

Mary M. Johnson

Clerk Circuit Court & County Court

Santa Rosa County

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MEMORANDUM

DATE: November 18, 2010

TO: Mary Johnson, Clerk of Court

FROM: Wade Burroughs, Internal Auditor

CC: Allentown Volunteer Fire Department
Hunter Walker, County Administrator
Susan Hoodless, Director of Finance

SUBJECT: Allentown Fire Department Review

The Allentown Volunteer Fire Department was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit on May 24, 1990 in accordance with County Ordinance 90-23.

This review covers a twelve (12) month time frame beginning October 1, 2009 and ending September 30, 2010.

- The department utilized all funds received from the County pursuant to the budget approved by the County.
- The department submitted to the County proof of all expenditures for the 09-10 fiscal year. The check register has been reconciled in a timely manner.
- Checks numbered 2435 – 2664 were issued during the 09-10 fiscal year and have been accounted for in this review. Proof of invoice was provided for all checks.
- All County MSBU disbursements were deposited in the Allentown Volunteer Fire Department checking account by Board Support Service. This review revealed the records are properly maintained and expenditures are supported by underlying documentation.

This review is strictly to determine the financial compliance of the department with regards to the MSBU funds received from Santa Rosa County, payable to the department. It does not imply or intend to cover or comment upon any other covenants. Work papers are available for further review.

Finding – Allentown VFD pays stipends every other month based on the number of training sessions attended and the percentage of calls they respond to. The supporting documentation provided was not sufficiently detailed to recalculate the amount of stipends paid.

Recommendation – Allentown VFD should expand the stipend calculation spreadsheet to sufficient detail to show how the amount of stipends is determined.

Finding – Allentown VFD does not report stipend payments to the Internal Revenue Service. The Internal Revenue Service (IRS) views this type of payment as taxable income to the recipient.

Recommendation – Allentown VFD should report stipend payments as taxable income to the recipients and to the IRS.