

**BERTRAM VOLUNTEER
FIRE DEPARTMENT**

Financial Statements

September 30, 2024 and 2023

BERTRAM VOLUNTEER FIRE DEPARTMENT
September 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bertram Volunteer Fire Department

Opinion

We have audited the accompanying financial statements of Bertram Volunteer Fire Department (a non-profit organization), which comprise the Statements of Financial Position as of September 30, 2024 and 2023, and the related Statements of Activities, Cash Flows, and Functional Expenses 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 Bertram Volunteer Fire Department as of September 30, 2024 and 2023, 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 the Organization'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 the Organization'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 the Organization'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.

Oliver, Rainey + Wojcik, LLP

Burnet, Texas
July 31, 2025

BERTRAM VOLUNTEER FIRE DEPARTMENT
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

	<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current Assets			
Cash and cash equivalents (Note 2)	\$ 1,019,915	\$ 746,447	
Prepaid expenses	14,029	12,117	
Total Current Assets	<u>1,033,944</u>	<u>758,564</u>	
Property and Equipment (Note 3)			
Building and improvements	244,589	226,152	
Land	10,000	10,000	
Machinery and equipment	526,988	519,542	
Vehicles and Equipment	434,662	404,232	
Total Property and Equipment	1,216,239	1,159,926	
Accumulated Depreciation	<u>(882,620)</u>	<u>(855,759)</u>	
Net Property and Equipment	<u>333,619</u>	<u>304,167</u>	
Total Assets	<u>\$ 1,367,563</u>	<u>\$ 1,062,731</u>	
 <u>LIABILITIES AND NET ASSETS</u> 			
Current Liabilities			
Accounts payable	\$ 17,914	\$ 1,207	
Accrued expenses	139,149	111,534	
Total Current Liabilities	<u>157,063</u>	<u>112,741</u>	
Net Assets			
Net assets without donor restrictions	1,210,500	949,990	
Net assets with donor restrictions (Note 4)	-	-	
Total Net Assets	<u>1,210,500</u>	<u>949,990</u>	
Total Liabilities and Net Assets	<u>\$ 1,367,563</u>	<u>\$ 1,062,731</u>	

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

BERTRAM VOLUNTEER FIRE DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>
Revenue, Gains, and Other Support:			
Emergency Services District No. 4	\$ 1,543,384	\$ -	\$ 1,543,384
Donations	24,316	-	24,316
Gain (loss) on sale of assets	14,000	-	14,000
Interest income	503	-	503
Total Revenue, Gains, and Other Support	<u>1,582,203</u>	<u>-</u>	<u>1,582,203</u>
Cost of Special Activities and Programs:			
Communication equipment	1,550	-	1,550
Depreciation	84,751	-	84,751
Dues	15,879	-	15,879
Insurance	204,170	-	204,170
Payroll and benefits	727,401	-	727,401
Repairs and maintenance	82,809	-	82,809
Responder and on-call pay	4,500	-	4,500
Supplies	35,085	-	35,085
Training	6,693	-	6,693
Travel	2,200	-	2,200
Uniforms	31,439	-	31,439
Utilities	28,777	-	28,777
Total Cost of Special Activities and Programs	<u>1,225,254</u>	<u>-</u>	<u>1,225,254</u>
Revenues Net of Cost of Special Activities and Programs	<u>356,949</u>	<u>-</u>	<u>356,949</u>
Supporting Services:			
Advertising and public relations	2,524	-	2,524
Management and general	14,615	-	14,615
Payroll and benefits	74,628	-	74,628
Professional fees	4,672	-	4,672
Total Supporting Services	<u>96,439</u>	<u>-</u>	<u>96,439</u>
Change in Net Assets	260,510	-	260,510
Net Assets, Beginning of Year	<u>949,990</u>	<u>-</u>	<u>949,990</u>
Net Assets, End of Year	<u>\$ 1,210,500</u>	<u>\$ -</u>	<u>\$ 1,210,500</u>

