



**STATE OF INDIANA**  
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February 5, 2024

Board of Directors  
Osolo Township Volunteer Fire Department, Inc.  
Elkhart County, Indiana

We have reviewed the audit report of Osolo Township Volunteer Fire Department, Inc., which was opined upon by Kruggel, Lawton & Company, LLC, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Osolo Township Volunteer Fire Department, Inc. as of December 31, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kruggel, Lawton & Company, LLC prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner



**ANNUAL REPORT**  
**December 31, 2021**

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

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Elkhart, Indiana

## ANNUAL REPORT

December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Osolo Township Volunteer Fire Department  
Elkhart, Indiana

### **Opinion**

We have audited the accompanying financial statements of Osolo Township Volunteer Fire Department (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 financial position of Osolo Township Volunteer Fire Department as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 Osolo Township Volunteer Fire Department and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and 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 Osolo Township Volunteer Fire Department'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 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 Osolo Township Volunteer Fire Department'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 Osolo Township Volunteer Fire Department'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.

Respectfully submitted,



Certified Public Accountants

South Bend, Indiana  
December 18, 2023

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**OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**Elkhart, Indiana

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**STATEMENTS OF FINANCIAL POSITION**

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	144,007	112,663
Certificate of deposit	1,444,044	1,279,358
Prepaid expenses	40,415	52,209
<b>Total Current Assets</b>	<b>1,628,466</b>	<b>1,444,230</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	25,300	25,300
Buildings and building improvements	350,593	350,593
Equipment and vehicles	538,913	424,334
Software	2,687	2,687
<b>Total</b>	<b>917,493</b>	<b>802,914</b>
Accumulated depreciation	347,750	272,533
<b>Net Property and Equipment</b>	<b>569,743</b>	<b>530,381</b>
<b>TOTAL ASSETS</b>	<b>2,198,209</b>	<b>1,974,611</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accrued expenses	17,295	15,993
<b>Total Current Liabilities</b>	<b>17,295</b>	<b>15,993</b>
<b>TOTAL LIABILITIES</b>	<b>17,295</b>	<b>15,993</b>
<b>NET ASSETS</b>		
Without donor restrictions	2,180,914	1,958,618
<b>TOTAL NET ASSETS</b>	<b>2,180,914</b>	<b>1,958,618</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,198,209</b>	<b>1,974,611</b>

*The Notes to Financial Statements are an integral part of this statement.*

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**OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**Elkhart, Indiana

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**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contract revenue	1,345,817	0	1,345,817
Contributions	67,822	0	67,822
Donated services	45,129	0	45,129
Donated assets	54,917	0	54,917
Donated use of assets	205,304	0	205,304
Other revenue	4,428	0	4,428
Interest income	2,486	0	2,486
<b>Total Revenue</b>	<b>1,725,903</b>	<b>0</b>	<b>1,725,903</b>
<b>EXPENSES</b>			
Program services	1,368,436	0	1,368,436
Supporting services:			
Management and general	135,171	0	135,171
<b>Total Expenses</b>	<b>1,503,607</b>	<b>0</b>	<b>1,503,607</b>
<b>CHANGE IN NET ASSETS</b>	<b>222,296</b>	<b>0</b>	<b>222,296</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,958,618</b>	<b>0</b>	<b>1,958,618</b>
<b>NET ASSETS, END OF YEAR</b>	<b>2,180,914</b>	<b>0</b>	<b>2,180,914</b>

*The Notes to Financial Statements are an integral part of this statement.*

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**OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**Elkhart, Indiana

