

MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DEPARTMENT

THE MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.
2003 FINANCIAL AUDIT

A U D I T R E P O R T

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FINANCIAL AUDIT

A U D I T R E P O R T

The Internal Audit Department audited the accompanying statements of assets, liabilities, and net assets of the Manatee County Emergency Medical Services (EMS) Auxiliary, Inc. as of December 31, 2003, and the related statements of revenues, expenses and changes in net assets; functional expenses; and cash flows for the years then ended. We conducted our audit in accordance with auditing standards generally accepted in the United States. The audit was also performed in accordance with the *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.

BACKGROUND:

The Manatee County EMS Auxiliary is a non-profit corporation, which supports the Emergency Medical Services Department of Manatee County. The role of the EMS Auxiliary is to promote and assist Manatee County Emergency Medical Services by voluntarily providing state certified emergency medical technicians to help crews with medical treatment and basic life support coverage for special events, large gatherings, and disaster operations. In addition, the EMS Auxiliary provides educational programs to the public concerning emergency medical treatment as well as providing educational training for auxiliary members.

The EMS Auxiliary receives contributions from individuals and donations for services performed at various events. In addition, it accepts donations earmarked for the Manatee County EMS Special Activities Bicycle Emergency Response (SABER) team, the Manatee Search & Rescue (MSAR) group, and the Honor Guard. Their expenditures include, but are not limited to, continuing education, donation supplies, equipment for the SABER, MSAR and Honor Guard teams, and general office expenditures for their day-to-day operations.

PURPOSE/OBJECTIVES:

The audit purpose/objectives included, but were not be limited to, the following:

Audit the financial statements for the year ended December 31, 2003.

Verify the accuracy and input timeliness of financial data and reports processed by the EMS Auxiliary.

Verify an adequate system of internal control exists to safeguard assets, maintain the integrity of reports on operations, and provide adequate evaluation of the EMS Auxiliary's objectives and responsibilities.

Verify compliance with Florida Statutes, IRS reporting requirement, by-laws, and contracts.

SCOPE:

The financial audit scope consisted of a review of all financial statement accounts used by the EMS Auxiliary for the twelve-month period ending December 31, 2003. Controls over cash handling and safeguarding of assets were also evaluated.

METHODOLOGY:

The accounts were reviewed by examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Internal control evaluations were accomplished through discussions with management, and observations.

IRREGULARITIES, ABUSE, OR ILLEGAL ACTS:

There were no indications of irregularities, abuse, or illegal acts discovered for the year ended December 31, 2003.

STATEMENT ON INTERNAL CONTROL STRUCTURE:

In planning and performing the financial audit of the EMS Auxiliary for the twelve-month period ending December 31, 2003, the internal control structure was considered in order to determine the auditing procedures for the purpose of this report. Internal control weaknesses involve matters relating to deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report on data consistent with management's intentions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions. In addition, because of the inherent limitations in any internal control structure, deficiencies in the design or operation of the internal control structure may exist and not be detected. In this report, we noted no significant matters involving internal control weaknesses.

MANAGEMENT SUMMARY:

The EMS Auxiliary has continued to improve accountability over operations since the prior year's audit by correcting the majority of the "Areas for Improvement" contained in the audit report. Based on the audit performed, the Auxiliary has improved accountability for revenues, and has improved approval and recording of expenditures. The audit identified no major areas where the Auxiliary could significantly improve its operations.

We would like to thank the Auxiliary's personnel for the cooperation and courtesy afforded to our auditors throughout the audit.

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AUDIT REPORT AUTHORIZATION:

This audit report has been reviewed and authorized by:

Richard J. Orienti, CIA, CFE
Director of Internal Audit

R. B. "Chips" Shore
Clerk of the Circuit Court and Comptroller

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying statements of assets, liabilities, and net assets of the Manatee County Emergency Medical Services Auxiliary, Inc. (the "EMS Auxiliary") as of December 31, 2003, and the related statements of revenues, expenses and changes in net assets, functional expenses, and cash flows for the period then ended. These financial statements are the responsibility of the EMS Auxiliary's management.

We conducted our audit in accordance with the auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial presentation.

The financial statements referred to above present fairly, in all material respects, the financial position of the EMS Auxiliary as of December 31, 2003, and the changes in net assets and its cash flows for the period then ended, in conformity with accounting principals generally accepted in the United States.

2003 FINANCIAL STATEMENTS

MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Purpose – The Manatee County Emergency Medical Services Auxiliary, Inc. (the Auxiliary) was formed as a nonprofit corporation for the purpose of providing supplemental emergency services, in addition to those provided by taxpayer funded emergency medical services operating in Manatee County, and to provide educational programs to the public concerning emergency medical treatment.

Basis of Accounting – The Auxiliary’s policy is to prepare its financial statements in accordance with generally accepted accounting principles in the United States. Consequently, revenues are recognized when earned, and expenses and purchases of assets are recognized when the obligation is incurred.

Equipment – Equipment is stated at cost, less accumulated depreciation. Depreciation is provided for in an amount sufficient to relate the cost of using up the future economic benefits or service potential of the long-lived assets over their estimated useful lives, principally on a straight-line basis. The equipment is depreciated over its estimated useful life of five years.

Revenues – The Auxiliary receives the majority of its operating revenue from program services. During 2003, all of the Auxiliary’s non-operating revenue was received from the American Heart Association, specifically to enable the Auxiliary’s purchase and distribution of automatic external defibrillators.

Donated Services – The Auxiliary receives donated services from a variety of unpaid volunteers who assist the entity in providing supplemental emergency services and educational training to the citizens of Manatee County, Florida.

Income Taxes – The Auxiliary is exempt from federal income taxes under a provision of the Internal Revenue Code Section 501 (c) (3). Accordingly, no provision for income taxes is made in the financial statements.

NOTE B – EQUIPMENT DONATION

As of December 31, 2002, there were 13 bicycles included in the Auxiliary’s equipment. The Auxiliary donated these bicycles to the Manatee County Public Safety Department on May 6, 2003. This transaction reduced the Auxiliary’s equipment balance to \$1,417.

During 2003, the Auxiliary paid a total of \$10,660 toward the purchase of a specialized EMS trailer. The Auxiliary donated the Trailer to Manatee County on June 3, 2003. This transaction had no effect on December 31, 2003 balance sheet equipment balances since the asset was placed onto the books after January 1, 2003, and was removed from the books before December 31, 2003.

During 2003, the American Heart Association provided the Auxiliary with \$13,600, specifically to purchase and distribute defibrillators and related supplies. The defibrillators (including accessories) cost the Auxiliary \$12,340. The Auxiliary in turn donated three of seven of the defibrillators to qualified local recipients, and held the balance of four for the use of the Auxiliary’s SABER team. Because the assets were purchased with specifically earmarked funds, these funds were considered non-operating revenue. The four defibrillators remaining with the Auxiliary, less accumulated depreciation, increased the Auxiliary’s equipment balance to \$6,085 as of December 31, 2003.

NOTE C – ADDITIONAL AFFILIATED PARTIES

During 2003, the Manatee Search and Rescue (MSAR) Team became an Affiliated Auxiliary Party. The team exists to advance “professional practice, knowledge, and training” in the fields of Emergency Medical Services, Fire Rescue, and Law Enforcement. The affiliation between the Auxiliary and the MSAR team was officially sanctioned by the Manatee County Board of County Commissioners.

