

**Cassie Volunteer Fire Department
& Emergency Medical Services, Inc.
Audit Report
for the Year Ended
September 30, 2020
with Comparative Totals
as of September 30, 2019**

Taber & Burnett, P.C.
A Professional Corporation
Certified Public Accountants

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.

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Certified Public Accountants*

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cassie Volunteer Fire Department &
Emergency Medical Services, Inc.

We have audited the accompanying Statement of Financial Position of the Cassie Volunteer Fire Department & Emergency Medical Services, Inc., (a non-profit organization), as of September 30, 2020, and the related Statements of Activities and Cash Flows for the year then ended and the related notes to the financial statements. The prior year comparative information has been derived from the Organization's 2019 financial statements, and in our report dated January 21, 2020, an unqualified opinion on those financial statements was expressed.

Management's Responsibility for the Financial Statements

The Organization's 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; 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.

Auditor's Responsibility

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. Those standards require that we 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. 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. In making those risk assessments, the auditor considers internal control relevant to the Organization'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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cassie Volunteer Fire Department & Emergency Medical Services, Inc. as of September 30, 2020, and the results of activities and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Taber & Burnett, P.C.

Burnet, Texas
January 4, 2021

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.*Statements of Financial Position**As of September 30, 2020 and 2019***Assets**

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents (Note 2)	\$ 102,830	\$ 44,474
County receivable	<u>-</u>	<u>3,770</u>
Total Current Assets	<u>102,830</u>	<u>48,244</u>
Property and Equipment (Note 3)		
Building	113,751	113,751
Communication equipment	103,957	98,988
EMS equipment	5,038	5,038
Furniture and fixtures	10,438	7,967
Land	13,820	13,820
Vehicles and equipment	<u>1,060,057</u>	<u>1,048,210</u>
Total Property and Equipment	1,307,061	1,287,774
Accumulated Depreciation	<u>(853,730)</u>	<u>(738,920)</u>
Net Property and Equipment	<u>453,331</u>	<u>548,854</u>
Total Assets	\$ <u>556,161</u>	\$ <u>597,098</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 23,742	\$ -
Accrued liabilities	<u>950</u>	<u>906</u>
Total Current Liabilities	<u>24,692</u>	<u>906</u>
Net Assets (Note 4)		
Net assets without donor restrictions	531,469	596,192
Net assets with donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>531,469</u>	<u>596,192</u>
Total Liabilities and Net Assets	\$ <u>556,161</u>	\$ <u>597,098</u>

The accompanying notes are an integral part of the financial statements.

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.

Statement of Activities

For the Year Ended September 30, 2020
with Comparative Totals for 2019

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	2020 <u>Total</u>	2019 <u>Total</u>
Revenues, Gains, and Other Support:				
Emergency Services District				
No. 2 contributions	\$ 173,956	\$ -	\$ 173,956	\$ 198,058
County contract	15,797	-	15,797	16,041
Donations	4,550	-	4,550	9,300
Gain on sale of assets	100	-	100	14,000
Grants	22,127	-	22,127	28,683
Reimbursement income	<u>1,105</u>	<u>-</u>	<u>1,105</u>	<u>4,583</u>
Total Revenues, Gains, and Other Support	<u>217,635</u>	<u>-</u>	<u>217,635</u>	<u>270,665</u>
Cost of Special Activities and Programs:				
Buildings and grounds	10,732	-	10,732	7,476
Communication equipment	882	-	882	1,078
Depreciation	131,549	-	131,549	119,497
Insurance	18,860	-	18,860	18,040
Operations cost	44,414	-	44,414	59,455
Training and travel	7,910	-	7,910	15,191
Wages and taxes	<u>52,749</u>	<u>-</u>	<u>52,749</u>	<u>52,749</u>
Total Cost of Special Activities and Programs	<u>267,096</u>	<u>-</u>	<u>267,096</u>	<u>273,486</u>
Revenues Net of Cost of Special Activities and Programs	<u>(49,461)</u>	<u>-</u>	<u>(49,461)</u>	<u>(2,821)</u>
Supporting Services:				
Management and general	13,512	-	13,512	13,999
Professional fees	1,250	-	1,250	1,250
Public relations	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total Supporting Services	<u>15,262</u>	<u>-</u>	<u>15,262</u>	<u>15,249</u>
Changes in Net Assets	(64,723)	-	(64,723)	(18,070)
Net Assets at Beginning of Year	<u>596,192</u>	<u>-</u>	<u>596,192</u>	<u>614,262</u>
Net Assets at End of Year	\$ <u>531,469</u>	\$ <u>-</u>	\$ <u>531,469</u>	\$ <u>596,192</u>

The accompanying notes are an integral part of the financial statements.

