



# Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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## Internal Audit Department

### Audit Report

### Manatee County EMS Auxiliary Financial Audit

As of December 31, 2013 and 2014

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April 19, 2016

Audit No. 21410400

MANATEE COUNTY CLERK OF THE CIRCUIT COURT  
INTERNAL AUDIT DEPARTMENT

MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.  
AUDIT OF YEARS ENDING DECEMBER 31, 2013 AND 2014

**A U D I T R E P O R T**

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MANATEE COUNTY CLERK OF THE CIRCUIT COURT  
INTERNAL AUDIT DEPARTMENT

MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.  
FINANCIAL AUDIT

**A U D I T   R E P O R T**

The Internal Audit Department has conducted a financial audit of the Manatee County Emergency Medical Services Auxiliary, Inc. (EMS Auxiliary) for the years ended December 31, 2013 and 2014, and performed a compilation of the EMS Auxiliary's financial statements for the year ended December 31, 2013. The audit was performed in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

**BACKGROUND**

The EMS Auxiliary is a nonprofit organization that supports the Emergency Medical Services Division (EMS) of the Manatee County Public Safety Department. The role of the EMS Auxiliary is to promote and assist Manatee County EMS by 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. The EMS Auxiliary also provides educational programs to the public concerning emergency medical treatment in addition to providing educational training for its members.

The EMS Auxiliary is a volunteer organization in which its members elect officers annually to manage the affairs and business of the organization. The EMS Auxiliary receives donations from the public and contributions for providing services at special events and gatherings (standby events). According to the EMS Auxiliary by-laws, 70% of all standby revenues are allocated to the Auxiliary's General Fund to be used for general operating expenses, such as fundraising costs and office supplies; and 30% of standby revenues are allocated to the Auxiliary's Compensation Fund. Compensation Fund money is used by Auxiliary members to pay for continuing education expenses or to purchase items related to their work with the EMS Auxiliary (equipment, uniforms) and is distributed to the members based on the hours they have volunteered.

The EMS Auxiliary also receives support from Manatee County EMS, including the use of an ambulance, maintenance and fuel for the ambulance, and medical supplies. This support totaled approximately \$8,900 during calendar year 2013 and approximately \$8,800 during calendar year 2014.

**PURPOSE/OBJECTIVES**

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

- Verifying the accuracy of financial data processed by the EMS Auxiliary
- Verifying that an adequate system of internal control exists to safeguard assets and maintain the integrity of the EMS Auxiliary's financial data
- Verifying compliance with certain Florida Statutes, IRS reporting requirements, EMS Auxiliary by-laws, and agreements

### **PURPOSE/OBJECTIVES (CONTINUED)**

Additionally, the Internal Audit Department compiled, from information provided by the EMS Auxiliary, the annual financial statements for the year ended December 31, 2013. The objective of the compilation was to assist the EMS Auxiliary in presenting financial information in the form of financial statements and not to provide an opinion or any assurance regarding the financial statements being compiled.

### **SCOPE**

The scope of our testing included examining the EMS Auxiliary's controls over cash, fixed assets, revenues, and expenses, and determining compliance with certain IRS reporting requirements, EMS Auxiliary by-laws, and Florida Statutes for the years ended December 31, 2013 and 2014.

The financial statements were compiled for the year ended December 31, 2013.

### **METHODOLOGY**

We evaluated the EMS Auxiliary's internal controls and compliance through testing of EMS Auxiliary financial records and conducting interviews with EMS Auxiliary officers and Manatee County staff. The financial statements were compiled based on information contained in the EMS Auxiliary financial records and discussions with the EMS Auxiliary President.

### **IRREGULARITIES, ABUSE, OR ILLEGAL ACTS**

There were no indications of irregularities, abuse, or illegal acts discovered for the years ended December 31, 2013 and 2014.

### **TEST OF COMPLIANCE**

Internal Audit tested compliance with certain laws, regulations, and the EMS Auxiliary's by-laws and policies and procedures; obtained an understanding of internal controls; and assessed control risk. Tests performed were limited to the specific areas included in the Purpose/Objective section of this report and appeared to provide sufficient evidence to support an opinion on compliance and internal controls for the areas tested. The results of these tests disclosed that the EMS Auxiliary does not appear to be complying with its mission, as stated in its by-laws, and may not be in compliance with IRS regulations relating to payments to officers of non-profit organizations (see Area for Improvement #1). Additionally, the EMS Auxiliary did not comply with provisions of its by-laws or policies and procedures related to the Compensation Fund, expense authorizations, and bank deposits (see Areas for Improvement #2, #4, and #7).

