



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

May 14, 2025

Board of Directors  
McCutchanville Volunteer Fire Department, Inc.  
Vanderburgh County, Indiana

We have reviewed the audit report of the McCutchanville Volunteer Fire Department, Inc., which was opined upon by Timothy J. Otte CPA, PC, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the McCutchanville Volunteer Fire Department, Inc. as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Timothy J. Otte CPA, PC prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner



**McCUTCHANVILLE VOLUNTEER FIRE DEPARTMENT, INC.**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

Phone: 812.490.8600 • Fax: 812.490.8601

P.O. Box 308 Newburgh IN. 47629

Member of American Institute of Certified Public Accountants and Indiana CPA Society

# McCutchanville Volunteer Fire Department, Inc.

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statement of Assets, Liabilities, and Net Assets- Modified Cash Basis	3
Statement of Support, Revenue, and Expenses- Modified Cash Basis	4
Statement of Functional Expenses- Modified Cash Basis	5
Notes to Financial Statements	6-9

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
McCutchanville Volunteer Fire Department, Inc.

### **Opinion**

We have audited the accompanying statements of McCutchanville Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets- modified cash basis as of December 31, 2023, and the related statements of support, revenue and expenses- modified cash basis and functional expenses- modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of McCutchanville Volunteer Fire Department, Inc. as of December 31, 2023, and its support, revenue and expenses and functional expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of McCutchanville Volunteer Fire Department, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about McCutchanville Volunteer Fire Department, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 McCutchanville Volunteer Fire Department, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about McCutchanville Volunteer Fire Department, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Timothy J. Old* CIA PC

Evansville, IN  
September 27, 2024

**McCutchanville Volunteer Fire Department, Inc.**  
**Statement of Assets, Liabilities, and Net Assets- Modified Cash Basis**  
**December 31, 2023**

	<b>2023</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 937,246
Cash- restricted	85,005
Certificate of Deposit	150,000
Total Current Assets	1,172,251
<b>Property and Equipment</b>	<b>1,236,297</b>
Less accumulated depreciation	(615,976)
Total Property and Equipment	620,321
<b>Total Assets</b>	<b>\$ 1,792,572</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 22,167
Withheld taxes	17,203
Total Current Liabilities	39,370
<b>Net Assets</b>	
Net Assets without Donor Restrictions	1,610,638
Net Assets with Donor Restrictions	142,564
Total Net Assets	1,753,202
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,792,572</b>

See notes to financial statements

**McCutchanville Volunteer Fire Department, Inc.**  
**Statement of Support, Revenue, and Expenses- Modified Cash Basis**  
**For the Year Ended December 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>
<b>PUBLIC SUPPORT RECEIVED DIRECTLY</b>			
Contributions	\$ 94,687	\$ 3,101	\$ 97,788
Total Public Support	<u>94,687</u>	<u>3,101</u>	<u>97,788</u>
<b>GRANTS FROM GOVERNMENTAL AGENCIES</b>	<u>1,300,000</u>	<u>70,000</u>	<u>1,370,000</u>
<b>OTHER REVENUE</b>			
Fire Recovery Insurance	4,563	-	4,563
Interest Income	92	-	92
Other	22,720	-	22,720
Rental Income	25,878	-	25,878
Total Other Revenue	<u>53,253</u>	<u>-</u>	<u>53,253</u>
<b>NET SUPPORT AND REVENUE</b>	1,447,940	73,101	1,521,041
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>8,267</u>	<u>(8,267)</u>	<u>-</u>
Total Support and Revenue	<u>1,456,207</u>	<u>64,834</u>	<u>1,521,041</u>
<b>FUNCTIONAL EXPENSES</b>			
Program Services	739,020	-	739,020
Administrative	161,059	-	161,059
Fundraising	25,104	-	25,104
Total Functional Expenses	<u>925,183</u>	<u>-</u>	<u>925,183</u>
<b>CHANGE IN NET ASSETS</b>	531,024	64,834	595,858
<b>NET ASSETS- BEGINNING OF THE YEAR</b>	<u>1,079,614</u>	<u>77,730</u>	<u>1,157,344</u>
<b>NET ASSETS- END OF YEAR</b>	<u>\$ 1,610,638</u>	<u>\$ 142,564</u>	<u>\$ 1,753,202</u>

See notes to financial statements

**McCutchanville Volunteer Fire Department, Inc.**  
**Statement of Functional Expenses- Modified Cash Basis**  
**For the Year Ended December 31, 2023**

	<u>Program Services</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total 2023</u>
Clothing Allowance	\$ 68,975	\$ 970	\$ -	\$ 69,945
Depreciation	46,590	5,177	-	51,767
Donations	52	4,412	-	4,464
Fees	-	800	1,453	2,253
Fuel	31,781	4,064	-	35,845
Fundraiser expense	-	-	23,651	23,651
Insurance	5,996	9,419	-	15,415
Interest expense	-	221	-	221
Medical director	3,400	-	-	3,400
Miscellaneous	11,635	4,934	-	16,569
Postage	426	216	-	642
Professional fees	285	46,849	-	47,134
Repairs and maintenance	136,343	4,498	-	140,841
SIMPLE Plan expense	6,927	770	-	7,697
Small equipment and tools	22,714	2,583	-	25,297
Subscriptions	25,627	240	-	25,867
Supporting Heroes	-	5,000	-	5,000
Supplies	12,249	370	-	12,619
Telephone & internet	12,009	3,193	-	15,202
Training	9,265	16	-	9,281
Travel	10,956	796	-	11,752
Uniforms	23,324	160	-	23,484
Utilities	1,286	31,557	-	32,843
Volunteer Benefits	2,867	779	-	3,646
Wages, Taxes & Benefits	306,313	34,035	-	340,348
	<u>\$ 739,020</u>	<u>\$ 161,059</u>	<u>\$ 25,104</u>	<u>\$ 925,183</u>

