



STATE OF INDIANA
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B34780

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

July 8, 2009

Board of Directors
Moorefield Community
Fire Department, Inc.
798 Hwy 129
Vevay, IN 47043

We have reviewed the audit report prepared by Charles J. McKay, CPA, Independent Public Accountant, for the period January 1, 2007 to December 31, 2007. 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 Moorefield Community Fire Department, Inc., as of December 31, 2007, 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

MCKAY ACCOUNTING SERVICE

Charles J. McKay, C.P.A.

Independent Auditor's Report

To the Board of Directors of
Moorefield Community Fire Department, Inc.
Vevay, Indiana 47043

We have audited the accompanying Statement of Assets, Liabilities and Net Assets- Modified Cash Basis of Moorefield Community Fire Department, Inc. (a nonprofit organization) as of December 31, 2007, and the related Statements of Receipts and Operating Expenditures and Changes in Net Assets- Modified Cash Basis for the year 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 Moorefield Community Fire Department, Inc. as of December 31, 2007, and its revenue, support and expenses, and changes in net assets for the year ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2008 on our consideration of Moorefield Community Fire Department, Inc.'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 purpose 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
December 8, 2008

Moorefield Community Fire Department
Financial Statements
Year Ending 12/31/2007

Moorefield Community Fire Department
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
As of December 31, 2007

Assets	
Current Assets	
Cash in Bank	\$ 124,700
Certificate of Deposit	141,871
Fixed Assets	
Auto / Transportation Equipment	749,947
Building	76,413
Furniture and Fixtures	4,915
Improvements	36,096
Land	11,400
Machinery and Equipment	221,873
Less: Accumulated Depreciation	<u>(701,353)</u>
Total Assets	<u>\$ 665,862</u>
Net Assets - Unrestricted	<u>\$ 665,862</u>
Total Liabilities and Net Assets	<u>\$ 665,862</u>

The accompanying notes are an integral part of this statement.

Moorefield Community Fire Department
Statement of Receipts and Operating Expenditures and Changes in Net Assets - Modified Cash Basis
For Year Ended December 31, 2007

Receipts	Unrestricted
Pleasant Township Trustee	\$ 7,000
Interest Income	9,113
Memorial Donations	690
Golf Social	8,932
Ice Cream Social	1,496
Dues	1,290
Firehouse Rent & Donations	2,200
Other Income	3,940
Switzerland Co Fire Chiefs	<u>121,636</u>
 Total	 \$ 156,297
 Operating Expenditures	
Advertisement	\$ 1,422
Automotive	2,723
Bank Charges	71
Donation	1,415
Dues & Subscription	325
Fundraising	5,628
Insurance	10,479
Internet Service	120
Lawn Care	665
Legal & Professional	1,200
License & Permits	988
Meals & Entertainment- Social Expense	918
Miscellaneous	2,093
Office Supplies	550
Repairs & Maintenance	1,797
Scholarships	1,290
Supplies	3,998
Telephone	1,875
Utilities	6,068
Depreciation	<u>75,075</u>
 Total Disbursements	 \$ 118,700
 Receipts in excess of Disbursements	 \$ 37,597
 Beginning Net Assets	 \$ 1,098,134
Less Adjustment for Accumulated Depreciation (See Note 5)	<u>(469,869)</u>
 Ending Net Assets	 <u>\$ 665,862</u>

The accompanying notes are an integral part of this statement.

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
Moorefield Community Fire Department, Inc.
Vevay, Indiana 47043

We have audited the financial statements of Moorefield Community Fire Department, Inc. (a nonprofit organization) as of December 31, 2007, and have issued our report thereon dated December 8, 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 Moorefield Community Fire Department, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Moorefield Community Fire Department, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moorefield Community Fire Department, Inc.'s 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

MCKAY ACCOUNTING SERVICE

Charles J. McKay, C.P.A.

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
December 8, 2008

Moorefield Community Fire Department, Inc.
Notes to Financial Statement
For Year Ended December 31, 2007

Note 1 – Summary of Significant Accounting Policies

Business Activity

Moorefield Community Fire Department, Inc. (the Organization) was formed on October 18, 1957 for the purpose of providing fire protection and emergency services for the community of Moorefield and related areas.

Accounting Method

The Organization's policy is to prepare its financial statement on the modified 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. The Organization does record depreciation expense.

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 state the acquisition of fixed assets at cost. The fixed assets are depreciated under the Modified Accelerated Cost Recovery System, using the straight line method. Maintenance and repairs are charged to expenses as incurred.

Note 2 – Economic Dependency

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

Note 3 – Contracts

The Organization has one existing contract with the Pleasant Township to provide fire protection and emergency services for the community. The contract amount is \$7,000.

Note 4 – Concentrations of Credit Risk

The Organization maintains all cash and certificates of deposit at federally insured financial institutions. These Institutions, as of December 31, 2007, insure deposits up to \$100,000 each. As of December 31, 2007, the Organization maintains deposits in excess of the federally insured limit at two financial institutions. The total amount at risk at these financial institutions is \$66,571.

Note 5 – Adjustment for Accumulated Depreciation

The Organization did not reduce the Net Assets by prior years Accumulated Depreciation. This adjustment reduces the beginning Assets by \$469,869.