### **STATEMENT ON INTERNAL CONTROL STRUCTURE**

In planning and performing the financial audit of the EMS Auxiliary for the years ended December 31, 2013 and 2014, 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 note some matters involving internal control weaknesses, including a lack of supporting documentation, unauthorized expenses, and bank account reconciliation weaknesses. (see Areas for Improvement #3, 4, and 5).

### **MANAGEMENT TEAM AND MANAGEMENT ACTION PLAN**

A Management Action Plan has been provided for each Area for Improvement identified. Management Action Plans are corrective actions with implementation dates developed in cooperation with the EMS Auxiliary's Management Team and the Internal Audit Department. The Management Team included the EMS Auxiliary President, EMS Auxiliary Treasurer, Manatee County Public Safety Director, Manatee County EMS Chief, and the County Liaison to the EMS Auxiliary.

### **MANAGEMENT SUMMARY**

The EMS Auxiliary is comprised entirely of volunteers whose mission is to support the community and Manatee County EMS in a way that provides quality care to community members. Excluding County support, in 2013, EMS Auxiliary revenues were \$20,135, which was 41% higher than revenues reported during the previous audit period ending December 31, 2011. In 2014, the revenues were \$13,487, which was 6% less than 2011. Auxiliary expenses increased at a considerably higher rate. In 2013, expenses increased by 177% to \$28,361, and in 2014, they increased by 103% to \$20,763. As a result, the EMS Auxiliary incurred losses of \$8,226 in 2013 and \$7,276 in 2014.

Since the prior audit, the EMS Auxiliary has addressed several of the audit findings previously reported. The Auxiliary has been preparing monthly bank reconciliations and has segregated the financial reporting and payment authorization responsibilities. However, we noted several previously identified issues which continue to exist for the organization (see Areas for Improvement #3, 4, and 7). We have also identified several additional areas where the EMS Auxiliary can improve its operations. Our testing found the following:

- During 2013 and 2014, the EMS Auxiliary made donations to other charitable entities and individuals, including one of its officers, and provided gifts to EMS Auxiliary members. This appears to be inconsistent with the Auxiliary's mission. In addition, the donation made to the Auxiliary officer may have Internal Revenue Service (IRS) implications that need to be considered. The Management Team will be reconsidering how it spends EMS Auxiliary funds and will consult with a tax professional to address any potential IRS implications. **(Area for Improvement #1, page 6)**

### **MANAGEMENT SUMMARY (CONTINUED)**

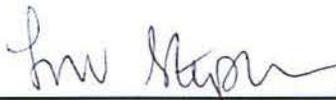
- The EMS Auxiliary incorrectly allocated 100% of standby revenues to the Compensation Fund from December 2012 through April 2013, resulting in an over-allocation of \$10,164, and excessive Compensation Fund purchases made during 2013. Although the EMS Auxiliary correctly allocated standby revenues during the remainder of 2013, we noted additional Compensation Fund errors during 2013 and 2014 that involved both revenues and expenses. The Management Team will clearly indicate in the monthly Compensation Fund Report the amount being allocated to, or deducted from, the Compensation Fund. This will allow the EMS Auxiliary officers and members to review the information for accuracy. **(Area for Improvement #2, page 7)**
- Documentation was not adequately maintained to support 6.5% of purchases made during 2013 and 21.7% of purchases made during 2014. The Management Team will review expenses each month and ensure that supporting documentation has been maintained for all transactions. **(Area for Improvement #3, page 8)**
- 10.1% of EMS Auxiliary purchases made during 2013 and 17.5% of purchases made during 2014 lacked evidence of proper approval. The Management Team will review the monthly member meeting minutes to verify that all expense approvals have been documented in the minutes. **(Area for Improvement #4, page 9)**
- The December 31, 2013 and December 31, 2014 bank reconciliations were incorrect. Errors noted on the reports appeared to be due to the preparer not understanding how to complete the Cash Flow Report. Additionally, we noted transaction errors that should have been corrected through the monthly bank reconciliations, but were not. Errors included a check that was never deposited, and a debit card purchase that was reported by the Auxiliary as fraudulent, but was actually a legitimate EMS Auxiliary purchase. The Management Team will update the policies and procedures to include instructions on preparing the monthly Cash Flow Reports, and will develop procedures for handling disputed charges. Additionally, the Auxiliary will contact their bank regarding the improperly refunded debit card purchase. **(Area for Improvement #5, page 9)**
- The EMS Auxiliary's Cash Flow Tracking and Accountability Form is used to track cash currency collected at events. We were unable to trace the 2013 cash deposits to this form. While we were able to trace the 2014 cash deposits to the form, the clarity of the form could be significantly improved. The Management Team has updated the form to clearly indicate the amount of cash that should be deposited with the bank. Management plans to use this form for all future events where cash is collected. **(Area for Improvement #6, page 10)**
- Checks received by the EMS Auxiliary were not always deposited within 30 days of receipt as required by the EMS Auxiliary's policies and procedures. The Management Team will photocopy all checks and will note the date each payment was received. Management will ensure all check and cash receipts are deposited within 30 days. **(Area for Improvement #7, page 10)**