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**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contract revenue	1,223,470	0	1,223,470
Contributions	625	0	625
Donated use of assets	205,304	0	205,304
Donated services	42,112	0	42,112
Fundraising income	10,056	0	10,056
Other revenue	3,717	0	3,717
Interest income	27,147	0	27,147
<b>Total Revenue</b>	<b>1,512,431</b>	<b>0</b>	<b>1,512,431</b>
<b>EXPENSES</b>			
Program services	1,187,100	0	1,187,100
Supporting services:			
Management and general	154,788	0	154,788
<b>Total Expenses</b>	<b>1,341,888</b>	<b>0</b>	<b>1,341,888</b>
<b>CHANGE IN NET ASSETS</b>	<b>170,543</b>	<b>0</b>	<b>170,543</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,788,075</b>	<b>0</b>	<b>1,788,075</b>
<b>NET ASSETS, END OF YEAR</b>	<b>1,958,618</b>	<b>0</b>	<b>1,958,618</b>

*The Notes to Financial Statements are an integral part of this statement.*

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Payroll expenses	624,219	17,676	641,895
Health insurance	167,062	4,731	171,793
Employee retirement fund	77,807	2,203	80,010
Payroll taxes	77,818	2,203	80,021
Liability insurance	0	59,033	59,033
Fire equipment and supplies	33,073	0	33,073
Vehicle expense	241,540	0	241,540
Office	0	24,128	24,128
Telephone	1,767	4,124	5,891
Professional fees	0	2,453	2,453
Building and grounds	5,789	5,789	11,578
Utilities	6,674	6,673	13,347
Officer expenses	3,260	3,260	6,520
EMS	1,283	0	1,283
Miscellaneous	828	827	1,655
Fuel	8,508	0	8,508
Clothing allowance	33,711	0	33,711
Depreciation	73,146	2,071	75,217
Training	11,951	0	11,951
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>1,368,436</b>	<b>135,171</b>	<b>1,503,607</b>

*The Notes to Financial Statements are an integral part of this statement.*

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2020

	<u>Educational Programs</u>	<u>Management and General</u>	<u>Total</u>
Payroll expenses	535,048	15,327	550,375
Health insurance	156,142	4,421	160,563
Employee retirement fund	73,584	2,084	75,668
Payroll taxes	43,053	1,216	44,269
Liability insurance	0	53,474	53,474
Fire equipment and supplies	29,267	0	29,267
Vehicle expense	234,377	0	234,377
Radio	1,356	0	1,356
Office	0	12,206	12,206
Telephone	5,417	0	5,417
Professional fees	0	11,658	11,658
Building and grounds	0	19,282	19,282
Utilities	0	13,165	13,165
Officer expenses	0	14,760	14,760
Fire prevention and education	2,345	0	2,345
EMS	845	0	845
Miscellaneous	5,592	7,195	12,787
Fuel	6,491	0	6,491
Clothing allowance	35,000	0	35,000
Depreciation	58,583	0	58,583
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>1,187,100</b>	<b>154,788</b>	<b>1,341,888</b>

*The Notes to Financial Statements are an integral part of this statement.*

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**OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.**Elkhart, Indiana

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**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	222,296	170,543
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	75,217	58,583
Donated property and equipment	(54,917)	0
Adjustments for changes in operating assets and liabilities:		
Certificate of deposit	2,478	27,147
Accounts receivable	0	557,253
Prepaid expenses	11,794	(9,301)
Accrued expenses	1,302	3,401
<b>Net Cash Flows from Operating Activities</b>	<b>258,170</b>	<b>807,626</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of certificates of deposit	(167,164)	(697,274)
Purchase of property and equipment	(59,662)	(69,108)
<b>Net Cash Flows used in Investing Activities</b>	<b>(226,826)</b>	<b>(766,382)</b>
<b>CHANGE IN CASH</b>	<b>31,344</b>	<b>41,244</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>112,663</b>	<b>71,419</b>
<b>CASH AT END OF YEAR</b>	<b>144,007</b>	<b>112,663</b>

*The Notes to Financial Statements are an integral part of this statement.*

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

### NATURE OF BUSINESS

Osolo Township Fire Department, Inc. (the "Organization") is a nonprofit organization whose purpose is to provide fire protection to Osolo Township in Elkhart County, Indiana. The Organization is primarily funded through an annual contract with Osolo Township in Elkhart County, Indiana.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PRESENTATION

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting.