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

BERTRAM VOLUNTEER FIRE DEPARTMENT
STATEMENT OF ACTIVITIES
Years Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>
Revenue, Gains, and Other Support:			
Emergency Services District No. 4	\$ 1,027,749	\$ -	\$ 1,027,749
Donations	13,069	-	13,069
Gain (loss) on sale of assets	3,000	-	3,000
Interest income	371	-	371
Total Revenue, Gains, and Other Support	<u>1,044,189</u>	<u>-</u>	<u>1,044,189</u>
Cost of Special Activities and Programs:			
Communication equipment	1,843	-	1,843
Depreciation	76,895	-	76,895
Dues	16,635	-	16,635
Insurance	167,007	-	167,007
Payroll and benefits	503,758	-	503,758
Repairs and maintenance	48,222	-	48,222
Responder and on-call pay	1,675	-	1,675
Supplies	11,258	-	11,258
Training	2,444	-	2,444
Travel	1,782	-	1,782
Uniforms	3,084	-	3,084
Utilities	19,242	-	19,242
Total Cost of Special Activities and Programs	<u>853,845</u>	<u>-</u>	<u>853,845</u>
Revenues Net of Cost of Special Activities and Programs	<u>190,344</u>	<u>-</u>	<u>190,344</u>
Supporting Services:			
Advertising and public relations	5,814	-	5,814
Management and general	7,912	-	7,912
Payroll and benefits	56,975	-	56,975
Professional fees	5,598	-	5,598
Total Supporting Services	<u>76,299</u>	<u>-</u>	<u>76,299</u>
Change in Net Assets	114,045	-	114,045
Net Assets, Beginning of Year	<u>835,945</u>	<u>-</u>	<u>835,945</u>
Net Assets, End of Year	<u>\$ 949,990</u>	<u>\$ -</u>	<u>\$ 949,990</u>

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

BERTRAM VOLUNTEER FIRE DEPARTMENT
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Changes in Net Assets	\$ 260,510	\$ 114,045
Adjustment to Reconcile Changes in Net Assets to		
Net Cash Provided by (Used In) Operating Activities:		
Depreciation	84,751	76,895
(Increase) decrease to prepaid expenses	(1,912)	(12,117)
(Increase) decrease to account receivable	-	15,000
Increase (decrease) to accrued payable	16,707	(23,889)
Increase (decrease) in accrued expenses	27,615	28,725
Net Cash Provided by (Used in) Operating Activities	<u>387,671</u>	<u>198,659</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	(114,203)	(38,238)
Net Cash Provided by (Used in) Investing Activities	<u>(114,203)</u>	<u>(38,238)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	273,468	160,421
Cash and Cash Equivalents, Beginning of Year	<u>746,447</u>	<u>586,026</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,019,915</u>	<u>\$ 746,447</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.

BERTRAM VOLUNTEER FIRE DEPARTMENT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

	Program Services	Support Services		2024 Total
		Administrative	Fundraising	
Advertising and public relations	\$ -	\$ 2,524	\$ -	\$ 2,524
Communication equipment	1,550	-	-	1,550
Depreciation	84,751	-	-	84,751
Dues	15,879	-	-	15,879
Insurance	204,170	-	-	204,170
Management and general	-	14,615	-	14,615
Payroll and benefits	727,401	74,628	-	802,029
Professional fees	-	4,672	-	4,672
Repairs and maintenance	82,809	-	-	82,809
Responder and on-call pay	4,500	-	-	4,500
Supplies	35,085	-	-	35,085
Training	6,693	-	-	6,693
Travel	2,200	-	-	2,200
Uniforms	31,439	-	-	31,439
Utilities	28,777	-	-	28,777
2024 Totals	<u>\$ 1,225,254</u>	<u>\$ 96,439</u>	<u>\$ -</u>	<u>\$ 1,321,693</u>

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

BERTRAM VOLUNTEER FIRE DEPARTMENT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2023

	Program Services	Support Services Administrative	Fundraising	2023 Total
Advertising and public relations	\$ -	\$ 5,814	\$ -	\$ 5,814
Communication equipment	1,843	-	-	1,843
Depreciation	76,895	-	-	76,895
Dues	16,635	-	-	16,635
Insurance	167,007	-	-	167,007
Management and general	-	7,912	-	7,912
Payroll and benefits	503,758	56,975	-	560,733
Professional fees	-	5,598	-	5,598
Repairs and maintenance	48,222	-	-	48,222
Responder and on-call pay	1,675	-	-	1,675
Supplies	11,258	-	-	11,258
Training	2,444	-	-	2,444
Travel	1,782	-	-	1,782
Uniforms	3,084	-	-	3,084
Utilities	19,242	-	-	19,242
2023 Totals	<u>\$ 853,845</u>	<u>\$ 76,299</u>	<u>\$ -</u>	<u>\$ 930,144</u>

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

**BERTRAM VOLUNTEER FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023**

Note 1 – Summary of Significant Accounting Principles

Organization

The Bertram Volunteer Fire Department (the Organization) is a not-profit organization, established to provide fire protection and emergency services. The Organization provides services to the citizens of the Burnet County Emergency Services District No. 4 (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.

