

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT**  
**BAYOU VISTA, TEXAS**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR FISCAL YEAR ENDING SEPTEMBER 30, 2020**

**Prepared by:**  
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**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT**

**DIRECTORS**

**Paula Eshelman  
President**

**John Venzke  
Fire Chief**

**Pat Pizzo Konyha  
Director**

**Irene Henry  
Treasurer**

**Andy F. McCloskey  
Vice President**

**Linda Buckley  
Secretary**

STEVEN L. JENKINS, CPA  
*Certified Public Accountant*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bayou Vista Volunteer Fire Department  
City of Bayou Vista, Texas

We have audited the accompanying balance sheet of Bayou Vista Volunteer Fire Department as of September 30, 2020, and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Association's directors. Our responsibility is to express an opinion on this financial statement 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the balance sheet, statement of income, and statement of cash flows referred to above presents fairly, in all material respects, the financial position of Bayou Vista Volunteer Fire Department as of September 30, 2020 in conformity with accounting principles generally accepted in the United States of America.

 CPA

Steven L. Jenkins, CPA  
November 18, 2020  
License Number 29344  
Texas State Board of Public Accountancy

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT**  
**Balance Sheet**  
**September 30, 2020**

**ASSETS**

**Current Assets**

Texas First Bank - Checking	\$	86,689	
Texas First Bank - Savings		49,751	
Texas First Bank - Payroll		<u>4,448</u>	

**Total Current Assets**

\$ 140,888

**Fixed Assets**

Furniture Fixtures & Equipment	18,366	
Safety Equipment	11,353	
Pierce Contender Tanker Truck	370,529	
Rescue Vehicle	85,712	
Land Investment	88,000	
Engine 2	155,000	
Accumulated Depreciation	<u>(159,517)</u>	

**Total Fixed Assets**

569,443

**Other Assets**

**Total Assets**

\$ 710,331

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT**  
**Balance Sheet**  
**September 30, 2020**

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>		
<b>Long Term Liabilities</b>		
Rescue Vehicle Loan	<u>16,545</u>	
<b>Total Long Term Liabilities</b>		16,545
<b>Equity</b>		
Fund Balance	702,389	
Current Income (Loss)	<u>(8,603)</u>	
<b>Total Equity</b>		<u>693,786</u>
<b>Total Liabilities &amp; Equity</b>		<u>\$ 710,331</u>

See Accompanying Auditor's Report

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT**  
**Income Statement**  
**For the Period Ended September 30, 2020**

	12 Months Ended Sep. 30, 2020	Pct
<b>Revenue</b>		
Bayou Vista Contribution	\$ 45,000	15.08
Galveston County Contract	22,500	7.54
Individual Contributions	100	0.03
Interest Income	234	0.08
WCID	2,854	0.96
Fundraiser	565	0.19
Resident Fire Fee	<u>227,252</u>	<u>76.13</u>
<b>Total Revenue</b>	<b>298,505</b>	<b>100.00</b>
<b>Operating Expenses</b>		
Accounting Software	324	0.11
Annual Audit	2,200	0.74
Bank Charges	90	0.03
Telephone and Internet	5,048	1.69
Dues	400	0.13
Fundraiser	139	0.05
Member Incentive	7,887	2.64
Office Expense-Administration	1,091	0.37
Station Repair & Maintenance	3,394	1.14
Equipment Maintenance-Fire	11,054	3.70
Miscellaneous	3,101	1.04
MUD Administrative Fee	3,000	1.01
County User Fees	2,460	0.82
Supplies - Medical	1,367	0.46
PPE	2,475	0.83
Depreciation	39,879	13.36
Fuel- Vehicles	2,708	0.91
Insurance - Vehicles	4,860	1.63
Insurance - Other	10,188	3.41
Repairs & Maintenance-Vehicles	18,929	6.34
Uniforms	835	0.28
Interest Expense	6,374	2.14
Safety Expenditures - Other	89	0.03
Payroll & Taxes - Day Crew	175,013	58.63
Payroll Processing Fees	<u>4,205</u>	<u>1.41</u>
<b>Total Operating Expenses</b>	<b><u>307,108</u></b>	<b><u>102.88</u></b>
<b>Net Income (Loss)</b>	<b>\$ <u>(8,603)</u></b>	<b><u>(2.88)</u></b>