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.*Statements of Cash Flows**For the Years Ended September 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (64,723)	\$ (18,070)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	131,549	119,497
(Increase) decrease in county receivable	3,770	(3,770)
(Increase) decrease in prepaids	-	6,038
Increase (decrease) in accounts payable	23,742	-
Increase (decrease) in accrued expense	<u>44</u>	<u>(88)</u>
Net Cash Provided by (Used In) Operating Activities	<u>94,382</u>	<u>103,607</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	<u>(36,026)</u>	<u>(98,629)</u>
Net Cash Provided by (Used In) Investing Activities	<u>(36,026)</u>	<u>(98,629)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	58,356	4,978
Cash and Cash Equivalents at Beginning of Year	<u>44,474</u>	<u>39,496</u>
Cash and Cash Equivalents at End of Year	\$ <u>102,830</u>	\$ <u>44,474</u>
Supplemental Cash Flows Disclosures:		
Cash Paid During the Year for:		
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>
Noncash Activities		
In-kind donations	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements.

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.

Statement of Functional Expenses

*For the Year Ended September 30, 2020
with Comparative Totals for 2019*

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Buildings and grounds	\$ 10,732	\$ -	\$ -	\$ 10,732	\$ 7,476
Communication equipment	882	-	-	882	1,078
Depreciation	131,549	-	-	131,549	119,497
Insurance	18,860	-	-	18,860	18,040
Operations cost	44,414	-	-	44,414	59,455
Management and general	-	13,512	-	13,512	13,999
Professional fees	-	1,250	-	1,250	1,250
Public relations	-	500	-	500	-
Training and travel	7,910	-	-	7,910	15,191
Wages and taxes	<u>52,749</u>	<u>-</u>	<u>-</u>	<u>52,749</u>	<u>52,749</u>
2020 Total	\$ <u>267,096</u>	\$ <u>15,262</u>	\$ <u>-</u>	\$ <u>282,358</u>	\$ <u>-</u>
2019 Total	\$ <u>273,486</u>	\$ <u>15,249</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>288,735</u>

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Cassie Volunteer Fire Department & Emergency Medical Services, Inc. (the Organization) is a not-for-profit corporation, established to provide fire protection and emergency services. The Organization provides services to the citizens of the Burnet County Emergency Services District No. 2 (ESD). The Organization's primary source of revenue is from the ESD. See Note 5.

Basis of Presentation

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions.

Net assets without donor restrictions: This is the portion of net assets of the Organization that can be used subject only to the board limits resulting from the nature of the Organization, the environment it operates in, or the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the course of its business. The Organization has the greatest ability to choose when using these resources.

Net assets without donor restrictions generally result from grants, contracts, and contributions that are not subject to donor-imposed restrictions, and income from investing excess operating cash, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.

Net assets with donor restrictions: This is the portion of net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization's choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor's instructions.

Net assets with donor restrictions generally result from donor-restricted contributions.

Tax Status

Under provisions of the Internal Revenue Code, Section 501(c)(3), the Organization is exempt from taxes on income other than unrelated business income. Since the Organization had no net unrelated business income during the year ended September 30, 2020 or 2019, no provision for income taxes has been made. The Organization's open audit periods are for the fiscal year ends September 30, 2018 through September 30, 2020.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions are recognized when the donor gives funds to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Services

The Organization receives many services from volunteers which are not recorded in these financial statements. The Organization records services in the financial statements if the volunteer services create or enhance a non-financial asset; or require specialized skills, are performed by people with those skills, and would otherwise be purchased. No contributed services were recognized in the years ending September 30, 2020 or 2019.

