

**Emerald Isle
Emergency Medical Services, Inc.**

**Independent Auditor's Report and
Statement of Cash Receipts and Disbursements**

FOR THE YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Emerald Isle EMS, Inc. Board of Directors and
The Town of Emerald Isle Board of Commissioners
Emerald Isle, North Carolina

We have audited the accompanying statement of cash receipts and disbursements – budget and actual of Emerald Isle Emergency Medical Services, Inc. (a nonprofit organization) for the year ended June 30, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash receipts and disbursements basis of accounting as described in Note 1; this includes determining that the cash receipts and disbursement basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements – budget and actual are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of cash receipts and disbursements – budget and actual referred to above present fairly, in all material respects, the cash receipts and disbursements of Emerald Isle Emergency Management Services, Inc. for the year ended June 30, 2015 on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash receipts and disbursements basis accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Williams Scarborough Smith & Hay, LLP

New Bern, North Carolina

October 19, 2015

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FINANCIAL STATEMENT

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Emerald Isle Emergency Medical Services, Inc.
Statement of Cash Receipts and Disbursements – Budget and Actual
For the Year Ended June 30, 2015

Cash receipts

	Budget	Actual	Variance
Town contributions	\$ 330,000	\$ 330,000	\$ -
Transfer of billing revenues	140,000	158,816	18,816
Total cash receipts	470,000	488,816	18,816

Cash disbursements

Rescue services			
Advertising	1,000	332	668
Wages and benefits	328,900	314,781	14,119
Rescue supplies and materials	27,555	16,531	11,024
Repairs and maintenance	30,000	35,657	(5,657)
Travel, conferences, and meetings	12,500	10,227	2,273
Utilities	11,400	12,168	(768)
Insurance	27,000	25,020	1,980
Membership and dues	5,000	3,692	1,308
Uniforms	3,100	3,231	(131)
Bank charges	-	5,603	(5,603)
Colleton collection fees	9,000	3,477	5,523
Miscellaneous expense	3,550	4,427	(877)
Subtotal	459,005	435,146	23,859
General and administrative			
Professional	4,500	4,500	-
Office supplies	5,175	6,162	(987)
Subtotal	9,675	10,662	(987)
Total cash disbursements	468,680	445,808	22,872
Appropriated fund balance	1,320	-	1,320
(Increase) in cash	-	43,008	43,008
Beginning cash	-	16,321	-
Ending cash	\$ -	\$ 59,329	\$ -

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Emerald Isle Emergency Medical Services, Inc.
Notes to the Financial Statement
For the Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Emerald Isle Emergency Medical Services, Inc. (the Organization) was incorporated June 15, 1987 under North Carolina Statutes as a not-for-profit corporation to provide rescue and medical (emergency and non-emergency) services and aid in the Emerald Isle area of Eastern North Carolina.

Basis of Presentation

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements. Non-cash transactions are not recognized in the financial statement.

The financial statements include only cash accounts that are managed by the Town of Emerald Isle, per the entities' agreement entered into beginning July 1, 2011. This includes an operating account and a Colleton Billing account. All other bank accounts managed by Emerald Isle EMS, Inc. are not included in this audit.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization did not conduct any unrelated business activities.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use as cash equivalents.

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Emerald Isle Emergency Medical Services, Inc.
Notes to the Financial Statement
For the Year Ended June 30, 2015

NOTE 2. CASH AND CONCENTRATION OF CREDIT RISK

At year end, the Organization's bank balances were covered by federal depository insurance. The Organization has no formal policy regarding custodial credit risk for deposits if bank balances exceed the amount covered by federal depository insurance at any time during the year.

NOTE 3. CONCENTRATION AND COMMITMENTS

Vulnerability Due to Concentrations

The Organization receives a substantial amount of its support from local government and from rescue service billings in the Emerald Isle, NC area. A significant reduction in the level of this support, if it were to occur, would have an effect on the Organization's programs and activities.

NOTE 4. EMPLOYEE BENEFIT PLANS

Emerald Isle Emergency Medical Services, Inc. implemented a Simplified Employee Pension Individual Retirement Arrangement (SEP IRA) during 2012. All employees who are full time are eligible to participate in the plan. As of June 30, 2015, three employees had elected to participate in the plan. The Organization contributes to the plan an amount equal to 3% of employee's annual compensation. Total expense for the year ended June 30, 2015 was \$3,334.

NOTE 5. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 19, 2015 the date which the financial statements were available to be issued.