See Accompanying Auditor's Report

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT**  
**Statement of Cash Flows**  
**For the Period Ended September 30, 2020**  
**INCREASE (DECREASE) IN CASH OR CASH EQUIVALENTS**

<b>Cash Flow from Operating Activities</b>		
Net Income (Loss)		\$ (8,603)
Adjustments to Reconcile Cash Flow		
Decrease (Increase) in Current Assets		
Increase (Decrease) in Current Liabilities		
		(8,603)
<b>Cash Provided (Used) by Operations</b>		
<b>Cash Flow From Investing Activities</b>		
Sales (Purchases) of Assets		
Accumulated Depreciation	39,879	
		39,879
<b>Cash Provided (Used) by Investing</b>		
<b>Cash Flow From Financing Activities</b>		
Cash (Used) or provided by:		
Truck Loan - Texas First	(21,658)	
Rescue Vehicle Loan	(12,365)	
Fund Balance	4,374	
		(29,649)
<b>Cash Provided (Used) by Financing</b>		
<b>Net Increase (Decrease) in Cash</b>		
		1,627
<b>Cash at Beginning of Period</b>		
		135,511
<b>Cash at End of Period</b>		
		\$ 137,138

See Accompanying Auditor's Report

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2020 Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Galveston County Contract	\$ 22,500	\$ 22,500	0
Interest Income	175	234	59
Individual Contributions	200	100	(100)
Bayou Vista Contribution	45,000	45,000	-
Fundraisers	1,425	565	(860)
MUD DES Testing	3,800	-	(3,800)
Miscellaneous Income	3,500	-	(3,500)
WCID	2,100	2,854	754
Resident Fire Fee	225,152	227,252	2,100
TML Claims	-	-	-
<b>TOTAL REVENUES</b>	<u>303,852</u>	<u>298,505</u>	<u>(5,347)</u>
<b>EXPENDITURES</b>			
Administration:			
Accounting Software	275	324	49
Annual Audit	2,000	2,200	200
Bank Fees	45	90	45
Office Expense	-	1,091	1,091
Telephone and Internet	3,500	5,048	1,548
MUD Administrative Fee	3,000	3,000	0
Insurance	8,617	10,188	1,571
Dues	250	400	150
Water Cooler	-	-	-
Cable Television	-	-	-
Miscellaneous	3,700	3,101	(599)
County Meeting Sponsor	1,500	0	(1,500)
Station Incidentals	-	-	-
Station Repairs & Maintenance	3,000	3,394	394
<b>Total Administration</b>	<u>25,887</u>	<u>28,836</u>	<u>2,949</u>

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2020 Variance Favorable (Unfavorable)</u>
Communications:			
County User Fees	1,710	2,460	750
Equipment	<u>1,000</u>		<u>(1,000)</u>
Total Communications	<u>2,710</u>	<u>2,460</u>	<u>(250)</u>
Medical Operations:			
Supplies	3,400	1,367	(2,033)
Equipment	<u>-</u>	<u>0</u>	<u>-</u>
Total Medical Operations	<u>3,400</u>	<u>1,367</u>	<u>(2,033)</u>
Fire Operations:			
Equipment	-	0	-
PPE	8,000	2,475	(5,525)
Uniforms	884	835	(49)
Equipment Maintenance	14,804	11,054	(3,750)
Other	<u>-</u>	<u>0</u>	<u>-</u>
Total Fire Operations	<u>23,688</u>	<u>14,364</u>	<u>(9,324)</u>
Vehicle Operations:			
Fuel	3,500	2,708	(792)
Insurance	4,812	4,860	48
Repairs and Maintenance	20,000	18,929	(1,071)
Rescue Vehicle Payments	11,982	11,982	
Truck Payments	<u>21,243</u>	<u>21,243</u>	<u>-</u>
Total Vehicle Operations	<u>61,537</u>	<u>59,722</u>	<u>(1,815)</u>
Safety Expenditures:			
Inspections	-	0	-
ISO Testing	-	0	-
Equipment & Supplies	-	-	-
Public Awareness Program	250	89	(161)
Total Safety Expenditures	<u>250</u>	<u>89</u>	<u>(161)</u>