Use of Estimates

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

Prior-Year Summarized Information

The financial statements include certain prior-year summarized information in total. With respect to the statement of activities and the statement of functional expenses such prior-year information is not presented by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's 2019 financial statements from which the summarized information is derived.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. The carrying amount for cash and cash equivalents approximates fair value.

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.*Notes to the Financial Statements**September 30, 2020***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Property and Equipment**

Property and equipment is recorded at cost if purchased or at fair market value if donated. The Organization follows the practice of capitalizing all expenditures for or donations of property and equipment in excess of \$1,000. Upon sale or retirement of property and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of activities. Depreciation is computed on the straight line basis over the useful lives of the assets as follows:

Buildings and Improvements	5 to 40 years
Communication Equipment	5 to 7 years
EMS Equipment	5 to 7 years
Furniture and Fixtures	5 years
Vehicles and Equipment	5 to 15 years

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$102,830 and \$44,474 at September 30, 2020 and 2019, respectively. Cash and cash equivalents consist of bank accounts that are available for use in current operations.

NOTE 3 - PROPERTY AND EQUIPMENT

Changes in property and equipment during the year ended September 30, 2020, are as follows:

	Balance October 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2020</u>
Building	\$ 113,751	\$ 8,930	\$ -	\$ 113,751
Communication Equipment	98,988	-	3,961	103,957
EMS Equipment	5,038	-	-	5,038
Furniture and Fixtures	7,967	2,471	-	10,438
Land	13,820	-	-	13,820
Vehicles and Equipment	<u>1,048,210</u>	<u>24,625</u>	<u>12,778</u>	<u>1,060,057</u>
	1,287,774	36,026	16,739	1,307,061
Less accumulated depreciation	<u>(738,920)</u>	<u>(131,549)</u>	<u>(16,739)</u>	<u>(853,730)</u>
Net Property and Equipment	<u>\$ 548,854</u>	<u>\$ (95,523)</u>	<u>\$ -</u>	<u>\$ 453,331</u>

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

There are no net assets with donor restrictions as of September 30, 2020 and 2019.

NOTE 5 - EMERGENCY SERVICE DISTRICT

The Burnet County Emergency Services District No. 2 (ESD) was created by an election held in May 2008. The ESD operates under Article III, Section 48-e of the Texas Constitution and Chapter 775 of the Texas Health and Safety Code and is run by a Board of Commissioners appointed by the Burnet County Commissioners Court. The ESD's major activities include providing emergency services to the residents of the District.

On October 7, 2008, the Organization entered into an agreement with the newly-formed ESD to provide emergency services to all persons and property within the ESD. The term is yearly and may be terminated by either party. Amounts to be paid to the Organization shall be disbursed at the discretion of the Commissioners and may include expenses for operations and other expenditures approved by the ESD for maintaining emergency services within the district. If at any time the Organization is dissolved or the agreement is terminated by either party, any assets purchased wholly or in part with funds from the ESD shall be immediately transferred to another Department contracted by the ESD or to the ESD at its sole discretion.

NOTE 6 - OTHER CONCENTRATIONS OF RISK

Revenues from the ESD were approximately 77 percent and 74 percent of the Organization's total revenues for the years ended September 30, 2020 and 2019, respectively. A significant reduction in or elimination of these funds would have a significant impact on the Organization.

NOTE 7 - LIQUIDITY AND RESERVES

The Organization has a policy to manage its liquidity and reserves in order to operate with financial stability, maintain adequate liquidity, and maintain sufficient reserves. The following table reflects the Organization's financial assets (cash and cash equivalents and investments) as of September 30, 2020, reduced by amounts not available for general expenditures within one year.

Cassie Volunteer Fire Department & Emergency Medical Services, Inc.

Notes to the Financial Statements

September 30, 2020

NOTE 7 - LIQUIDITY AND RESERVES (Continued)

	<u>2020</u>
Total financial assets	\$ 102,830
Less those unavailable for general expenditure within one year due to:	
Due to Burnet County ESD No. 2	<u>(23,742)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>79,088</u>

NOTE 8 - SUBSEQUENT EVENTS

The Organization did not have any subsequent events through January 4, 2021, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the fiscal year ended September 30, 2020.