

Mary M. Johnson

Clerk Circuit Court & County Court

Santa Rosa County

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MEMORANDUM

DATE: November 21, 2011

TO: Mary Johnson, Clerk of Court

FROM: Wade Burroughs, Internal Auditor

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

SUBJECT: Pace Fire Department Review

The Pace Fire & Rescue District (the 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, 2010 and ending September 30, 2011.

The department utilized all funds received from the County pursuant to the budget approved by the County except as noted below.

The department submitted to the County proof of all expenditures for the 10-11 fiscal year and the bank account was reconciled monthly on a timely basis.

Checks numbered 5894 – 6385 and 11559 – 11981 were issued during the 10-11 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 Pace Fire & Rescue District, Inc's 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 1 – The following are excerpts from the minutes of the Board of Directors meetings for 7/21/11 and 8/4/11:

July 21, 2011:

QUESTION: LAVENA BEING AN EMPLOYEE

AS PRESIDENT—NOT FEELING GOOD ABOUT SITUATION, SITUATION WAS DISCUSSED AND EXPLAINED WHAT THE PROBLEM WAS. GENE WAITING FOR DETERMINATION. CHIEF EXPLAINED WHAT HAPPENED AND THE BOARD VOTED.

GENE GAVE UPDATE—ON DETERMINATION. GENE GAVE AN EXPLANATION OF WHAT WAS GOING ON. HE CAN ONLY MAKE \$12,000 YR. OR MONIES WILL BE TAKE AWAY FROM HIS SOCIAL SECURITY DISABILITY.

WE HAVE NEW BOARD MEMBERS AND THEY ARE NOT AWARE OF THE SITUATION.

THE ISSUE IS THAT GENE CAN ONLY MAKE \$12,000 YR. LOOKING AT \$8,000.00 DIFFERENCE WITH ONLY \$1,000.00 POSSIBLY TO MAKE IN A MONTH.

NEED TO GET A SOLUTION OF WHAT NEEDS TO BE DONE.
DOES LAVENA HAVE COMPUTER SKILLS-----???????? UNKNOWN
MAYBE BE A RECEPTIONIST?????????

JOHN MAKES A MOTION, TO KEEP GENE ON. BRING LAVENA IN TO WORK ONLY THE REST OF WHAT GENE IS MAKING.

JUDGE MADE A MOTION TO TABLE UNTIL THE NEXT SPECIAL BOARD MEETING, WHICH WILL BE HELD AT 6:00PM BEFORE THE REGULAR BOARD MEETING AT 7:00PM

August 4, 2011:

OLD BUSINESS: LAVENA BROXTON WORKING MONDAY, 1/2 DAY WEDNESDAY, AND FRIDAY, = TO 25 HOURS.

A review of the earnings reports for the period October 1, 2010 to September 30, 2011 shows that Lavena Broxton was paid \$768.75 every two weeks until August 2011. Beginning August 2011, the \$768.75 was split between Gene and Lavena Broxton.

A review of the W-2's for 2010 shows that Lavena Broxton earned wages from the Pace Fire & Rescue District, Inc. totaling \$19,631.25. No W-2 was issued to Gene Broxton for 2010 by Pace Fire & Rescue District, Inc.

Recommendation – The department should comply with applicable federal and state laws regarding the payment of employees.

Finding 2 – In the October 6, 2011 Board of Directors minutes, it was determined there was \$22,271.93 in excess of revenues over expenses for the year ended September 30, 2011. The Board voted to pay bonuses of \$2,784 each to the 8 paid employees totaling \$22,272. The payment of bonuses to existing employees for services they have already performed and have been compensated for would violate section 215.425, Florida Statutes, unless there is a preexisting employment contract making such bonuses a part of their salary (excerpt from AGO 2000-48). While fire department employees are not state, county or city employees, the payment was from public funds.

Recommendation – The department should reimburse the MSBU funds \$22,272 from non-MSBU funds.