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2020 Variance Favorable (Unfavorable)</u>
Paid Personnel:			
Payroll and Taxes	171,180	175,013	3,833
Payroll Processing	4,000	4,205	205
Member Incentive	<u>10,000</u>	<u>7,887</u>	<u>(2,113)</u>
Total Paid Personnel	<u>185,180</u>	<u>187,105</u>	<u>1,925</u>
Training	1,000	-	(1,000)
Fundraisers	<u>200</u>	<u>139</u>	<u>(61)</u>
Interest Expense		<u>6,374</u>	
<b>TOTAL EXPENDITURES</b>	<u>303,852</u>	<u>300,156</u>	<u>(3,696)</u>
<b>REVENUES OVER(UNDER)</b>	<u>\$0</u>	<u>(\$1,651)</u>	<u>(\$1,651)</u>
<b>EXPENDITURES(OPERATING)</b>			

# BAYOU VISTA VOLUNTEER FIRE DEPARTMENT

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1 - ORGANIZATION AND OPERATIONS

The Bayou Vista Volunteer Fire Department was established in 1979. The Department provides structural fire suppression, motor vehicle rescue, and first responder services.

The Bayou Vista Volunteer Fire Department is supported by voluntary contributions from approximately 1,130 households in Original Bayou Vista and the City of Bayou Vista. As a member of the Galveston County Volunteer Firefighter's Association, the Department receives funding on an annual basis plus a stipend every three years for the purchase of protective gear and equipment. This funding from the Association is provided to help offset the cost of the Department responding to calls in the unincorporated areas of the County adjacent to Bayou Vista and for assisting in mutual aid responses from neighboring Volunteer Departments. Also, for over 20 years, the City of Bayou Vista has contracted with the Department for fire suppression services.

The backbone of the Department is the volunteer firefighters who provide outstanding service to the community and the neighboring sister cities of Bayou Vista. In 2007, the Department welcomed a paid day-crew of certified firefighters and paramedics in order to provide additional protection during peak hours. During the previous fiscal year, the Department held an election in which a mandatory fee for residents was passed. There is a monthly administrative fee from the MUD, who collects the funds.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Department conform with Generally Accepted Accounting Principles (GAAP) applicable to state and local governments which include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The following is a summary of the most significant policies:

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Basis of Accounting**

The basis of accounting is the method by which revenues and expenditures are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The Department utilizes the accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Most revenue sources are recorded as revenues when received in cash because they are generally not measurable until actually received. Deferred revenues are amounts that have been deemed measurable but not available. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

**B. Budget**

An annual appropriated budget is adopted for the Department. The budget is prepared using the same method of accounting as for financial reporting. The legal level of compliance is at the fund level. Appropriations lapse at year-end.

**C. Cash**

Cash includes amounts in demand deposits and various petty cash funds used in daily operations of the Department.

**BAYOU VISTA VOLUNTEER FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Property and Equipment**

Costs for the purchase or construction of facilities and other fixed assets are recorded as capital outlay expenditures. These fixed assets are recorded at original cost. Donated assets are valued at the fair market value on the date of gift. No depreciation has been provided on general fixed assets.

**E. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.