



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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February 9, 2023

Board of Directors
Bristol Fire Department Corporation
405 E. Elkhart St.
Bristol, IN 46507

We have reviewed the audit report of Bristol Fire Department Corporation, which was opined upon by Kruggel, Lawton & Company LLC, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Report of Independent Auditors* the financial statements included in the report present fairly the financial condition of Bristol Fire Department Corporation 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 the guidelines established by the State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



ANNUAL REPORT
December 31, 2021



Elkhart, Indiana

BRISTOL FIRE DEPARTMENT CORP

Bristol, Indiana

ANNUAL REPORT

December 31, 2021

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Bristol Fire Department Corp
Bristol, Indiana

Opinion

We have audited the accompanying modified cash basis financial statements of Bristol Fire Department Corp (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2021, and the related statements of revenue and expenses - modified cash basis, expenses by functional and natural classification - modified cash basis, and cash flows - 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 Bristol Fire Department Corp as of December 31, 2021, and its revenue and expenses and changes in net assets for the year then ended, in accordance with the modified cash basis of accounting 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 Bristol Fire Department Corp 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.

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 of accounting, 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 the financial statements in accordance with the modified cash basis of accounting 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.

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 Bristol Fire Department Corp'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 Bristol Fire Department Corp'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

Elkhart, Indiana
September 29, 2022

BRISTOL FIRE DEPARTMENT CORPBristol, Indiana

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2021

ASSETS**CURRENT ASSETS**

Cash and cash equivalents	814,700
Total Current Assets	814,700

PROPERTY AND EQUIPMENT

Land	160,000
Buildings and improvements	1,498,441
Equipment	370,906
Furniture and fixtures	16,850
Vehicles	274,818
Total	2,321,015
Accumulated depreciation	1,055,347
Net Property and Equipment	1,265,668

TOTAL ASSETS **2,080,368**

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

Accrued payroll taxes and related withholdings	9,054
Total Current Liabilities	9,054

LONG-TERM DEBT

TOTAL LIABILITIES **65,134**

NET ASSETS

Net assets without donor restrictions	1,965,234
Net assets with donor restrictions	50,000
Total Net Assets	2,015,234

TOTAL LIABILITIES AND NET ASSETS **2,080,368**

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

BRISTOL FIRE DEPARTMENT CORPBristol, Indiana

STATEMENT OF REVENUE AND EXPENSES - MODIFIED CASH BASIS

For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contract revenue	1,195,775	0	1,195,775
Contributions and grants	4,590	25,000	29,590
Government grants	108,620	0	108,620
Fundraising events	11,807	0	11,807
Township income	85,961	0	85,961
EMS and fire billings	190,946	0	190,946
Miscellaneous income	20,725	0	20,725
Interest income	27	0	27
Gain on sale of assets	8,513	0	8,513
Total Revenue	1,626,964	25,000	1,651,964
EXPENSES			
Program	602,134	0	602,134
Management and general	460,015	0	460,015
Total Expenses	1,062,149	0	1,062,149
CHANGE IN NET ASSETS	564,815	25,000	589,815
NET ASSETS, BEGINNING OF YEAR	1,400,419	25,000	1,425,419
NET ASSETS, END OF YEAR	1,965,234	50,000	2,015,234

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

BRISTOL FIRE DEPARTMENT CORPBristol, Indiana

**STATEMENT OF EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION -
MODIFIED CASH BASIS**

For the Year Ended December 31, 2021

		Management	
	<u>Program</u>	<u>and General</u>	<u>Total</u>
Salaries and wages	394,352	203,519	597,871
Contract labor - volunteers	7,075	3,651	10,726
Payroll taxes	29,511	15,230	44,741
Retirement expense	7,736	3,993	11,729
Employee benefits	58,095	29,982	88,077
Insurance	23,091	12,129	35,220
Fuel expense	21,807	0	21,807
Utilities	0	20,112	20,112
Education	2,749	0	2,749
Depreciation	0	62,455	62,455
Repairs and maintenance	0	56,022	56,022
Supplies	56,713	0	56,713
Property taxes	0	279	279
Advertising	0	2,165	2,165
Dues and subscriptions	0	100	100
Professional fees	0	21,234	21,234
Telephone	1,005	0	1,005
Bank fees	0	1,139	1,139
Outside services	0	10,805	10,805
Miscellaneous	0	1,733	1,733
Interest expense	0	15,467	15,467
Total	602,134	460,015	1,062,149

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

BRISTOL FIRE DEPARTMENT CORPBristol, Indiana

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	589,815
Adjustments to reconcile changes in net assets to net cash from operating activities:	
Depreciation	62,455
Gain on sale of assets	(8,513)
Adjustments for changes in operating assets and liabilities:	
Deposit	87,206
Accrued payroll taxes and related withholdings	2,727
Net Cash Flows from Operating Activities	733,690

CASH FLOWS USED IN INVESTING ACTIVITIES

Purchase of property and equipment	(66,662)
Proceeds from sale of property and equipment	10,000
Net Cash Flows used in Investing Activities	(56,662)

CASH FLOWS USED IN FINANCING ACTIVITIES

Payments of long-term debt	(175,455)
Net Cash Flows used in Financing Activities	(175,455)

CHANGE IN CASH AND CASH EQUIVALENTS 501,573**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**
AT BEGINNING OF YEAR 313,127**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**
AT END OF YEAR **814,700****SUPPLEMENTARY DISCLOSURE OF CASH FLOWS**

Interest paid	15,467
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The Notes to Financial Statements are an integral part of this statement.