**MANAGEMENT SUMMARY (CONTINUED)**

We would like to thank the EMS Auxiliary officers for the cooperation and courtesy afforded to our auditors throughout the audit. We believe that accountability can be further improved through the implementation of the Management Action Plans included in this audit report.

**AUDIT REPORT AUTHORIZATION**

This audit report has been reviewed and authorized by:



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Lori Stephens, CPA, CFE  
Director of Internal Audit



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Angelina "Angel" Colonnese  
Clerk of the Circuit Court & Comptroller

**AREA FOR IMPROVEMENT #1 ..... CHARITABLE DONATIONS AND GIFTS**

The mission of the EMS Auxiliary is to:

"Support our community and Manatee County EMS in a way that provides quality care to community members.

Recruit qualified members who are interested in supporting their community and/or pursuing a career with Manatee County EMS.

Aid and assist Manatee County EMS in funding items needed for training, operation, and facility needs.

To provide support and assist in public relations initiatives."

A review of expenses during 2013 and 2014 found that the EMS Auxiliary significantly increased its spending on purchases that do not appear to support this mission. This increase in spending primarily consisted of donations made to other charitable organizations and individuals, as well as gifts given to EMS Auxiliary members.

EMS Auxiliary revenues totaled \$20,135 in 2013 and \$13,487 in 2014, excluding in-kind support received from Manatee County. The EMS Auxiliary spent \$6,546, or 33% of the revenue, and \$9,354, or 69% of the revenue, on donations in 2013 and 2014, respectively. During 2011, the Auxiliary did not make any contributions to other charitable organizations or individuals. Most significantly, the 2014 charitable donations included a \$6,000 donation made to an EMS Auxiliary officer to assist with expenses related to a family member's death. We also noted that two other charitable donations were made payable to an individual rather than directly to the nonprofit organization for which he was fundraising.

In 2013, the EMS Auxiliary updated its by-laws to provide that member Compensation Funds be capped at \$500, and any funds in excess of that cap are to be transferred to a "donation account" for the payment of charitable donations. While this change, and the donations identified above, all appear to have received the necessary approval of EMS Auxiliary members, the policy and payments do not appear to support the overall mission of the EMS Auxiliary. Furthermore, use of EMS Auxiliary funds for payment to one of its officers may have Internal Revenue Service (IRS) implications that need to be considered. Below is a chart summarizing the charitable donations made by the EMS Auxiliary during 2013 and 2014.

