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**DARNALL SIKES  
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A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

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

To the Board of Commissioners of the Fire Protection District No. 3 of the Parish of St. Mary:

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 3 of the Parish of St. Mary (District) on compliance with the Cooperative Endeavor Agreement between the District and the Amelia Volunteer Fire Department for the year ended September 30, 2018. The District's management is responsible for the compliance with the Cooperative Endeavor Agreement.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### REPORTS AND RECORDS

- 1) Verify the department submits audited, reviewed, or compiled financial statements each year.

*No exceptions noted.*

- 2) Verify the department submits a report each year presenting any expected increases in the costs of services, facilities, and/or equipment.

*The department did not submit a report in current year; however, no expected increases in the costs of services, facilities, and/or equipment were expected.*

- 3) Verify the department submits monthly financial reports presenting the amounts used from the funds received.

*The department did not submit monthly financial reports presenting the amounts used from the funds received.*

## FUNDING BY DISTRICT

- 4) Verify the district pays the department a sum of fifteen thousand dollars each month.

*The district paid the department a sum of fifteen thousand dollars for 11 out of the 12 months in the fiscal year.*

- 5) Verify the department utilizes the fixed monthly amount first for routine expenses, that is those items that are not generally capitalized or those expenses that are less than \$5,000; such as electricity, fuel, other utilities, insurance, and consumable equipment.

*No exceptions noted.*

- 6) Verify the department uses any excess funds in satisfying obligations solely for the benefit of the fire department's operations.

*No exceptions noted.*

## EXPENSE RESTRICTIONS

- 7) Verify disbursements are not for the following items:

- a) Alcoholic beverages;

*Of the 32 disbursements tested, there were no exceptions noted.*

- b) Gifts or supplies for non-firefighting personnel;

*Of the 32 disbursements tested, there were no exceptions noted.*

- c) Awards or gifts; except as otherwise provided for in the agreement;

*Of the 32 disbursements tested, there were no exceptions noted.*

- d) Training, education or expenses that are not directly related to firefighting.

*Of the 32 disbursements tested, there were no exceptions noted.*

- 8) Verify the following for travel or meal related expenses:

- a) Travel and training is limited to the department's firefighting members and administrative staff.

*Of the one training disbursement tested, there were no exceptions noted.*

- b) Reimbursement for all meals are based on the latest IRS Publication No. 1542.

*Meals do not contain a description of the individuals participating or the business purpose; therefore, we could not determine if the amount was in accordance with IRS Publication No. 1542 for the five meal disbursements selected for testing.*

- c) Hotels selected are within a reasonable vicinity of the location where the business is being conducted.

*Not applicable.*

- d) Individuals staying with relatives or friends did not receive hotel reimbursements.

*Not applicable.*

- e) Miscellaneous hotel room expenses were not reimbursed except for business related phone calls and internet access charges.

*Not applicable.*

- f) Individuals who anticipate the need for automobile rental must document the need, in writing, prior to out of town travel.

*Not applicable.*

- g) Mileage reimbursement shall be calculated using the rates authorized by the IRS.

*Not applicable.*

## EQUIPMENT PURCHASING

- 9) Verify an inventory of each asset and piece of equipment owned by the district and utilized by the department with an initial cost of \$500 or more is maintained.

*No exceptions noted.*

- 10) Verify a depreciable asset listing is maintained in order to determine all purchases adhere to the requirements set forth in Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, La. R.S. 38:2211 et seq. (Public Bid Law).

*No exceptions noted.*

- 11) Verify if district owned property in the department's possession becomes obsolete or is no longer in use, the property was surrendered to the district and disposed of in accordance with surplus property laws.

*No exceptions noted.*

## INSURANCE

- 12) Verify the district was provided with certificates evidencing required coverages below and are named as an additional insured on these policies:

- a) The department has fire and contents insurance sufficient to cover the appraised value of all firefighting facilities and depreciable assets.

*No exceptions noted.*

- b) The department has auto liability insurance on all vehicles with limits of one million dollars for each occurrence and physical damage coverage including collision coverage and comprehensive coverage, with a maximum of a five thousand dollar deductible for each occurrence.

*No exceptions noted.*

- c) The department has worker's compensation insurance.

*No exceptions noted.*

- d) The department has flood insurance for (i) all properties located in a flood zone other than B, C, or X; or (ii) properties which have been previously flooded and have received FEMA funds.

*No exceptions noted.*

- e) The department has comprehensive general liability insurance covering the department's operations and risks associated with such operations in the amount of two million dollars.

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the Cooperative Endeavor Agreement. 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.

The purpose of this report is solely to describe the scope of testing performed on the compliance with the Cooperative Endeavor Agreement, and the result of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Darnall, Sikes & Frederick*

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana  
November 12, 2018

**Independent Accountant's Report on Applying Agreed-Upon Procedures  
Management Response**

**Reports and Records**

2. Management will ensure that the department submits a report presenting any expected increases in the costs of services, facilities, and/or equipment.
3. Management will ensure that the department submits monthly financial reports presenting the amounts used from the funds received.

**Funding by District**

4. Management will ensure that a sum of fifteen thousand dollars is paid to the department each month.

**Expense Restrictions**

8. b) Management plans to verify that all reimbursements for meals are based on the latest IRS Publication No. 1542.