

# SANTA ROSA COUNTY INTERNAL AUDIT DEPARTMENT



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

### Review of Jay Volunteer Fire Department's Use of MSBU Funds for FYE 2024

Report Number BCC 2025-07 Issued June 3, 2025

We have conducted a limited scope review of the Jay Volunteer Fire Department (VFD). Our work is derived from language contained in Santa Rosa County Ordinance 2007-36 providing for an audit of expenditures of Santa Rosa County Fire Protection Municipal Service Benefit Unit (MSBU) funds to confirm proper expenditure of those funds.

#### *Background*

Jay VFD is a Florida not-for-profit corporation incorporated under Chapter 617, Florida Statutes. Its corporate status is current.

Jay VFD was included in the Santa Rosa County Fire Protection MSBU on May 24, 1990, in accordance with Santa Rosa County Ordinance 2007-36. Each year, Jay VFD submits a budget request to Santa Rosa County (County). The County advances the final adopted budget for the VFD in twelve monthly payments. Funds budgeted to Jay VFD for the 2023-24 fiscal year were \$312,935.

#### *Objectives and Scope*

The objective of our audit was to evaluate expenditures by the Jay VFD from the MSBU allocation. Expenditures were evaluated to determine whether they were an appropriate use of MSBU funds as delineated in the budget adopted by the County. The period covers debits and checks issued and dated between October 1, 2023, and September 30, 2024.

This was a limited scope audit, the purpose of which was to determine whether Jay VFD expended MSBU funds in accordance with the budget adopted by the County and to ensure that expenditures were an appropriate use of MSBU funds. Our work is not an audit of the financial statements of the VFD the purpose of which is to issue an opinion on those financial statements and, accordingly, we have not issued such an opinion.

#### *Methodology*

We obtained relevant accounting records and supporting documentation from the treasurer of Jay VFD for the period under review. We selected a random sample of expenditures for examination. We observed images of the cancelled check to confirm the payee. We examined supporting documentation for sufficiency and whether the expenditure was an appropriate use of MSBU Funds. In addition, we traced MSBU payments made by the County to bank statements provided by the VFD.

While not part of our review, and to the extent we encounter them, we assessed internal controls in place for design and effectiveness. Observations and recommendations to strengthen those controls, where appropriate, were provided to County management and to Jay VFD.

### ***Observations and Recommendations***

#### **Bank Reconciliations**

Monthly bank reconciliations serve several purposes. Reconciling the checkbook balance to that reported by the bank allows the treasurer to identify any bookkeeping or bank errors and make correcting entries to the account. Doing so ensures the financial position of the VFD is correctly reported to the board of directors at the monthly meetings.

Jay VFD's treasurer did not perform monthly bank reconciliations. The treasurer reported the most current, unreconciled bank balance of the VFD's MSBU account to the board of directors at the monthly meetings. Doing so resulted in the monthly financial position report being overstated anywhere between \$500 and \$19,000 in any given month.

We recommend that the treasurer reconcile the check register/stubs monthly to ensure the account balance reported to the Board correctly reflects the funds available for use.

### ***Conclusions***

Based on our work we have concluded that Jay VFD expended all funds received from the County pursuant to the budget approved by the County. The expenditures examined were properly supported and appropriate.

All County MSBU distributions to Jay VFD were deposited in the VFD's bank account at AmeriFirst Bank.

Work papers are available for further review.

### ***End of Report***