<u>2014 Donations</u>	<u>Donation</u>	<u>Percentage of Revenue</u>	
EMS Auxiliary President	6,000	45%	<i>Funeral expenses for relative</i>
Honor Animal Rescue	1,000	7%	<i>Veterinary bills for animal shelter</i>
16 Hands Horse Sanctuary	1,000	7%	<i>Feed and hay for horse sanctuary</i>
Englewood Fire Academy	500	4%	<i>Donation for extrication</i>
Foster Children	454	3%	<i>Backpacks for foster children</i>
MSO Deputy - individual	<u>400</u>	<u>3%</u>	<i>Law enforcement challenge</i>
	9,354	69%	

<u>2013 Donations</u>	<u>Donation</u>	<u>Percentage of Revenue</u>	
American Red Cross	5,000	25%	<i>Oklahoma Tornado Donation</i>
MSO Deputy - individual	796	4%	<i>Law enforcement challenge</i>
MCSAR	500	3%	<i>Donation</i>
Manatee High School Softball	<u>250</u>	<u>1%</u>	<i>Banner</i>
	6,546	33%	

It was also noted that in April 2014, the EMS Auxiliary spent \$620, or 5% of its annual revenue, on Publix gift cards which were given to the Auxiliary members as gifts for volunteer appreciation month. Although in prior years we had noted that gifts were purchased for Manatee County EMS employees, we had not previously seen where gifts were being purchased for EMS Auxiliary members. This also does not appear to support the organization's mission.

Below is a summary and comparison of EMS Auxiliary spending over the past 5 years.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Charitable Donations	0	0	5,954	6,546	9,354
Gifts	2,544	2,119	4,549	2,873	4,081
Continuing Education	2,084	2,205	2,625	2,660	2,493
Fundraising Expense	2,681	2,387	2,621	2,748	1,867
Uniforms/Equipment	1,604	2,135	3,982	8,571	1,534
Refreshments	505	185	82	1,721	681
Supplies and Licenses	1,035	388	457	915	367
Maintenance	108	0	0	0	0
County EMS Support	6,239	0	0	1,734	0
Other	<u>4,468</u>	<u>815</u>	<u>819</u>	<u>593</u>	<u>386</u>
<b>Total</b>	<b>21,268</b>	<b>10,234</b>	<b>21,089</b>	<b>28,361</b>	<b>20,763</b>
Revenue	<u>22,126</u>	<u>14,295</u>	<u>23,226</u>	<u>20,135</u>	<u>13,487</u>
<b>Profit/Loss</b>	<b>858</b>	<b>4,061</b>	<b>2,137</b>	<b>(8,226)</b>	<b>(7,276)</b>

Note: Values above do not include expenses paid by Manatee County and the corresponding revenues, which are presented in the financial statements on page 14.

**Management Action Plan**

The EMS Auxiliary will reconsider how it expends all of its funds and ensure all spending supports the organization's mission. The EMS Auxiliary will also consult with a tax professional before paying additional charitable donations to nonprofit organizations, individuals, and/or EMS Auxiliary officers to ensure compliance with any relevant IRS regulations. If the EMS Auxiliary chooses to continue paying charitable donations, it will consider holding fundraisers designated for these specific causes. The EMS Auxiliary's policies and procedures will be updated to reflect any relevant policy changes. Implementation is anticipated by September 30, 2016.

**AREA FOR IMPROVEMENT #2 .....COMPENSATION FUND ERRORS**

According to the EMS Auxiliary by-laws, for each event in which standby revenue is generated, 70% of the revenue is to be allocated to the General Fund for expenses that benefit the EMS Auxiliary as a whole, and 30% is to be allocated to the Compensation Fund. The Compensation Fund money is available for members to purchase items related to their Auxiliary work (uniforms, equipment) or to pay for continuing education, and is divided between the volunteers who worked at the related event. Each June and December, the Compensation Fund account balances are reviewed. Prior to 2013, any account balances over \$500 were transferred into the Auxiliary's General Fund. Beginning in 2013, excess funds are transferred into a "donation account" to be used for charitable donations.

Between December 2012 and April 2013, the Auxiliary Treasurer incorrectly allocated 100% of standby revenues to the Compensation Fund. Based on our testing, we found that \$5,179 had been over-allocated to the Compensation Fund during 2013 and \$4,985 was over-allocated

during 2012. During the period May 2013 through September 2013, 100% of standby revenues were also incorrectly allocated to the Compensation Fund; however, these errors were eventually corrected in September 2013.