The Organization adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of nonprofit Organizations. ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

#### FAIR VALUE MEASUREMENTS

Management accounts for all assets and liabilities that are measured and reported on a fair value basis under the Fair Value Measurements and Disclosures Topic of FASB ASC 820. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The framework for measuring fair value establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

#### USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash is held at a local bank and is insured up to the limits of the FDIC. It is common throughout the course of operations for the Organization's cash balance to exceed the insured limit.

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

### CERTIFICATE OF DEPOSIT

Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short term. Certificates of deposit with remaining maturities greater than one year are classified as long term.

### CONCENTRATION OF CREDIT RISK

Financial instruments with potential credit risk consists principally of cash and a certificate of deposit. Concentration of credit risk with respect to cash and the certificate of deposit generally relates to deposits held at the bank which may exceed the amount of insurance provided on the deposits and the potential inability to access liquidity in the financial institutions where the cash and certificate of deposit are concentrated. The risk is managed as the cash and certificate of deposit may be redeemed upon demand and are maintained in a financial institution with reputable credit, and, therefore, bear minimal credit risk.

### PROPERTY AND EQUIPMENT

The Organization capitalizes property and equipment over \$2,500; lesser amounts are expensed. Donations of property and equipment are recorded as current support at estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. The Organization received donated assets including firefighting apparatus equipment purchased by the Township in the amount of \$54,917 and \$0 for the years ended December 31, 2021 and 2020, respectively.

Purchased property and equipment are stated at cost. Expenditures for additions, improvements and replacements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reflected in income. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$75,217 and \$58,583 for the year ended December 31, 2021 and 2020, respectively.

A summary of the range of lives by asset category follows:

Land improvements	15 years
Building and building improvements	15 - 40 years
Equipment and vehicles	3 - 15 years
Software	3 years

### REVENUE RECOGNITION

Contract revenue consists of payments made by Osolo Township to the Organization for its fire protection services. The contract amount is recognized as revenue over time in the year in which services are provided in accordance with the contract period. Contract payments are made twice a year, with the first half paid in July for services rendered from January through June and the second half paid in December for services rendered from July through December.

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

### CONTRIBUTIONS

Contributions, including promises to give, are recorded when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of the assets or at the time an unconditional promise to give is made.

Contributions are considered to be for current use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are received.

### DONATED MATERIALS, SERVICES, AND USE OF ASSETS

Material gifts in-kind used in the Organization's program are recorded as income and expense at the time the items are received which is normally also the time they are placed into service. Donated goods are consumed as part of the Organization's ongoing program of firefighting and EMS services. There were no material gifts in-kind during the years ended December 31, 2021 and 2020, respectively.

The Organization benefited from donated services of \$45,129 and \$42,112 relative to skilled labor provided by volunteer fire fighters during the years ended December 31, 2021 and 2020, respectively.

The Organization recorded revenue for the contributed use of fire equipment by Osolo Township in the amount of approximately \$205,000 for each of the years ended December 31, 2021 and 2020. The vehicles and fire trucks provided by Osolo Township had an estimated cost value of approximately \$4,100,000 for each of the years ended December 31, 2021 and 2020.

### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated between program and supporting services based upon personnel time and space utilized for the related activities.

Expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages; employee benefits; payroll taxes, depreciation	Square footage

Other expenses are assigned to the respective functional category by method of direct assignment.

### INCOME TAXES

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service (IRS) has determined that the Organization is not a private foundation within the meaning of Section 509(a).

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

The Income Taxes Topic, FASB ASC 740, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. ASC 740 requires an entity to disclose the nature of uncertain tax positions taken, if any, when filing its income tax return utilizing a two-step process to recognize and measure any uncertain tax positions taken. The entity recognizes a tax benefit only if it is more likely than not the position would be sustained in a tax examination, with a tax examination being presumed to occur. No tax benefit will be recorded on tax positions not meeting the more likely than not test. Interest and penalties accrued or incurred, if any, as a result of applying ASC 740 will be recorded to interest expense and other expense, respectively.

