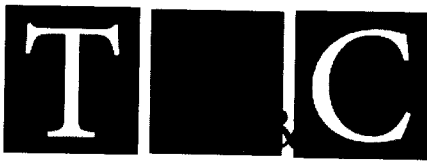


**BRAZOS COUNTY EMERGENCY SERVICES
DISTRICT NO. 2**

**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. 2
Kurten, TX

We have performed the procedures described in Schedule A, which were agreed to by Brazos County Emergency Services District No. 2 (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. 2 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. 2 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 7, 2020

Woody Thompson, CPA/CFP | Ronnie Craig, CPA | Dillard Leverkuhn, CPA | Lyn Kuciemba, CPA | James Larkin, CPA

Peggy Adcock, CPA | Sandy Beavers, CPA | Aline Briers, CPA | Priscilla Butler, CPA | Kyle Cox, CPA | Gay Vick Craig, CPA | Kay Dobbins, CPA

Deanna Harris, CPA | Emily Hogan, CPA | Logan Kendrick, CPA | Esther Parra, CPA | A.J. Taylor, CPA | Marian Rose Varisco, CPA

Schedule A

Agreed-Upon Procedures

1. *Vouch every disbursement made with Emergency Service District (ESD) tax funds recorded on the books and records of the ESD for the year ended September 30, 2019. Vouching consists of examining the invoice, statement or loan agreement supporting the disbursement as well as the canceled check.*

We vouched total disbursements, unless noted below, using bank statement records and records of the Brazos County Emergency Services District No. 2 to supporting documentation as summarized below:

Administrative Fees	\$ 66
Legal Fees	3,372
Loan Payments	55,032
Membership Fees	275
Miscellaneous	122
Professional Fees	2,750
Property Tax Collection Fees	2,049
VFD Reimbursement	97,500
	<u>\$ 161,166</u>

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

Disbursements made to or on behalf of the Brazos County Precinct 2 Volunteer Fire Department during the year ended September 30, 2019 and confirmed are summarized below:

Expenses	
Facilities Maintenance	\$ 3,000
Communications	4,000
Training	10,000
Firefighter PPE	11,000
Loose Equipment	3,000
Apparatus Maintenance	16,000
Training Travel	2,500
Administration	2,500
Uniforms/Benefits	4,500
Legal/Professional Fees	1,500
Capital Expenditures	24,000
EMS	12,500
Fees & Memberships	2,500
Fire Prevention Awareness	500
Total	<u>\$ 97,500</u>

We were not able to vouch each individual disbursement made by Brazos County Precinct 2 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	\$ 202,545
Deposits in ESD bank account	<u>202,726</u>
Difference	<u>\$ 181</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 and inquiry of Treasurer, Diana Kurten, that ESD No. 2 maintains only one bank account and therefore, does maintain a separate account for tax funds. Additionally, based on inquiry of the Treasurer, authorized signers are three board members including the Treasurer. All checks require two signatures, and we were able to observe this since canceled checks were returned with the bank statement. Based on inquiry of the Treasurer, the bank statements are mailed monthly to the ESD No. 2 post office box. The Treasurer picks up the statements and reconciles the accounts monthly. Since there were not separate bank reconciliations in the records provided to us, we performed a rollforward of cash using bank statements and identified three months where there were outstanding items that properly cleared in the following month. Lastly, at each regular monthly meeting, Diana presents the commissioners with a listing of disbursement requests and the bank statement for review.

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.*

Based on the review of monthly board meeting minutes and discussions with the Treasurer, ESD No. 2 began reimbursing the Precinct 2 Volunteer Fire Department (VFD) in quarterly draws during the current fiscal year. Each quarterly draw is approved by the board at the monthly board meetings, and a reimbursement check is written to the VFD. The VFD is asked to provide the ESD board with a budget report showing the amount requested for the quarter and a record of funds still available for the remainder of the fiscal year. Each quarter, the VFD provides the invoices and receipts in a binder to support the amounts shown on the budget report.

We were provided the VFD budget report and the supporting invoices and receipts presented to the board each quarter. We found that the VFD supporting invoices and receipts could not be traced or grouped to amounts in specific categories on the VFD budget reports. Although we were not able to reconcile the support provided to specific expense category amounts presented on the VFD budget report, we were able to obtain a signed confirmation of the funds received from the VFD, as discussed in number two above. Best practices would require, at a minimum, that the VFD provide an actual to budget report at the end of the year to the ESD board to show where the quarterly draws were actually spent.