We noted a significant increase in Compensation Fund purchases during 2013. This appears to be due to the unusually large deposits into members' Compensation Fund accounts during 2012 and 2013 resulting from the over-allocations, and the need to keep the fund balances below the \$500 limit. We found that uniform/equipment purchases increased from \$2,135 in 2011 to \$8,571 in 2013. Additional Compensation Fund purchases noted during testing, which appeared to be excessive, included:

- One member purchased 5 pairs of boots totaling \$761.30 and 13 pairs of pants totaling \$649.87.
- One member purchased a pair of *nursing* clogs for \$100.46 and 3 stethoscopes totaling \$418.76; one of the stethoscopes was personalized with a different individual's initials.

Although the EMS Auxiliary correctly allocated 30% of standby revenue to the Compensation Fund during the remainder of 2013, we noted additional Compensation Fund errors during 2013 and 2014. These included purchases/expenses not being deducted from member accounts, revenue allocations being miscalculated, and a reimbursement that appears to have been paid to a member twice.

**Management Action Plan**

The EMS Auxiliary Treasurer will clearly indicate in the monthly Compensation Fund Report the amount being allocated to the Compensation Fund for each standby event and the amount deducted from the Compensation Fund for each purchase. This will allow the monthly Compensation Fund Report to be reviewed for accuracy by EMS Auxiliary officers and members. Implementation is anticipated by September 30, 2016.

**AREA FOR IMPROVEMENT #3 ..... SUPPORTING DOCUMENTATION**

A review of purchases made by the EMS Auxiliary found that 6 out of 92 expenses paid during 2013 (6.5%) and 13 out of 60 expenses paid during 2014 (21.7%) did not have adequate supporting documentation, such as an invoice, on file to ensure the purchases were made for a legitimate organizational purpose. According to the Auxiliary President, supporting documentation was not available because either invoices were not provided to the EMS Auxiliary or supporting documentation for the transaction was not maintained in the financial records.

Additionally, most of the invoices or packing slips that were available were not signed and dated to evidence who received the purchases. A signature evidencing who received purchases is an important control to ensure that items were received, and a proper segregation of duties exists between the purchasing, receiving, and payment functions.

**Management Action Plan**

The Auxiliary Treasurer will review expenses included in the Cash Flow Report each month to ensure that supporting documentation has been saved in the Treasurer's binder for all transactions. The EMS Auxiliary will also begin requiring signatures to evidence receipt of items. Implementation is anticipated by September 30, 2016.

**AREA FOR IMPROVEMENT #4 ..... EXPENSE AUTHORIZATION**

The EMS Auxiliary's policies and procedures define specific approval requirements for expenses based on the amount of each expense. No approval is needed for the President or Vice President to spend less than \$50, expenses greater than \$50 but less than \$250 must be approved by the President and the Vice President, expenses between \$250 and \$700 must be approved by a majority of the Board of Directors, expenses greater than \$700 must be approved by the general membership by a majority vote, and Compensation Fund purchases must be approved by a majority of the Board of Directors.

Evidence of proper approval was not available for 9 out of 89 expenses (10.1%), totaling \$2,571, during 2013 and 10 out of 57 expenses (17.5%), totaling \$1,307, during 2014. This was an improvement over the previous audit's exception rate of 25.7%.

**Management Action Plan**

The Auxiliary President will review the monthly member meeting minutes to verify that all expense approvals have been documented. Checks will not be written until approval has been documented in the minutes. Implementation is anticipated by September 30, 2016.

**AREA FOR IMPROVEMENT #5 ..... BANK RECONCILIATION**

Since the prior audit, the EMS Auxiliary has started preparing bank reconciliations on the monthly Cash Flow Report, which is used to report the monthly cash balance to members. This form shows the beginning bank balance, expenses and deposits that have cleared the bank, expenses and deposits that are outstanding, and the ending available balance each month.

In reviewing the year-end Cash Flow Reports, we noted errors which resulted in the incorrect balance being reported to the EMS Auxiliary membership. These errors included computation errors, using the incorrect bank balance, and reporting transactions from the incorrect month. The errors appeared to be due to the preparer not understanding how to complete the Cash Flow Report.