BRISTOL FIRE DEPARTMENT CORP

Bristol, Indiana

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

December 31, 2021

NATURE OF ACTIVITIES

Bristol Fire Department Corp (the "Organization") is a nonprofit corporation that is retained by municipalities on an annual basis to provide fire and ambulance service. The Organization is supported primarily from fee for service contracts with three municipalities during 2021, including the Town of Bristol, Washington Township, and York Township. The Organization received and deposited contract revenue of \$1,195,775 during 2021 which consisted of \$423,375 from the Town of Bristol, \$680,000 from Washington Township, and \$92,400 from York Township. Contracts specifically related to 2021 totaled \$1,030,105 which consisted of \$460,105 from the Town of Bristol, \$470,000 from Washington Township, and \$100,000 from York Township. Additionally, the Organization provides ambulatory services for which the Organization is also compensated.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Organization's policy is to prepare its financial statements on the modified-cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized when received rather than earned, and expenses and purchases of assets are recognized when cash is disbursed, rather than when the obligation is incurred.

The Organization adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of not-for-profit 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 grants. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could vary from the estimates and assumptions that were used.

CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows - Modified Cash Basis, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash. Cash is held at various local banks and is insured up to limits of the FDIC. The Organization had restricted cash on hand in the amount of \$50,000 at December 31, 2021.

BRISTOL FIRE DEPARTMENT CORP

Bristol, Indiana

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

December 31, 2021

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as current support at their estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their 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. There were no donated assets for the year ended December 31, 2021.

Purchased property and equipment are stated at cost. The cost of property and equipment purchased or donations with an estimated fair value in excess of \$2,500 are generally capitalized. 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 gain or loss arising from the disposition is reflected in income. Depreciation is provided for over the estimated useful lives of the assets by the straight-line method. Depreciation expense was \$62,455 for the year ended December 31, 2021.

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

Buildings and improvements	15 - 40 years
Equipment	5 - 12 years
Furniture and fixtures	5 - 12 years
Vehicles	5 - 10 years

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 received are considered to be available 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 Statement of Revenue and Expense - Modified Cash Basis 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 year in which the contributions are received.

BRISTOL FIRE DEPARTMENT CORP

Bristol, Indiana

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

December 31, 2021

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Revenue and Expenses - Modified Cash Basis. Accordingly, certain costs have been allocated among the program and supporting service expenses.

Expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages, employee benefits, payroll taxes	Time and effort

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

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of Indiana tax law. The Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a).

The Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification (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 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 modified cash basis 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 ADOPTION OF ACCOUNTING PRONOUNCEMENTS

On November 17, 2016, the FASB issued Accounting Standards Update ("ASU") 2016-18, *Restricted Cash (Topic 230)* ("ASU 2016-18"), which addresses classification and presentation of changes in restricted cash on the Statement of Cash Flows - Modified Cash Basis. ASU 2016-18 requires an entity's reconciliation of the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows - Modified Cash Basis to include cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents. The Organization adopted ASU-2016-18 as required.

On June 21, 2018, the FASB issued ASU 2018-18, *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. The Organization adopted ASU 2018-08 as required.

BRISTOL FIRE DEPARTMENT CORP

Bristol, Indiana

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization has working capital of \$805,646 as of December 31, 2021. The Organization has average days cash on hand of 280 as of December 31, 2021.

The table below represents current assets available for general expenditures within one year at December 31, 2021:

Current assets at year end:	
Cash and cash equivalents	814,700
Subtotal financial assets:	814,700
Less assets limited to use:	
Donor restricted cash	(50,000)
Financial assets available to meet general expenditures within one year:	764,700

The Organization has certain donor restricted assets limited to use which will be subject to expenditure within one year in the course of operations (Note 5). These assets have been subtracted in the quantitative information above to arrive at the total of financial assets to meet general expenditures within one year.

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following as of December 31, 2021:

A financing arrangement with Motorola Solutions, Inc., for radio equipment in the original amount of \$152,471 requiring annual payments in the amount of \$56,762, including interest at 6.48% through July 2023, secured by the radio equipment.

	56,080
Total long-term debt due July 2023	56,080

Interest expense on long-term borrowings was \$15,467 for the year ended December 31, 2021.

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following at December 31, 2021:

Undesignated	499,548
Board designated	200,018
Net investment in property and equipment	1,265,668
Total Net Assets Without Donor Restrictions	1,965,234

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2021:

Motorola radio equipment loan	50,000
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BRISTOL FIRE DEPARTMENT CORP

Bristol, Indiana

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

December 31, 2021

NOTE 6 - CONCENTRATIONS

The Organization receives most of its operating support from fee for service contracts with three municipalities in the immediate area of Bristol, Indiana. The Organization contracts with the Town of Bristol, York Township, and Washington Township to provide fire and ambulatory services to the townships' residents. If the municipalities decide not to renew their annual contracts with the Organization or significantly reduce the Organization's allocated funds, the Organization would not be able to operate.

NOTE 7 - RETIREMENT PLAN

The organization maintains a 457(b) retirement plan for eligible employees. To be eligible, employees must complete six months of service and be at least eighteen years of age. Employees may make elective deferrals subject to limits set forth by the Internal Revenue Service. The Organization's contributions to the profit sharing plan are made at the discretion of the Board of Directors. The Organization incurred expenses of \$11,729 during the year ended December 31, 2021.

NOTE 8 - COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation and the impact on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak, the Organization has limited ability to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ending December 31, 2022.

NOTE 9 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 29, 2022, 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.