

**NORTHERN VIRGINIA EMERGENCY
MEDICAL SERVICES COUNCIL, INC.
Gainesville, Virginia**

**AGREED-UPON PROCEDURES
June 30, 2008**

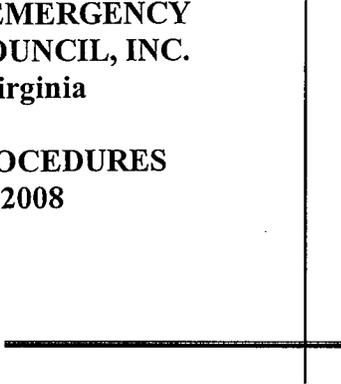


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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

Virginia Department of Health
Office of Emergency Medical Services
Richmond, Virginia

We have performed the procedures enumerated in Attachment I for the year ended June 30, 2008, which were agreed to by the Virginia Department of Health, Office of Emergency Medical Services (Virginia Department of Health) solely to assist you in evaluating certain information for Northern Virginia Emergency Medical Services Council, Inc. (NVEMS). The management of NVEMS is responsible for the accuracy and completeness of the reported information. This Agreed Upon Procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Virginia Department of Health. Consequently, we make no representations regarding the sufficiency of the procedures enumerated in Attachment I either for the purpose for which this report has been requested, or for any other purpose.

Findings noted as a result of the procedures performed are described in Attachment I and Exhibits I - III.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the reported information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Virginia Department of Health, Office of Emergency Medical Services and Northern Virginia Emergency Medical Services Council, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Glen Allen, Virginia
July 9, 2009

**Virginia Department of Health
Office of Emergency Medical Services**

**Agreed-Upon Procedures and Findings at
Northern Virginia Emergency Medical Services Council, Inc.**

Attachment I

	Procedures	Findings
	Financial Statements	
1.	Obtain financial statements of applicable Regional EMS Council.	We obtained the June 30, 2008 audited financial statements for Northern Virginia Emergency Medical Services Council, Inc (NVEMS).
2.	Determine if the financial statements were audited by an Independent Certified Public Accountant.	We determined the June 30, 2008 financial statements of NVEMS were audited by the independent certified public accounting firm Hendershot, Burkhardt & Reed, CPAs.
3.	Determine whether any fraud, waste, questioned costs, or material weaknesses were reported.	We reviewed the June 30, 2008 audited financial statements and related auditors' reports contained therein, management letter and letter to those charged with governance and noted no reported fraud, waste, questioned costs, or material weaknesses.
	Cash	
4.	Obtain an understanding of the nature of the cash accounts.	We obtained an understanding of the nature of all cash accounts and noted nothing unusual.
5.	Compare cash balances for the current and prior year and explain any significant variances or absence of expected changes.	We compared the cash balances and obtained explanations for significant variances or absence of expected changes greater than \$3,267 (ISI). See Exhibit I.
6.	Confirm bank balances, including time deposits and certificates of deposit. Agree confirmed balances to bank reconciliations at year-end.	We confirmed balances for cash accounts held at Wachovia Bank and BB&T Bank. All confirmed cash account balances agree to bank reconciliations at year-end.

7.	<p>Obtain copies of the primary account bank reconciliations.</p> <ol style="list-style-type: none"> a. Compare balance to the bank statement. b. Test the clerical accuracy of the reconciliation. c. Review the nature and extent of significant reconciling items to ensure they cleared the bank. d. Scan the reconciliation for amounts that may have been plugged to make the reconciliation balance. e. Inspect significant deposits slips returned with the subsequent month's bank statement to identify deposits that were made prior to month end but did not clear until after month end. 	<p>We obtained the cash reconciliation as of June 30, 2008 for the Wachovia Bank account, NVEMS's primary account, and applied the procedures noted in the adjacent column.</p> <ol style="list-style-type: none"> a. Cash balances per bank statements agreed to reconciliations. b. Reconciliations were footed and recalculated and determined to be clerically accurate. c. All significant reconciling items (defined as those greater than ISI) cleared the accounts by the subsequent month (July 2008). d. There were no plugged amounts to reconcile the balance. e. NVEMS does not receive copies of its deposit slips with their monthly account statements from either bank. The first deposit noted on the July 2008 bank statement was dated July 15, 2008. As a result, no deposits in transit as of June 30, 2008 were noted.
	Property and Equipment	
8.	<p>From the property inventory, select a sample of equipment for review and determine whether the equipment is located at the site identified in the inventory.</p>	<p>We selected a sample size of two (2) equipment items from NVEMS's property inventory Fixed Assets Schedule. The sample size was based on all assets (excluding additions and disposals in the current year) greater than ISI. We noted all selected items were located in NVEMS's possession.</p>

