



JASON D. ENGLISH, ESQ.
CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

Clerk of the Circuit Court & Comptroller
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

6495 Caroline Street
Milton, Florida 32570
P O BOX 472
Milton, Florida 32572
Telephone: (850) 983-1974
Fax: (850) 983-1986
www.santarosaclerk.com

November 17, 2025

The Honorable Jason D. English, Esq.
Clerk of the Circuit Court and Comptroller
6495 Caroline Street
Milton, Florida 32570

Re: Audit of Harold VFD's Use of MSBU Funds
Fiscal Year October 1, 2023 – September 30, 2024

Clerk English,

Please find enclosed the report of our limited scope audit of the Harold Volunteer Fire Department's use of Municipal Services Benefit Unit (MSBU) funds for the period October 1, 2023, through September 30, 2024.

The objective of this review was to evaluate whether Harold's expenditures of the MSBU allocation aligned with the budget adopted by Santa Rosa County and represented appropriate use of public funds.

Throughout the audit, we worked closely with the Treasurer and Fire Chief, both of whom were cooperative and responsive. Their assistance contributed to the efficiency and effectiveness of our review.

Overall, we found that Harold's expenditures of the MSBU allocation were properly supported and consistent with the approved budget. The report includes observations and recommendations related to internal controls, which we believe will further strengthen financial oversight and reduce unnecessary risk.

Please feel free to contact me if you have any questions or would like to discuss the report in more detail.

Respectfully,

Teresa Garber, Internal Auditor
Santa Rosa County Clerk of Court
6495 Caroline Street
Milton, FL 32570

CC: Harold Volunteer Fire Department
Brad Baker, Santa Rosa County Administrator
Jared Lowe, Santa Rosa County Assistant Administrator
Tom Lloyd, Santa Rosa County Public Safety Director
Ginny Davis, Santa Rosa County Emergency Management Administrative Supervisor
Julie Richardson, Finance Director, Santa Rosa County Clerk of Court



Santa Rosa County Clerk of Circuit Court & Comptroller Internal Audit Department

Audit of Harold Volunteer Fire Department, Inc.'s Use of MSBU Funds Fiscal Year Ending September 30, 2024

Report No. BCC 2025-06 Issued November 17, 2025

We conducted a limited scope audit of the Harold Volunteer Fire Department (VFD), under the authority of Santa Rosa County Ordinance 2007-36, which repealed and replaced Ordinance 90-23. This ordinance authorizes the audit of Municipal Service Benefit Unit (MSBU) fund expenditures to confirm their appropriate use.

Background

Harold VFD is a Florida not-for-profit corporation organized under Chapter 617, Florida Statutes. Its corporate status is currently active.

The Harold VFD was incorporated into the Santa Rosa County Fire Protection MSBU on May 24, 1990, in accordance with County Ordinance 90-23. Pursuant to the agreement between the county and the VFD, the department submits an annual MSBU budget request for County approval. Upon adoption of the final budget, the County disburses approved funds to the VFD in twelve equal monthly installments. For the 2023-24 fiscal year, the VFD was allocated a total of \$110,000.

Objectives and Scope

The objective of this audit was to evaluate expenditures incurred by the VFD using funds allocated through the MSBU, and to determine whether such expenditures were consistent with the County-adopted budget and represented appropriate use of MSBU resources.

The audit covered disbursements—including checks and debit transactions—issued and dated between October 1, 2023, and September 30, 2024.

This engagement was limited in scope and focused solely on compliance with the County-approved MSBU budget. It did not constitute an audit of the VFD's financial statements, and no opinion is expressed regarding those financial statements.

Methodology

We obtained relevant accounting records and supporting documentation from the treasurer of the VFD for the period under review. We selected a random sample of expenditures and:

- Reviewed images of canceled checks to verify payees,
- Examined supporting documentation to assess whether the expenditures were appropriate and properly supported, and
- Traced County disbursements to the VFD's bank statements.

Although not the primary focus of this review, we assessed the design and effectiveness of internal controls encountered during the audit.

Acknowledgments

We would like to express our appreciation to the officers of the Harold Volunteer Fire Department for their cooperation and responsiveness. Their timely provision of records and openness to discussion contributed significantly to the efficiency and effectiveness of our review.

Observations and Recommendations

1. Internal Controls – Credit Cards

Under Florida law, the board of directors is responsible for overseeing the affairs of a nonprofit corporation.¹ The board is required to adopt bylaws that establish a clear framework for governing the organization's operations, including financial management practices consistent with applicable laws and the organization's articles of incorporation.²

During the audit, we noted that officers were issued and used credit cards to make purchases ranging from \$36 to over \$2,000 using MSBU funds. However, current bylaws and the board meeting minutes for the fiscal year did not reflect documented Board authorization for this practice.

Recommendation

We recommend that the Board formally document authorized spending limits, including dollar thresholds, for purchases made by the fire chief and other officers. These limits should be incorporated into the organization's bylaws for consistency and transparency. Additionally, the bylaws should include procedures for emergency purchases.

2. Internal Controls – Risk Management

According to the VFD's Treasurer, the President, Secretary, and Treasurer have each been issued both a debit card and a credit card. While debit cards are reportedly used infrequently, they remain active.

Each issued card increases the risk of improper or unauthorized use. Debit cards, being directly linked to the organization's bank account, pose a greater risk due to the potential for immediate financial loss. In contrast, credit cards typically offer stronger fraud protection and a delay before funds are withdrawn.

Recommendation

To mitigate risk, we recommend the Board authorize the immediate cancellation of all debit cards.

Conclusion

While a few receipts for credit card purchases were unavailable for review, the vendor information provided on the credit card statement was sufficient to conclude that Harold Volunteer Fire Department generally expended MSBU funds in accordance with the approved budget. Additionally, bank reconciliations were timely prepared.

All County MSBU distributions were deposited into the Harold VFD account at South State Bank.

Supporting work papers are available upon request.

End of Report

¹ §617.01401(2), Florida Statutes

² §617.0206, Florida Statutes