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**INDEPENDENT AUDITOR'S REPORT**

To the Mayor & Borough Council  
Media Borough, Delaware County, Pennsylvania

We have audited the accompanying Statement of Cash Receipts & Disbursements of the Media Fire Company (a not-for-profit organization) Tax Account for the year ended 31<sup>st</sup> December 2015, and the related notes to said financial statements.

Management's Responsibility. Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States. This includes 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.

Auditors' Responsibility. The auditors' responsibility is to express an opinion on the financial statements based on the audit. We conducted our audit in accordance with auditing standards generally accepted in the United States, which require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Risk assessments involve consideration of internal control 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 control, and accordingly, no such opinion is expressed. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion. In our opinion, the Statement of Cash Receipts & Disbursements referred to above presents fairly, in all materially respects, the cash receipts & disbursements of the Media Fire Company Tax Account for the year ended 31<sup>st</sup> December 2015 on the basis of accounting described in note A.

*Peterson, Fieo & Co.*

Peterson, Fieo & Co.  
5<sup>th</sup> November 2016

**Media Fire Company Tax Account**  
**Statement of Cash Receipts & Disbursements**  
**Year Ended 31 December 2015**

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CASH RECEIPTS

Borough Reimbursements for Truck Payments	\$ 12,000	
Interest Revenue	<u>1</u>	

TOTAL CASH RECEIPTS \$ 12,001

CASH DISBURSEMENTS

Truck Payments	\$ 12,132	
Other Administrative Expenses	<u>439</u>	

TOTAL CASH DISBURSEMENTS 12,571

INCREASE (DECREASE) in CASH \$ (570)

BEGINNING CASH, Bryn Mawr Trust Co. 1,985

ENDING CASH, Bryn Mawr Trust Co. 1,415

MEDIA FIRE COMPANY TAX ACCOUNT  
NOTES to FINANCIAL STATEMENT

31<sup>st</sup> December 2015

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- A. Significant Accounting Policies. This statement is prepared on the cash receipts & disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This method accounts for all receipts and all disbursements regardless of long-term effects of the receipt or disbursement, e.g., loan proceeds are recorded as receipts with no accounting for the related liability; and equipment purchases and retro-fittings are recorded as disbursements, with no accounting for the capital asset nature of the disbursement. Additionally, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.
- B. Loan Payments. Payments are being made from the Fire Company Tax Account to the Commonwealth for the purchase of a truck.
- C. Borough Reimbursements. As of 31<sup>st</sup> December 2015, the Fire Company received \$12,000 from Media Borough and deposited same into the Fire Company checking account.