9.	Select a sample of recent purchases and determine whether the inventory is accurately updated on the basis of new acquisitions.	We selected a sample size of two (2) recent purchases from NVEMS's property inventory Fixed Assets Schedule as of June 30, 2008. The sample size was based on a population of all purchases made in the current year and a selection of the largest purchases made. We noted all selected items were accurately updated on the Fixed Assets Schedule.
10.	Obtain a list of equipment disposed and select a sample to determine whether the equipment was properly disposed of.	We noted on the Fixed Assets Schedule (Schedule) as of June 30, 2008, there were eighteen (18) assets that were still listed on the Schedule but according to NVEMS management have been disposed of previously. Of those disposed assets listed on the Schedule, ten (10) assets are still being depreciated, resulting in excess depreciation taken for the year ended June 30, 2008 of \$1,543.
Accounts Payable		
11.	Obtain a detailed schedule of Accounts Payable as of June 30 and reconcile to the financial statements.	NVEMS did not record Accounts Payable as of June 30, 2008.
12.	Select a sample of items representing at least 10% of the total balance and obtain invoice, contract or other supporting documentation for propriety and cut-off.	NVEMS did not record Accounts Payable as of June 30, 2008.
13.	Obtain the cash disbursements register for the two months after year end and examine significant subsequent disbursements to include review of invoices to ensure the expense was recorded in the proper period.	We obtained the Cash Disbursements Journal for the period July 1, 2008 through August 31, 2008 and selected a sample size of four (4) significant subsequent disbursements, as defined as cash disbursements greater than ISI. We examined the selection of subsequent disbursements against the supporting documentation and noted that \$53,013.01 of items selected should have been recorded as accounts payable as of June 30, 2008.

Revenues and Expenses		
14.	Compare revenue amounts by financial statement line item per the audited/reviewed financial statements and obtain an explanation for any significant changes.	We compared revenue amounts by line item per the audited financial statement and obtained explanations for significant changes greater than ISI. See Exhibit II.
15.	Obtain an understanding of the nature of expense balances.	We obtained an understanding of the nature of expense accounts and noted nothing unusual.
16.	Compare expense balances for the current and prior year and explain any significant variations or absence of expected changes.	We compared expense balances and obtained explanations for significant variations or absence of expected changes greater than ISI. See Exhibit III.
17.	Select a sample of 25 transactions from different expense accounts for review. Test the transactions to determine allowability and to detect instances of fraud, waste, abuse, or any other illegal acts. Obtain original invoice and purchase order (if applicable) and determine whether goods or services ordered were consistent with goods and orders billed and whether the invoice and subsequent payment were approved by an authorized official.	We obtained the General Ledger and haphazardly selected 25 transactions from different accounts. We obtained the original invoice and applicable purchase order for each item selected and determined that (1) the goods or services ordered were consistent with those billed; (2) the invoices were approved; and (3) the subsequent payment was approved. All transactions selected and tested met the three criteria above.

**Virginia Department of Health
Office of Emergency Medical Services**

**Agreed-Upon Procedures and Findings at
Northern Virginia Emergency Medical Services Council, Inc.**

Exhibit I

CASH ACCOUNTS					
Account Description	Balances as of:		Variance		
	<u>6/30/2008</u>	<u>6/30/2007</u>	<u>\$</u>	<u>%</u>	
1015 · Checking - Wachovia	269,521	236,577	32,944	13.93%	1
1020 · Certificate of Deposit	19,231	18,880	351	1.86%	
1025 · Wachovia Money Market	52,263	51,654	610	1.18%	
1030 · Petty Cash	200	200	-	0.00%	

All responses below were obtained from management of NVEMS.

1. Most of the difference was for two RSAF grants we received funding for during FY 08. Also, we began to collect registration fees for No. VA Community College - so some of the additional deposits were for this.

