Cassie Volunteer Fire Department
& Emergency Medical Services, Inc.
Audit Report
for the Year Ended
September 30, 2021
with Comparative Totals
as of September 30, 2020

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

Page

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A Professional Corporation
Certified Public Accountants
P.O. Box 1519, 412 Buchanan Drive, Burnet, Texas 78611
512/756-4904; Fax: 512/756-4227

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying statements of Cassie Volunteer Fire Department & Emergency Medical Services, Inc., (a non-profit organization), which comprise the Statement of Financial Position as of September 30, 2021, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's 2020 financial statements and, in our report dated January 4, 2021, an unqualified opinion was expressed on those financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cassie Volunteer Fire Department & Emergency Medical Services, Inc. as of September 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Cassie Volunteer Fire Department & Emergency Medical Services, Inc. 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 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 Cassie

Volunteer Fire Department & Emergency Medical Services, Inc.'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, 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 the 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 Cassie Volunteer Fire Department & Emergency Medical Services, Inc.'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 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 Cassie Volunteer Fire Department & Emergency Medical Services, Inc.'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.

Taber & Burnett, PC

Burnet, Texas
January 24, 2022

Assets

	2021	2020
Current Assets		
Cash and cash equivalents (Note 2)	$ 80,854	$ 102,830
Total Current Assets	80,854	102,830
Property and Equipment (Note 3)		
Building	111,751	113,751
Communication equipment	103,957	103,957
EMS equipment	5,038	5,038
Furniture and fixtures	18,123	10,438
Land	13,820	13,820
Vehicles and equipment	1,135,402	1,060,057
Total Property and Equipment	1,388,091	1,307,061
Accumulated Depreciation	(971,645)	(853,730)
Net Property and Equipment	416,446	453,331
Total Assets	$ 497,300	$ 556,161

Liabilities and Net Assets

	2021	2020
Current Liabilities		
Accounts payable	$ -	$ 23,742
Accrued liabilities	-	950
Total Current Liabilities	-	24,692
Net Assets (Note 4)		
Net assets without donor restrictions	497,300	531,469
Net assets with donor restrictions	-	-
Total Net Assets	497,300	531,469
Total Liabilities and Net Assets	$ 497,300	$ 556,161

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, 2021 with Comparative Totals for 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues, Gains, and Other Support:				
Emergency Services District No. 2 contributions	$ 214,832	$ -	$ 214,832	$ 173,956
County contract	4,730	-	4,730	15,797
Donations	15,847	-	15,847	4,550
Gain (loss) on sale of assets	(1,808)	-	(1,808)	100
Grants	14,732	-	14,732	22,127
Reimbursement income	-	-	-	1,105
Total Revenues, Gains, and Other Support	248,333	-	248,333	217,635
Cost of Special Activities and Programs:				
Buildings and grounds	15,877	-	15,877	10,732
Communication equipment	62	-	62	882
Depreciation	124,100	-	124,100	131,549
Insurance	20,941	-	20,941	18,860
Operations cost	43,032	-	43,032	44,414
Training and travel	2,533	-	2,533	7,910
Wages and taxes	52,749	-	52,749	52,749
Total Cost of Special Activities and Programs	259,294	-	259,294	267,096
Revenues Net of Cost of Special Activities and Programs	(10,961)	-	(10,961)	(49,461)
Supporting Services:				
Management and general	20,876	-	20,876	13,512
Professional fees	1,420	-	1,420	1,250
Public relations	912	-	912	500
Total Supporting Services	23,208	-	23,208	15,262
Changes in Net Assets	(34,169)	-	(34,169)	(64,723)
Net Assets at Beginning of Year	531,469	-	531,469	596,192
Net Assets at End of Year	$ 497,300	$ -	$ 497,300	$ 531,469

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

	2021	2020
Cash Flows from Operating Activities:		
Changes in Net Assets	$ (34,169)	$ (64,723)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	124,100	131,549
(Increase) decrease in county receivable	-	3,770
Increase (decrease) in accounts payable	(23,742)	23,742
Increase (decrease) in accrued expense	(950)	44
Net Cash Provided by (Used In) Operating Activities	65,239	94,382
Cash Flows from Investing Activities:		
Purchases of property and equipment	(89,023)	(36,026)
Disposition of property and equipment	1,808	-
Net Cash Provided by (Used In) Investing Activities	(87,215)	(36,026)
Net Increase (Decrease) in Cash and Cash Equivalents	(21,976)	58,356
Cash and Cash Equivalents at Beginning of Year	102,830	44,474
Cash and Cash Equivalents at End of Year	$ 80,854	$ 102,830
Supplemental Cash Flows Disclosures:		
Cash Paid During the Year for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Noncash Activities		
In-kind donations	$ -	$ -

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, 2021
with Comparative Totals for 2020

	Program	Administrative	Fundraising	2021 Total	2020 Total
Buildings and grounds	$ 15,877	$ -	$ -	$ 15,877	$ 10,732
Communication equipment	62	-	-	62	882
Depreciation	124,100	-	-	124,100	131,549
Insurance	20,941	-	-	20,941	18,860
Operations cost	43,032	-	-	43,032	44,414
Management and general	-	20,876	-	20,876	13,512
Professional fees	-	1,420	-	1,420	1,250
Public relations	-	912	-	912	500
Training and travel	2,533	-	-	2,533	7,910
Wages and taxes	52,749	-	-	52,749	52,749
2021 Total	$ 259,294	$ 23,208	$ -	$ 282,502	$ -
2020 Total	$ 267,096	$ 15,262	$ -	$ -	$ 282,358

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.

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 as revenues when received. Expenses are recorded when they are incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021 or 2020, no provision for income taxes has been made. The Organization's open audit periods are for the fiscal year ends September 30, 2019 through September 30, 2021.

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 report 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, 2021 or 2020.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2020 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.

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. Deprecation 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 $80,854 and $102,830 at September 30, 2021 and 2020, 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, 2021, are as follows:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021
Building	$ 113,751	$ -	$ 2,000	$ 111,751
Communication Equipment	103,957	-	-	103,957
EMS Equipment	5,038	-	-	5,038
Furniture and Fixtures	10,438	7,685	-	18,123
Land	13,820	-	-	13,820
Vehicles and Equipment	1,060,057	81,338	5,993	1,135,402
	1,307,061	89,023	7,993	1,388,091
Less accumulated depreciation	(853,730)	(124,100)	(6,185)	(971,645)
Net Property and Equipment	$ 453,331	$ (35,077)	$ 1,808	$ 416,446

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

There are no net assets with donor restrictions as of September 30, 2021 and 2020.

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

NOTE 5 - EMERGENCY SERVICE DISTRICT (Continued)

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 87 percent and 77 percent of the Organization's total revenues for the years ended September 30, 2021 and 2020, 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, 2021, reduced by amounts not available for general expenditures within one year.

		2021
Total financial assets	$	80,854
Less those unavailable for general expenditure within one year due to: None		-
Financial assets available to meet cash needs for general expenditures within one year	$	80,854

NOTE 8 - SUBSEQUENT EVENTS

The Organization did not have any subsequent events through January 24, 2022, 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, 2021.