See notes to financial statements

**McCutchanville Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Organization's purpose is to provide fire protection and aid in other emergencies for persons and property in the area of McCutchanville and Center Township outside the city limits of Evansville and to aid other agencies on a mutual aid basis during times of need, with priority in McCutchanville and Center Township outside the city limits of Evansville. The Organization, located in McCutchanville, Indiana, is supported primarily through allocations from the trustee of Center Township. The Organization received 90% of its support from the trustee of Center Township for the years ended December 31, 2023

**Basis of Accounting**

The accompanying financial statements have been prepared on the modified cash basis of accounting. This basis differs from generally accepted accounting principles since it requires revenues and their related assets to be recorded when received rather than when earned and expenses and their related liabilities to be recorded when paid rather than when incurred. The Organization capitalizes and depreciates purchases of property and equipment. Accounts payable and accrued expenses are reported only if significant expenses are incurred during the year that are not paid until subsequent to the year end.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classifications of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net Assets without Donor Restrictions-** These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

**Net Assets with Donor Restrictions-** These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

**Income Taxes**

McCutchanville Volunteer Fire Department, Inc. is a nonprofit organization exempt from federal, state and local income taxes under section 501(c)(4) of the United States Internal Revenue Code. Management has determined that the company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the company's tax returns will not be subject to additional tax, penalties, and interest as a result of such challenge. The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

**McCutchanville Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting 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**

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Property and equipment are carried at cost. Expenditures for replacements are capitalized and replaced items are retired. Maintenance and repairs are charged to operations as incurred. Provisions for depreciation of property and equipment are computed on the straight-line method based on their estimated useful lives. Upon disposition, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

**Construction Work in Progress**

As of December 31, 2023, the Organization had construction costs of \$142,536 related to a new training facility with an estimated total cost of \$265,278.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, costs have been allocated among the program and services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses have been classified based on the actual direct expenditures and cost allocation based on time estimates made by management. Depreciation, insurance, payroll taxes, retirement, and wages are allocated based on time estimates.

**NOTE 2 – RISKS AND UNCERTAINTIES**

McCutchanville Volunteer Fire Department, Inc. receives a significant portion of its funds from the trustee of Center Township. In the event the Organization defaults in their performance according to the agreement, the trustee may terminate the agreement and exercise its right to retain the firefighting equipment in order to continue fire protection in the jurisdiction.

McCutchanville Volunteer Fire Department, Inc. is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, and injuries to the volunteer firefighters. The Organization carries commercial insurance in amount sufficient to insure itself against claims resulting from any of these risks.

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. At times, such cash and cash equivalents in banks may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. Credit risk with respect to cash and cash equivalents is minimized by using high-credit quality financial institutions. At December 31, 2023, the Organization had \$919,482 in excess of federally insured limits.

**McCutchanville Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

**NOTE 3- PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2023 consisted of the following:

	<b>2023</b>	
	<b>Cost</b>	<b>Accum. Depr.</b>
Buildings	\$ 334,049	\$ 163,158
Gym Fund Improvements	9,997	1,396
Gym Fund Equipment	20,687	3,266
Office Furniture and Equipment	104,908	75,088
Fire and Rescue Equipment	398,981	269,037
Fire and Rescue Trucks	207,724	99,760
Software and Website	3,848	107
Construction in process	142,536	-
Training Facility	13,567	4,164
	<u>\$ 1,236,297</u>	<u>\$ 615,976</u>

Depreciation/amortization for the year ended December 31, 2023 was \$51,767.

**NOTE 4- SCHEDULE OF STATE AND LOCAL AWARDS**

	<b>2023</b>
Center Township	
Operating Fund	\$ 1,300,000
Cumulative Fund	70,000
	<u>\$ 1,370,000</u>

**NOTE 5- NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, consisted of the following:

Specific Purpose:	<b>2023</b>
Jeremy Tighe Memorial Fund	\$ 7,592
Building and Equipment Fund	134,972
	<u>\$ 142,564</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donors.

	<b>2023</b>
Satisfaction of purpose restrictions:	
Jeremy Tighe Memorial Fund	\$ 3,006
Building and Equipment Fund	5,261
	<u>\$ 8,267</u>

**McCutchanville Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

**NOTE 6 – SIMPLE PLAN**

The Organization has a savings incentive match plan (SIMPLE Plan). The Organization makes matching contributions up to 100% of the employee election, not to exceed 3% of the employee’s wages. The organization’s SIMPLE plan expense for the year ended December 31, 2023 was \$7,697.

**NOTE 7- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization’s primary sources of support are from Center Township and fundraising. The Organization’s objective is to maintain liquid financial assets without donor restrictions to cover six months of program expenditures. From time to time the level of liquid financial assets without donor restrictions has varied and will continue to vary as a result of the timing receipts and payments and particular cash needs. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining reserves to provide reasonable assurance that long-term obligations will be discharged. As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The following table reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts not available for general expenditures within one year.

Total financial assets	<u>2023</u> \$ 1,172,251
Less those unavailable for general expenditures within one year due to:	
Purpose restrictions	<u>(142,564)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,029,687</u>

**NOTE 8– SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and transactions through September 27, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition in the financial statements.