**Virginia Department of Health
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**Agreed-Upon Procedures and Findings at
Northern Virginia Emergency Medical Services Council, Inc.**

Exhibit II

Description	For the Year Ended:		Variance		
	<u>6/30/2008</u>	<u>6/30/2007</u>	<u>\$</u>	<u>%</u>	
Grant income	286,862	276,344	10,518	3.81%	
Contributions	40,000	44,500	(4,500)	-10.11%	1
Regional assessment	19,500	16,500	3,000	18.18%	
CTC membership and sales	11,778	16,359	(4,581)	-28.00%	2
Testing fees	10,675	2,820	7,855	278.55%	3
Interest income	7,907	10,996	(3,089)	-28.09%	4
In-kind donations	5,629	7,587	(1,958)	-25.81%	
Inventory sales (triage tags)	1,560	12,818	(11,258)	-87.83%	5
Miscellaneous	-	100	(100)	-100.00%	
Gain on sale of asset	-	500	(500)	-100.00%	

All responses below were obtained from management of NVEMS.

1. \$1000 is for a small hospital contributing in FY 07, but not in FY 08. \$3500 was for contributions that were restricted for paying for costs associated with hosting 4 New Orleans EMS personnel at our State EMS Symposium. We had asked our EMS agencies to help pay for their trip and stay in Norfolk. This was after Katrina and we wanted to do something for our friends in New Orleans.
2. This is for the sale of CPR cards and membership in our Community Training Center (CTC). We are required to purchase the cards for our member agencies. The difference is that less cards were purchased in FY 08.
3. In FY 07, testing fees were included in our contract with OEMS. The funds shown in FY 07 were from individual students paying for certain test sites (not all of our test sites required fees). In FY 08 OEMS separated these fees from our contract and we stopped charging students individually. So, the funds collected in FY 08 are funds from OEMS for coordinating the test sites.
4. This is interest paid by our checking and CD accounts. Interest rates went down.
5. These are the triage/disaster tags we sell to the region. This is the difference in inventory from FY 07 to FY 08. We purchase 50,000 tags at a time from our printer and then slowly sell them to the region. So, the inventory goes down until we hit a level when it is time to order again.

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Exhibit III

Description	For the Year Ended:		Variance		
	6/30/2008	6/30/2007	\$	%	
6100 · EMS Symposium:6110 · New Orleans Symposium Reg.	759	4,757	(3,998)	-84.05%	1
6200 · Payroll Expenses:6220 · Regional Coordinator	71,914	61,812	10,102	16.34%	2
6200 · Payroll Expenses:6228 · Part-Time Admin. Asst.	28,887	13,138	15,749	119.88%	3
6200 · Payroll Expenses:6250 · Taxes:6251 · FICA Expense	25,864	-	25,864	100.00%	4
6420 · Training:6428 · Regional Training	10,866	41,919	(31,053)	-74.08%	5
6510 · NVCC-Personnel	5,255	-	5,255	100.00%	6
6440 · Triage Tag Expense	-	11,542	(11,542)	-100.00%	7

All responses below were obtained from management of NVEMS.

1. The Council sponsored 4 individuals from New Orleans EMS (after Hurricane Katrina) to attend our State EMS Symposium. We set up the 6110 account to record expenses for these specific costs. The \$758.64 is supposed to be showing up in the 6100 account instead of 6110. It was for room fees for one of our staff who decided late that she was going to attend. We did not have a room available for her and one of our EMS agencies had a room reserved that they did not want to use. Because of the way the registrations for rooms at the Symposium are handled, the only way for us to use this room was for the agency to pay for it and then we reimbursed them. Apparently I put it in the subcategory (6110) for the EMS Symposium instead of the main category (6100).
2. There was a pay increase of \$4,259 over the prior year, a bonus of \$925, and one additional pay period recorded during 2008.
3. Our Admin. Asst. works on a part-time basis (hourly wage), however in FY 08 she was able to work many more hours. This is why the increase.
4. I believe this difference is because our auditor is having me record FICA a different way. I was recording it incorrectly.
5. In FY 07 we had tried to roll out an EMS Supervisor course. We paid a consultant considerable funds (much of it RSAF funds) to develop a course. We did a pilot during this time. It was an unacceptable program, so we regrouped and are presently finalizing a different program. Most of the costs in FY 2008 were for other courses we provided (also RSAF funds) - which were considerably cheaper.

6. This is a category we set up for the Northern Virginia Community College's National Registry testing. We collect registration fees for them and pay their evaluators/victims/staff. Any left over funds after all expenses are paid are given back to the college minus a 5% administrative fee.
7. The expenses were for the printing of triage/disaster tags for the region. We purchase 50,000 tags at a time, so there were no costs for printing in FY 08 because we had not sold all 50,000 yet.