,264,014</u>	<u>4,199,014</u>
Accumulated depreciation	(2,884,162)	(2,710,528)
<b>PROPERTY, PLANT AND EQUIPMENT, Net</b>	<b>1,379,852</b>	<b>1,488,486</b>
	<u>\$ 1,536,805</u>	<u>\$ 1,585,903</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Withheld and accrued expenses	\$ 3,879	\$ 1,749
Note payable to bank	50,000	-
Current maturities of long-term debt	108,236	105,837
<b>TOTAL CURRENT LIABILITIES</b>	<b>162,115</b>	<b>107,586</b>
<b>LONG-TERM DEBT</b>		
Mortgage payable	1,060,424	1,093,823
Notes payable to bank	324,596	397,640
Current maturities of long-term debt	(108,236)	(105,837)
<b>TOTAL LONG-TERM DEBT</b>	<b>1,276,784</b>	<b>1,385,626</b>
<b>TOTAL LIABILITIES</b>	<b>1,438,899</b>	<b>1,493,212</b>
<b>NET ASSETS</b>		
Unrestricted net assets	97,906	92,691
<b>TOTAL NET ASSETS</b>	<b>97,906</b>	<b>92,691</b>
	<u>\$ 1,536,805</u>	<u>\$ 1,585,903</u>

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**STATEMENTS OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	2015	% of Total	2014	% of Total
<b>REVENUE AND SUPPORT</b>				
Contractual revenue	\$ 511,158	61.37%	\$ 402,611	56.86%
Emergency medical services	263,730	31.66%	258,238	36.47%
Donations	15,440	1.85%	18,538	2.62%
Fund raising	25,551	3.07%	16,200	2.29%
Inspection fees	680	0.08%	3,740	0.53%
Refunds and repayments	2,884	0.35%	688	0.10%
Other	13,462	1.62%	8,086	1.13%
Total revenue and support	<u>832,905</u>	<u>100.00%</u>	<u>708,101</u>	<u>100.00%</u>
<b>EXPENSES</b>				
Program Services	724,961	87.04%	678,737	95.85%
Management and General	38,829	4.66%	37,298	5.27%
Fundraising	-	0.00%	4,563	0.64%
Interest	63,900	7.67%	54,264	7.66%
Total Expenses	<u>827,690</u>	<u>99.37%</u>	<u>774,862</u>	<u>109.42%</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	5,215	0.63%	(66,761)	-9.43%
<b>NET ASSETS AT BEGINNING OF YEAR</b>	92,691		159,452	
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 97,906</u>		<u>\$ 92,691</u>	

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services	Management General	Fundraising	Total	% of Total
Salaries and wages	\$ 297,854	\$ 33,743	\$ -	\$ 331,597	43.41%
Payroll taxes	24,335	2,458	-	26,793	3.51%
Professional fees	16,083	2,628	-	18,711	2.45%
Clothing allowance	9,144	-	-	9,144	1.20%
Office expenses	18,651	-	-	18,651	2.44%
Communications equipment	25	-	-	25	0.00%
Depreciation expense	173,634	-	-	173,634	22.73%
Insurance	59,996	-	-	59,996	7.86%
Repairs	4,470	-	-	4,470	0.59%
Dues and subscriptions	1,492	-	-	1,492	0.20%
Inspections and testing	1,000	-	-	1,000	0.13%
Fire and rescue equipment	3,831	-	-	3,831	0.50%
Fire and rescue supplies	507	-	-	507	0.07%
EMS equipment	849	-	-	849	0.11%
EMS supplies	9,483	-	-	9,483	1.24%
Utilities expenses	24,116	-	-	24,116	3.16%
Vehicle expenses	40,139	-	-	40,139	5.26%
Station and grounds expenses	17,930	-	-	17,930	2.35%
Educational	660	-	-	660	0.09%
Fundraising expenses	-	-	-	-	0.00%
Banking fees	-	-	-	-	0.00%
EMS billing costs	2,145	-	-	2,145	0.28%
Other	18,617	-	-	18,617	2.44%
	<u>\$ 724,961</u>	<u>\$ 38,829</u>	<u>\$ -</u>	<u>\$ 763,790</u>	<u>100.00%</u>

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services	Management General	Fundraising	Total	% of Total
Salaries and wages	\$ 296,139	\$ 33,548	\$ -	\$ 329,687	45.75%
Payroll taxes	23,926	2,417	-	26,343	3.66%
Professional fees	8,156	1,333	-	9,489	1.32%
Clothing allowance	13,699	-	-	13,699	1.90%
Office expenses	16,238	-	-	16,238	2.25%
Communications equipment	1,197	-	-	1,197	0.17%
Depreciation expense	133,266	-	-	133,266	18.49%
Insurance	49,513	-	-	49,513	6.87%
Repairs	2,645	-	-	2,645	0.37%
Dues and subscriptions	1,142	-	-	1,142	0.16%
Inspections and testing	510	-	-	510	0.07%
Fire and rescue equipment	34,174	-	-	34,174	4.74%
Fire and rescue supplies	408	-	-	408	0.06%
EMS equipment	1,791	-	-	1,791	0.25%
EMS supplies	7,675	-	-	7,675	1.07%
Utilities expenses	26,233	-	-	26,233	3.64%
Vehicle expenses	37,552	-	-	37,552	5.21%
Station and grounds expenses	17,428	-	-	17,428	2.42%
Educational	45	-	-	45	0.01%
Fundraising expenses	-	-	4,563	4,563	0.63%
Banking fees	910	-	-	910	0.13%
EMS billing costs	2,110	-	-	2,110	0.29%
Other	3,980	-	-	3,980	0.55%
	<u>\$ 678,737</u>	<u>\$ 37,298</u>	<u>\$ 4,563</u>	<u>\$ 720,598</u>	<u>100.00%</u>