Additionally, we noted transaction errors in the bank account that should have been identified and corrected through the monthly bank reconciliation process, but were not. These errors included:

- A copy of a check for a \$200 donation to the EMS Auxiliary from a Manatee County resident was stored in the 2012 Treasurer's binder; however, per our review of the bank statements from October 2012 – December 2014, the check was not deposited into the EMS Auxiliary's bank account. This check should have been listed as a reconciling item on the October 2012 Cash Flow Report, which would have indicated the donation had not been deposited. The EMS Auxiliary cannot account for this missing check/deposit.
- The EMS Auxiliary received a \$506.44 refund from Bank of America in June 2013 for debit card charges reported as fraudulent by an Auxiliary officer. The EMS Auxiliary President requested reimbursement from the bank for these charges; however, one of the transactions, a \$102.72 store purchase, appears to have been a legitimate purchase by the Auxiliary officer, as a receipt for the purchase was available in the 2012 Treasurer's binder, the purchase was discussed during the December 2012 membership meeting, and the purchase was included in the December 2012 Cash Flow Report.

**Management Action Plan**

The EMS Auxiliary will include instructions in the policies and procedures on how to prepare the monthly Cash Flow Report as well as how to handle disputed charges. During preparation of the Cash Flow Reports, the Auxiliary Treasurer will investigate any unusual charges or transactions. In addition, the Auxiliary President will contact the bank to determine whether any action needs to be taken regarding the \$102.72 charge that was refunded as fraudulent. Implementation is anticipated by September 30, 2016.

**AREA FOR IMPROVEMENT #6 .....CASH FLOW TRACKING AND ACCOUNTABILITY FORMS**

EMS Auxiliary policies and procedures require members to track cash currency at each event through the use of Cash Flow Tracking and Accountability Forms. We found that these forms were used by the Auxiliary to document \$2,793 collected during the 2013 Hunsader Farms Pumpkin Festival and \$2,617 collected during the 2014 Hunsader Farms Pumpkin Festival; however, the clarity of the forms could be significantly improved as they did not include fields to show the beginning cash on hand, the amount of cash collected, the amount of cash to be deposited, or to whom the cash was given for deposit. Without this information, the EMS Auxiliary was unable to monitor whether all funds received were deposited with the bank. While we were able to trace the amounts documented on the 2014 forms into the bank deposits, we were unable to reconcile the 2013 collections and deposits.

**Management Action Plan**

EMS Auxiliary has updated the Cash Flow Tracking and Accountability Form to clearly indicate the amount of cash that should be deposited with the bank from each event. The Auxiliary plans to use this form for all future events in which cash is collected. Implementation is anticipated by September 30, 2016.

**AREA FOR IMPROVEMENT #7 ..... DEPOSIT DOCUMENTATION AND TIMELINESS**

EMS Auxiliary policies and procedures require that deposits be made within 30 days of receipt. During 2013 and 2014, not all checks were date-stamped when received; therefore, in those instances, the check date was used to verify compliance with the 30 day deposit rule. For events where cash donations were collected, the event date was used to test compliance.

Our testing found that 28 out of 46 (60.9%) donations collected during 2013 were not deposited within 30 days. We also found that 3 out of 12 (25%) donations collected during 2014 were not deposited within 30 days, including one \$2,400 check which was not deposited for approximately six months.

**Management Action Plan**

The EMS Auxiliary President will photocopy all checks and note the date each payment was received, and will ensure all cash and checks received are deposited within 30 days. Implementation is anticipated by September 30, 2016.

## **ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors of  
Manatee County Emergency Medical Services Auxiliary, Inc.

We have compiled the accompanying statement of financial position of Manatee County Emergency Medical Services Auxiliary, Inc. (EMS Auxiliary) as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

EMS Auxiliary management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's financial position, activities, and cash flows. These financial statements are intended solely for the information and use of the EMS Auxiliary and Manatee County Government, and are not intended to be and should not be used by anyone other than these specified parties.