Basis of Accounting

The accounts of the Organization are maintained, and the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Under this method of accounting, revenues are recorded as accruals when they become both measurable and earned. Contributions are recognized when received. Expenses are recorded when they are incurred.

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 years ended September 30, 2024 or 2023, no provision for income taxes has been made. The Organization's open audit periods are for the fiscal year ends September 30, 2022 to September 30, 2024.

BERTRAM VOLUNTEER FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024 and 2023

Note 1 -- Summary of Significant Accounting Principles - Continued

Contributions

The Organization receives support from individuals, foundations, corporations, and other nonprofit organizations in support of the Organization's mission. Contribution revenue is recognized at fair value on the receipt of cash. From time to time, the Organization receives contributions that have certain conditions such as meeting specific performance-related barriers or limiting the Organization's discretion on use of the funds. Other contributions may have revocable features. Such contributions are recognized when the conditions are substantially met.

In addition, the Organization elected the net asset release policy option for contributions with donor restrictions that were initially conditional contributions. As part of this election, the Organization reports contributions restricted by donors (that were conditional in nature) as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. The Organization has not changed its policy for unconditional contributions such that the Organization reports contributions restricted by donors (that were unconditional in nature) as increases in net assets with donor restrictions. When the donor restriction expires on an unconditional contribution, the release is reported as net assets released from donor restrictions in the statement of activities.

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, 2024 or 2023.

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.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, costs have been allocated among the program and supporting services benefitted. Costs are allocated between management and general or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

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, if any. The carrying amount for cash and cash equivalents approximates fair value.

BERTRAM VOLUNTEER FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024 and 2023

Note 1 – Summary of Significant Accounting Principles - Continued

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. Donated property and equipment are recorded at fair value as of the date donated. The Organization follows the practice of capitalizing all expenditures for or donations of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets. 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:

Building and Improvements	10 to 40 years
Equipment	5 to 10 years
Vehicles	5 to 10 years

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents totaled \$1,019,915 at September 30, 2024 and \$746,447 at September 30, 2023. Cash and cash equivalents consist of bank accounts that are available for use in current operations.

As of September 30, 2024, the Organization's bank deposits exceeded the federally insured limits by \$808,718. This is a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

Note 3 – Property and Equipment

Changes in property and equipment during the year ended September 30, 2024, are as follows:

	Balance September 30, 2023	Additions	Reductions	Balance September 30, 2024
Building and Improvement	\$ 226,152	\$ 18,437	\$ -	\$ 244,589
Land	10,000	-	-	10,000
Machinery and Equipment	519,542	18,624	(11,178)	526,988
Vehicles and Equipment	404,232	77,142	(46,712)	434,662
Total Property and Equipment	1,159,926	114,203	(57,890)	1,216,239
Less Accumulated Depreciation	(855,759)	(84,751)	57,890	(882,620)
Net Property and Equipment	\$ 304,167	\$ 29,452	\$ -	\$ 333,619

BERTRAM VOLUNTEER FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024 and 2023

Note 4 – Net Assets with Donor Restrictions

There are no net assets with donor restrictions as of September 30, 2024 and 2023.

Note 5 – Emergency Service District

The Burnet County Emergency Services District No. 4 (the 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.

Effective August 19, 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.

The ESD owns equipment and a vehicle with a fair market value of approximately \$1,000,000 that is provided for use by the Organization. These assets are not reflected in the Statement of Financial Position because title remains with the ESD.

Note 6 – Other Concentrations of Risk

Revenues from the ESD were approximately 98 percent, of the Organization's total revenues for the year ended September 30, 2024 and 98 percent, for September 30, 2023. A significant reduction in or elimination of these funds would have a significant impact on the Organization.

Note 7 – Retirement Plans

Effective January 1, 2022, the Organization adopted a 401(k) plan. Employees are allowed to contribute up to 7% and the Organization matches two to one on all contributions. The employer contributions for the 401(k) plan for the year ending September 30, 2024 were \$57,053, and for the year ended September 30, 2023 were \$35,233.

BERTRAM VOLUNTEER FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024 and 2023

Note 8 – 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, 2024, reduced by amounts not available for general expenditures within one year.

	<u>2024</u>
Total financial assets	\$ 1,019,915
Less those unavailable for general expenditure within one year due to:	
None	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 1,019,915</u>

Note 9 – Subsequent Events

The Organization did not have any subsequent events through July 31, 2025, 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, 2024.