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ 5,215	\$ (66,761)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	173,634	133,266
(Increase) decrease in operating assets:		
Additional funding receivable	(25,000)	-
Employee advances	(55)	-
Prepaid expenses	(20,507)	-
Increase (decrease) in operating liabilities:		
Accrued expenses	2,130	238
Net Cash Provided by Operating Activities	<u>135,417</u>	<u>66,743</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings on current notes payable	50,000	-
Borrowings (Payments) on long-term debt (net)	<u>(106,443)</u>	<u>304,116</u>
Net Cash Provided by (Used in) Financing Activities	(56,443)	304,116
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<u>(65,000)</u>	<u>(365,243)</u>
Net Cash (Used in) Investing Activities	<u>(65,000)</u>	<u>(365,243)</u>
<b>NET INCREASE IN CASH</b>	13,974	5,616
<b>CASH AT BEGINNING OF YEAR</b>	97,417	91,801
<b>CASH AT END OF YEAR</b>	<u><u>\$ 111,391</u></u>	<u><u>\$ 97,417</u></u>

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2015 AND 2014**

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**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, 2015 or 2014.
- 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. 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 YEARS DECEMBER 31, 2015 AND 2014

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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. There were no advertising costs for the years 2015 or 2014.
- 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 any net assets at December 31, 2015 or 2014.

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.

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2015 AND 2014**

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**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: OCCUPANCY EXPENSES**

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

**NOTE 6: SERVICE CONTRACTS**

As of December 31, 2015, the Organization had signed contracts for the year 2016 with Town of Winfield, Winfield Township, and West Porter Township.

**NOTE 7: CONTRACTUAL REVENUE**

For the years ended December 31, 2015 and 2014, the Organization received the following Contractual Revenue and funding from different government sources. The percentage of revenue from each source to total revenue for the Organization is also shown.

Source	Contractual Funding	Additional Funding	Total	Percentage of Total Revenue
2015				
Town of Winfield	\$ 126,500	\$ 15,000	\$ 141,500	16.99%
Winfield Township	162,500	68,818	231,318	27.77%
West Porter Township	98,340	40,000	138,340	16.61%
	<u>\$ 387,340</u>	<u>\$ 123,818</u>	<u>\$ 511,158</u>	61.37%
2014				
Town of Winfield	\$ 126,500	-	\$ 126,500	17.86%
Winfield Township	162,500	10,000	172,500	24.36%
West Porter Township	103,611	-	103,611	14.63%
	<u>\$ 392,611</u>	<u>\$ 10,000</u>	<u>\$ 402,611</u>	56.86%

**NOTE 8: NOTE PAYABLE TO BANK**

At December 31, 2015, the Organization had a note payable to a bank for the purchase of a vehicle. The note is due at January 15, 2016 with an interest rate of 5%.

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2015 AND 2014**

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**NOTE 9: LONG-TERM DEBT**

Long-term debt consisted of the following at December 31,:

	<u>2015</u>	<u>2014</u>
mortgage loan payable for the construction of a new fire station, with a variable interest rate and quarterly payments of \$23,086 including interest. The interest rate was 4.625% at December 31, 2015. The loan matures in August 2035.	\$ 1,060,424	\$ 1,093,823
Note payable for the purchase of an ambulance, with an interest rate of 4.0%, payable in annual principal payments of \$32,490, interest payable semiannually, maturing January 2020 and secured by two ambulances and a cross-collateralization agreement.	164,700	197,640
Note payable for the purchase of an automobile and pumper truck, with an interest rate of 3.75%, payable in annual principal payments of \$40,000, interest payable semiannually, maturing January 2019 and secured by an automobile and a cross-collateralization agreement.	159,896	200,000
	<u>\$ 1,385,020</u>	<u>\$ 1,491,463</u>

Current Maturities of Long-Term Debt as of December 31, 2015

Year 2016	\$ 108,236
Year 2017	109,851
Year 2018	111,541
Year 2019	113,203
Year 2020	75,155
Thereafter	867,034
	<u>\$ 1,385,020</u>

**LAKES OF THE FOUR SEASONS VOLUNTEER FIRE FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2015 AND 2014**

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**NOTE 10: EMS AND AMBULANCE REVENUE**

The Organization received the following revenue for EMS and Ambulance services for the years ended December 31, 2015 and 2014. 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 schedule shows the concentration of total revenue received via EMS and Ambulance service.

Source	2015		2014	
	Revenue	Percentage of Total	Revenue	Percentage of Total
Ambulance Billings	\$ 242,393	29.10%	\$ 235,728	33.29%
Family Memberships	13,995	1.68%	17,285	2.44%
Individual Memberships	4,998	0.60%	5,225	0.74%
Other Memberships	2,344	0.28%	-	0.00%
	<u>\$ 263,730</u>	<u>31.66%</u>	<u>\$ 258,238</u>	<u>36.47%</u>