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June 29, 2009

Board of Directors
Switzerland County
Fire Chiefs Corporation
1678 Hwy 250
Rising Sun, IN 47040

We have reviewed the audit report prepared by McKay Accounting Service, Independent Public Accountants, for the period January 1, 2005 to December 31, 2006. 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 Switzerland County Fire Chiefs Corporation, as of December 31, 2005 and 2006, 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

MCKAY ACCOUNTING SERVICE

Charles J. McKay, C.P.A.

Independent Auditor's Report

To the Board of Directors of
Switzerland County Fire Chiefs Corporation
Vevay, Indiana 47043

We have audited the accompanying Statement of Assets, Liabilities and Net Assets- Cash Basis of Switzerland County Fire Chiefs Corporation (a nonprofit organization) as of December 31, 2005 and 2006, and the related Statements of Receipts and Operating Expenditures and Changes in Net Assets- Cash Basis 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 also 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, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Switzerland County Fire Chiefs Corporation as of December 31, 2005 and 2006, and its revenue, support and expenses, and changes in net assets for the years ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 12, 2008 on our consideration of Switzerland County Fire Chiefs Corporation's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The testing of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standard and should be considered in assessing the results of our audit.



Charles J. McKay C.P.A.
McKay Accounting Service

**Switzerland County Fire Chiefs Corporation
Financial Statements
Year Ending 12/31/2005**

**Switzerland County fire Chiefs Corporation
Statement of Assets, Liabilities and Net Assets - Cash Basis
As of December 31, 2005**

Assets	
Cash in Bank	\$ 102,442.74
Total Assets	<u>\$ 102,442.74</u>
Liabilities	
Liabilities	\$ -
Net Assets - Unrestricted	<u>\$ 102,442.74</u>
Total Liabilities and Net Assets	<u>\$ 102,442.74</u>

**Switzerland County Fire Chiefs Corporation
Statement of Receipts and Disbursements and Changes in Net Assets - Cash Basis
For Year Ended December 31, 2005**

Receipts	Unrestricted
Switzerland County Gaming Revenue	\$ 793,880.77
Interest Income	\$ 1,217.14
Miscellaneous Deposits	\$ 10.00
Returned Checks (Incorrect Endorsements)	<u>\$ 77,956.04</u>
Total	\$ 873,063.95
Disbursements	
Fire Prevention	\$ 965.21
Professional Fees	\$ 2,300.00
Insurance	\$ 4,132.00
CPA Review	\$ 12.00
Printing Expenses	\$ 446.80
Supplies	\$ 1,053.74
Charitable Contributions (American Red Cross)	\$ 3,000.00
Postage and Office Supplies	\$ 126.09
Patriot Fire Department	\$ 85,223.08
Posey Volunteer Fire Department	\$ 138,770.30
Jefferson-Craig Volunteer Fire Department	\$ 154,608.23
Moorefield Community Fire Department	\$ 131,982.64
East Enterprise Station #2 (Florence-York)	\$ 95,027.50
East Enterprise Station #1 (East Enterprise)	<u>\$ 148,574.73</u>
Total Disbursements	\$ 766,222.32
Add: Miscellaneous Withdrawals (Corrected Endorsements)	\$ 77,956.04
Total Distributions	\$ 844,178.36
Receipts in excess of Disbursements	\$ 28,885.59
Beginning Net Assets	<u>\$ 73,557.15</u>
Ending Net Assets	<u>\$ 102,442.74</u>

**Switzerland County Fire Chiefs Corporation
Financial Statements
Year Ending 12/31/2006**

**Switzerland County Fire Chiefs Corporation
Statement of Assets, Liabilities and Net Assets - Cash Basis
As of December 31, 2006**

Assets

Cash in Bank	\$ 134,329.94
Total Assets	<u>\$ 134,329.94</u>

Liabilities

Liabilities	\$ -
Net Assets - Unrestricted	<u>\$ 134,329.94</u>
Total Liabilities and Net Assets	<u>\$ 134,329.94</u>

**Switzerland County Fire Chiefs Corporation
Statement of Receipts and Disbursements and Changes in Net Assets - Cash Basis
For Year Ended December 31, 2006**

Receipts

	Unrestricted
Switzerland County Gaming Revenue	\$ 793,278.15
Interest Income	\$ 1,358.52
Miscellaneous Deposits	\$ -
Returned Checks (Incorrect Endorsements)	<u>\$ -</u>
Total	\$ 794,636.67

Disbursements

Fire Prevention	\$ 1,957.89
Professional Fees	\$ 2,800.00
Insurance	\$ 2,220.00
CPA Review	\$ 12.00
Scholarships	\$ 2,000.00
Supplies	\$ 19.07
Printing & Publications	\$ 126.50
Patriot Fire Department	\$ 85,158.41
Posey Volunteer Fire Department	\$ 138,664.90
Jefferson-Craig Volunteer Fire Department	\$ 154,490.84
Moorefield Community Fire Department	\$ 131,882.49
East Enterprise Station #2 (Florence-York)	\$ 94,955.39
East Enterprise Station #1 (East Enterprise)	<u>\$ 148,461.98</u>

Total Disbursements \$ 762,749.47

Add: Miscellaneous Withdrawals \$ -

Total Distributions \$ 762,749.47

Receipts in excess of Disbursements \$ 31,887.20

Beginning Net Assets \$ 102,442.74

Ending Net Assets \$ 134,329.94

Switzerland County Fire Chiefs Corporation
Notes to Financial Statement
For Years Ended December 31, 2005 and 2006

Notes 1 – Summary of significant Accounting Policies

Business Activity

Switzerland County Fire Chiefs Corporation (the Organization) was formed on February 2001 for the purpose of distributing to local area fire departments funds donated to the organization by the Switzerland County Council from riverboat revenue funds. The Organization serves the communities of Switzerland County, Indiana.

Accounting Method

The Organization's policy is to prepare its financial statement on the cash basis of accounting, consequently certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

Exempt Status

The Organization is a nonprofit corporation and is exempt from federal and state income taxes under Internal Revenue Code 501 (c) 3.

Fixed Assets

The Organization's policy is to expense equipment purchases; therefore, no allowance for depreciation is accrued.

Note 2 – Economic Dependency

The Organization receives a substantial amount of support from the Switzerland County Council. A significant reduction in the level of support, if this were to occur, may have an effect on the Organization's programs and activities.

MCKAY ACCOUNTING SERVICE

Charles J. McKay, C.P.A.

Report On Internal Control over Financial Reporting And On
Compliance and Other Matters Based On an Audit of Financial
Statements Performed In Accordance With Government Auditing Standards

To the Board of Directors of
Switzerland County Fire Chiefs Corporation
Vevay, Indiana 47043

We have audited the financial statements of Switzerland County Fire Chiefs Corporation as of December 31, 2005 and 2006, and have issued our report thereon dated May 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.


Internal Control over Financial Reporting

In planning and performing our audit, we considered Switzerland County Fire Chiefs Corporation internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Switzerland County Fire Chiefs Corporation financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors and management. However, this report is a matter of public record, and its distribution is not limited.


Charles J. McKay C.P.A.
McKay Accounting Service