

**BRAZOS COUNTY EMERGENCY SERVICES
DISTRICT NO. 4**

**INDEPENDENT ACCOUNTANT'S REPORT
ON AGREED-UPON PROCEDURES**

SEPTEMBER 30, 2019



THOMPSON, DERRIG & CRAIG, P.C.
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Brazos County Emergency Services District No. 4
Kurten, TX

We have performed the procedures described in Schedule A, which were agreed to by Brazos County Emergency Services District No. 4 (the District) and the Brazos County Commissioners' Court (the specified parties), on the disbursements made with Brazos County tax funds recorded on the books and records of the District for the year ended September 30, 2019. Management of the District is responsible for the District's books and records. The sufficiency of these procedures is solely the responsibility of Brazos County Emergency Services District No. 4 and the Brazos County Commissioners' Court. Consequently, we make no representation regarding the sufficiency of the procedures referred to below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are described in Schedule A.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial statements of the District as of September 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Brazos County Emergency Services District No. 4 and the Brazos County Commissioners' Court and is not intended to be and should not be used by anyone other than these specified parties.

THOMPSON, DERRIG & CRAIG, P.C.

January 17, 2020

Schedule A

Agreed-Upon Procedures

1. *Vouch every disbursement made with Emergency Service District (ESD) tax funds for the year ended September 30, 2019. Vouching consists of examining the invoice, statement or loan agreement supporting the disbursement. No canceled checks are available.*

We vouched total disbursements using tax funds recorded on the books and records of the Brazos County Emergency Services District No. 4 (the District) to supporting documentation as summarized below:

Loan payments	\$ 178,390
Professional fees and insurance	7,488
Training	2,802
Office/Administration	23,017
VFD #4 Quarterly	188,000
Equipment replacements	24,000
	<u>\$ 423,697</u>

2. *Confirm all payments made by the District to the Brazos County Precinct 4 Volunteer Fire Department and compare the confirmation amount recorded in the books and records of the District.*

Disbursements made to Precinct 4 Volunteer Fire Department during the year ended September 30, 2019 and confirmed are summarized below.

Quarterly Operating Funding	\$ 188,000
Additional equipment requests	
Radios	<u>24,000</u>
	<u>\$ 212,000</u>

We were not able to vouch each individual disbursement made by Brazos County Precinct 4 Volunteer Fire Department. Please refer to number five below for a more detailed explanation.

3. *Confirm all tax payments received from the Brazos County tax office and compare the amounts listed to the books and records of the District.*

Total taxes received during the year ended September 30, 2019 were as follow:

Confirmed by Brazos County	
Tax Assessor Collector	\$ 501,025
Deposits in ESD bank account	<u>500,474</u>
Difference	<u>\$ (551)</u>

4. *Verify that the ESD maintains a separate bank account, that the signers on the bank account are ESD board members and that monthly statements are received by someone other than the person responsible for recording the receipts and disbursement of the ESD. Verify that the bank statements are reconciled with the books of the ESD for each month of the fiscal year.*

We verified by inspection of bank statements that ESD No. 4 maintains a separate account for tax funds. Based on inquiry of the Treasurer, Jill Jones, authorized signers are the President, Vice President and Treasurer and all checks require two signatures. We were not able to observe this since canceled checks are not returned with the bank statement. Based on inquiry of the Treasurer, the bank statement is viewed online by the Treasurer, with the President also having access to the online statements. In July 2019, Bottomline Bookkeeping began keeping the books for the ESD. We inspected bank reconciliations performed by the ESD's bookkeeper for the months of June through September 2019. Prior to June, a cash flow report was presented monthly to the board, based on inquiry of Treasurer and inspection of board minutes. All expenditures and checks are discussed and approved at board meetings.

5. *Report any discrepancies noted. A discrepancy is described as any disbursement not supported by appropriate supporting documentation, any disbursement that does not appear to be in accordance with the approved budget or any payment received by the District that is not recorded properly in a timely manner.*
- The quarterly distributions to the Precinct 4 Volunteer Fire Department (VFD) were based on an initial budget provided by the VFD. Updated VFD budget to actual reports were not provided to the ESD in a timely manner. The ESD has identified this as unsatisfactory and has worked with the VFD to improve the tracking of finances and ability to provide acceptable financial documentation. Specifically, the ESD hired an independent accountant to assist the VFD with recording disbursements and receipts in QuickBooks software so that meaningful financial reports of VFD activities can be generated in a timely manner. Upon inquiry of the VFD's bookkeeper, the platform utilized by the VFD does not allow users to generate budget to actual reports. The ESD board is aware of this and per conversations with the ESD Treasurer, the ESD board intends to begin reviewing the VFD's actual expenses each quarter at board meetings in the coming fiscal year.
 - While we were able to tie each credit card payment to its respective monthly statement, there were instances where individual charges were not supported by invoices or receipts. Most of the missing support was related to travel and training expenses (\$1,660), office expenses (\$1,116), and bank fees (\$78).
 - We noted one invoice for \$187 that was excluded from the books. Per discussions with Jill Jones, the invoice was misplaced. We vouched the amount to the appropriate monthly bank statement and affirmed that it cleared the bank in the period under audit. We note that this disbursement should be recorded on the books of the ESD to accurately reflect expenditures of tax funds in the fiscal year.