Based on its evaluation, the Organization has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The Organization's evaluation was performed for all federal and state tax periods still subject to examination. The Organization's 2018 through 2020 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

### RECENT ACCOUNTING PRONOUNCEMENTS

On May 28, 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) and later, various subsequent amendments (collectively "ASC 606"). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition, including industry-specific guidance. ASC 606 requires that revenue is recognized when a customer obtains control of a good or service, which is when a customer has the ability to direct the use of and obtain benefits of the good or service. The ASC also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted ASC 606 as of the year ended December 31, 2020 using the modified retrospective method applied to all contracts not completed as of January 1, 2020. The adoption of ASC 606 did not result in material change in the accounting for any revenue streams.

On November 17, 2016, the FASB issued ASU 2016-18, Restricted Cash (Topic 230) ("ASU 2016-18"), which addresses classification and presentation of changes in restricted cash on the Statements of Cash Flows. ASU 2016-18 requires an entity's reconciliation of the beginning-of-period and end-of-period total amounts shown on the Statements of Cash Flows to include in cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents. The Organization adopted ASU 2016-18 for the fiscal year ended December 31, 2020 using a retrospective transition method.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The standard was intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. ASU 2018-08 is applied in the financial statements for the fiscal year ended December 31, 2020.

### FUTURE ADOPTION OF ACCOUNTING PRONOUNCEMENT

The Organization has not yet implemented ASU 2016-02, Leases (Topic 842) which was issued by FASB in February 2016. This ASU affects any entity that enters into a lease, with some specified scope exceptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. Lessor accounting will not fundamentally change. Operating lease income will be recognized on a straight line basis over the lease term. The amendments in this ASU are currently effective for fiscal years beginning after December 15, 2021. The Organization is in the process of assessing the effect of this ASU on its financial statements.

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

### RECLASSIFICATIONS

Certain items in the 2020 Statement of Functional Expenses have been reclassified to conform with 2021 presentation. The reclassifications have no effect on total assets, liabilities, or net assets.

### NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization has working capital of \$1,611,171 and \$1,428,237 and average days cash on hand of 44 and 39 as of December 31, 2021 and 2020, respectively.

The table below represents financial assets available for general expenditures within one year at December 31:

	<u>2021</u>	<u>2020</u>
Cash	144,007	112,663
Certificate of deposit	1,444,044	1,279,358
<b>Financial assets available to meet general expenditures within 1 year:</b>	<b>1,588,051</b>	<b>1,392,021</b>

### NOTE 3 - FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under ASC 820 are described below:

#### Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There were no changes in valuation methods during the year.

The following table presents the Organization's fair value hierarchy for the Organization's investment assets at fair value, as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of deposit	0	1,444,044	0	1,444,044
<b>Total</b>	<b>0</b>	<b>1,444,044</b>	<b>0</b>	<b>1,444,044</b>

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# OSOLO TOWNSHIP VOLUNTEER FIRE DEPARTMENT, INC.

Elkhart, Indiana

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

The following table presents the Organization's fair value hierarchy for the Organization's investment assets at fair value, as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of deposit	0	1,279,358	0	1,279,358
Total	0	1,279,358	0	1,279,358

### NOTE 4 - CONCENTRATIONS

The Organization receives most of its operating support from its fee for service contract with Osolo Township to provide fire protection services to the township's residents. If the municipality decides not to renew its annual contract with the Organization or significantly reduces the Organization's allocated funds, the Organization would not be able to operate.

### NOTE 5 - RETIREMENT PLAN

The Organization participates in the Indiana Public Employees Retirement Fund (P.E.R.F.). Employees are immediately eligible to contribute to the plan and to receive contributions from the Organization. The Organization contributes 11.2% of the eligible employees' gross salary for the year to a trust. Contributions to the plan were \$80,010 and \$75,668 for the years ended December 31, 2021 and 2020, respectively.

### NOTE 6 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 18, 2023, the date the financial statements were available to be issued. No events or transactions occurred during this period which require recognition or disclosure in the financial statements.