Date: April 19, 2016

## 2013 FINANCIAL STATEMENTS

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**MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013**

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**ASSETS**

**CURRENT ASSETS**

Cash	\$ 27,161
Accounts receivable	<u>1,200</u>
Total current assets	<u>28,361</u>

**TOTAL ASSETS** \$ 28,361

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 730
Total current liabilities	<u>730</u>

**NET ASSETS**

Unrestricted	<u>27,631</u>
Total net assets	<u>27,631</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 28,361

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See accompanying notes and accountant's compilation report

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**MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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<b>REVENUE</b>	
Standby services	\$ 18,763
County support	8,912
Donations	850
Miscellaneous	522
	<b>29,047</b>
<b>TOTAL REVENUE</b>	
<b>EXPENSES</b>	
<b>PROGRAM SERVICES</b>	
License expense	85
Continuing education	2,660
Uniforms and equipment	8,571
* Vehicle expense	8,755
* Operating supplies	855
MCEMS donations	1,734
Total program services	22,660
<b>SUPPORTING SERVICES</b>	
General and administrative	5,319
Fundraising	2,748
Charitable donations	6,546
Total supporting services	14,613
	<b>37,273</b>
<b>TOTAL EXPENSES</b>	
<b>CHANGE IN NET ASSETS</b>	(8,226)
<b>NET ASSETS, Beginning of year</b>	35,857
<b>NET ASSETS, End of year</b>	<b>\$ 27,631</b>
* Manatee County EMS paid a portion of these expenses:	
Vehicle expense (Fuel charges)	\$ 499
Vehicle expense (Ambulance maintenance)	1,584
Vehicle expense (Ambulance recovery fee)	6,672
	8,755
Operating supplies (Medical supplies)	157
Total	<b>\$ 8,912</b>

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See accompanying notes and accountant's compilation report

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**MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>	<b>TOTAL</b>
<b>EXPENSES</b>			
<b>PAID BY EMS AUXILIARY</b>			
License expense	\$ 85	\$ -	\$ 85
Continuing education	2,660	-	2,660
Uniforms and equipment	8,571	-	8,571
Operating supplies	698	-	698
MCEMS donations	1,734	-	1,734
Office supplies	-	132	132
Food and refreshments	-	1,721	1,721
Gifts	-	2,873	2,873
Miscellaneous	-	593	593
Fundraising	-	2,748	2,748
Charitable donations	-	6,546	6,546
	<b>13,748</b>	<b>14,613</b>	<b>28,361</b>
<b>PAID BY MANATEE COUNTY EMS</b>			
Fuel	499	-	499
Ambulance maintenance	1,584	-	1,584
Ambulance recovery fee	6,672	-	6,672
Operating supplies	157	-	157
	<b>8,912</b>	<b>-</b>	<b>8,912</b>
<b>TOTAL</b>	<b>\$ 22,660</b>	<b>\$ 14,613</b>	<b>\$ 37,273</b>

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See accompanying notes and accountant's compilation report

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**MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (8,226)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in operating assets:	
Accounts receivable	1,770
Increase in operating liabilities:	
Accounts payable	<u>730</u>
Net cash used by operating activities	<u>(5,726)</u>
<b>NET DECREASE IN CASH</b>	(5,726)
<b>CASH AT BEGINNING OF YEAR</b>	<u>32,887</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 27,161</u></u>

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See accompanying notes and accountant's compilation report

MANATEE COUNTY EMERGENCY MEDICAL SERVICES AUXILIARY, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Statement of Purpose - The Manatee County Emergency Medical Services Auxiliary, Inc. (EMS 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 EMS Auxiliary's policy is to prepare its financial statements in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues are recognized when earned, and expenses and purchases of assets are recognized when the obligation is incurred.

Property and Equipment - The EMS Auxiliary capitalizes property and equipment with a value of \$1,000 or greater and a useful life of longer than one year. Fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided for in an amount sufficient to relate the cost of using the future economic benefits or service potential of the long-lived assets over their estimated useful lives. Assets are depreciated over their estimated useful lives of five years on a straight-line basis. All fixed assets were fully depreciated at December 31, 2013.

Revenues - The EMS Auxiliary receives the majority of its operating revenue from donations received for providing standby services. Other revenue sources include civilian donations and support provided by Manatee County. Support provided by Manatee County consisted of the following for the year ended December 31, 2013:

Medical supplies	\$ 157
Fuel charges	499
Ambulance maintenance	1,584
Ambulance recovery fee	<u>6,672</u>
Total County support	<u>\$ 8,912</u>

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

Income Taxes - The EMS Auxiliary is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.