

**THOMAS JEFFERSON EMERGENCY
MEDICAL SERVICES COUNCIL, INC.
Charlottesville, Virginia**

**AGREED-UPON PROCEDURES
June 30, 2009**

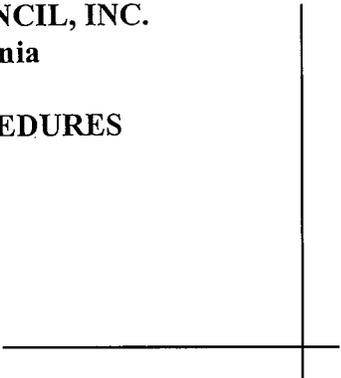


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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

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, 2009, 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 Thomas Jefferson Emergency Medical Services Council, Inc. (TJEMS). The management of TJEMS 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 - IV.

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 Thomas Jefferson 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
May 13, 2010

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

**Agreed-Upon Procedures and Findings at
Thomas Jefferson 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, 2009 audited financial statements for Thomas Jefferson Emergency Medical Services Council, Inc. (TJEMS).
2.	Determine if the financial statements were audited by an Independent Certified Public Accountant.	We determined the June 30, 2009 financial statements of TJEMS were audited by the independent certified public accounting firm Thomas C. Stott, CPA, P.C. (Stott).
3.	Determine whether any fraud, waste, questioned costs, or material weaknesses were reported.	We reviewed the June 30, 2009 audited financial statements, related auditors' reports contained therein 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 \$2,233 (ISI). See Exhibit I.

6.	<p>Confirm bank balances, including time deposits and certificates of deposit. Agree confirmed balances to bank reconciliations at year-end.</p>	<p>We confirmed balances for cash accounts held at SunTrust Bank; however, the confirmations were not returned timely. In lieu of that we agreed the balances of the year-end account statements to the bank reconciliations and general ledger without exception.</p>
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, 2009 for SunTrust Bank and applied the procedures noted in the adjacent column.</p> <ol style="list-style-type: none"> a. For the main bank account, the bank reconciliation showed a \$34.89 difference between the bank reconciliation and the balance in the general ledger. All other cash balances per bank statements agreed to reconciliations. b. Reconciliations were footed and recalculated and determined to be clerically accurate. c. For the main bank account, we noted that TJEMS had outstanding checks > \$3,502.81 that were older than 6 months and did not clear the bank statements in July or August of 2009. All other significant reconciling items (defined as those greater than ISI) cleared the accounts by the subsequent months (July or August 2009). d. The auditor made an adjustment for \$2,500 to the main cash account by increasing cash and crediting rent expense for \$2,500 for a rent check to LIEBIG International. This adjustment was not provided to TJEMS but was reflected in the audited cash balance. For the SunTrust money market account, the auditor had a \$13.92 difference in the audited balance as compared to the reconciled balance. There were

		<p>no other unreconciled differences or plug amounts per review of the June 30, 2009 bank reconciliations. We did note that the Executive Director did not review, sign and approve the bank reconciliations.</p> <p>e. TJEMS had one significant deposit in transit on its June 30, 2009 bank reconciliation for \$15,578.77 (total deposits in transit was \$15,770.54) for SunTrust bank which cleared the bank on July 1, 2009. Three other deposits in transit were on the bank reconciliations at June 30, 2009 that totaled \$191.77. The banks do not return deposit slips with the monthly bank statements; however TJEMS keeps copies of all deposit slips in its files. All deposits made within the first week of the subsequent month (July 2009 for \$75), as selected from the July 2009 account statements, were compared against a copy of the deposit slip. As a result, no other deposits in transit other than those above on the June 30, 2009 bank reconciliation were noted.</p>
	<p>Property and Equipment</p>	
<p>8.</p>	<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 thirteen (13) equipment items from TJEMS's depreciation and amortization report. The sample size was based on all assets (excluding additions and disposals in the current year) greater than ISI. The balance of the fixed asset totals in the QuickBooks file was \$109,252 as compared to the audited balance at June 30, 2009 of \$127,552. Upon discussion with the auditor and TJEMS it was determined that the auditor had several years of audit adjustments that were not recorded by TJEMS. Also, a 1995 Ford Taurus (cost of \$3,980, which was fully depreciated prior to June 30, 2009) was given back to</p>

		Albemarle County in fiscal year 2010 as TJEMS did not own the car. Because the car was given back to Albemarle County prior to our engagement, we were unable to physically observe the Ford Taurus. TJEMS has a tent valued at \$3,569 which was locked in a trailer that we were unable to observe because TJEMS did not have the keys to the trailer when we went to perform our physical inspection test work. All other items selected were located in TJEMS's possession.
9.	Select a sample of recent purchases and determine whether the inventory is accurately updated on the basis of new acquisitions.	We selected both 2009 property purchases from TJEMS's depreciation report. These two purchases, which totaled \$4,530, were agreed to invoices and were accurately updated in the depreciation report as of June 30, 2009.
10.	Obtain a list of equipment disposed and select a sample to determine whether the equipment was properly disposed of.	During the year ended June 30, 2009, there were no assets disposed.
	Accounts Payable	
11.	Obtain a detailed schedule of Accounts Payable as of June 30, 2009 and reconcile to the financial statements.	We obtained a detailed schedule of Accounts Payable as of June 30, 2009 in the amount of \$14,441 from TJEMS's auditor. The QuickBooks accounts payable general ledger balance was (\$1,298.44) which did not agree to the audited balance due to previous years audit adjustments which were not recorded by TJEMS and the accounts payable aging report printed from QuickBooks at June 30, 2009 was (\$663.45) which did not agree to the QuickBooks general ledger balance of (\$1,298.44).
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.	We selected three items totaling \$13,343.18 from the accounts payable schedule obtained in procedure #11, which represented 92% of the total balance of Accounts Payable as of June 30, 2009. We obtained supporting documentation for the items selected and noted: (1) that they were

		<p>billed to Thomas Jefferson EMS Council and (2) they were attributable to goods and services provided prior to June 30, 2009. In one item selected, it was noted that the invoice was for \$10,600 as compared to the accounts payable entry of \$10,983.95 for a difference of \$383.95. All other items agreed, but we did not note any signatures on the invoices noting approval by the executive director or Board president.</p>
13.	<p>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.</p>	<p>We obtained the Cash Disbursements Journal for the period July 1, 2009 through August 31, 2009 and selected a sample of significant subsequent disbursements, as defined as cash disbursements greater than ISI and four other items randomly. A total of eleven (11) items totaling \$31,753.50 were selected for testing We examined the selection of subsequent disbursements against the supporting documentation and noted that one item for \$1,000 was received prior to June 30, 2009 but was not recorded as an account payable at June 30, 2009. All other disbursements tested were recorded in the proper period.</p>
	Revenues and Expenses	
14.	<p>Compare revenue amounts by financial statement line item per the audited/reviewed financial statements and obtain an explanation for any significant changes.</p>	<p>We compared revenue amounts by line item per the audited financial statement and obtained explanations for significant changes greater than ISI. See Exhibit II.</p>
15.	<p>Obtain an understanding of the nature of expense balances.</p>	<p>We obtained an understanding of the nature of expense accounts. While testing expenditures in step 17 below, we noted that TJEMS conducts training courses in conjunction with the University of Virginia for EMT intermediate and enhanced classes. The revenue and expenses from these courses, which per management were below \$20,000 for 2009, was not recorded as revenue and expenses in the Statement of Activities but shown as a liability on the balance sheet for a net \$9,403. This implies that TJEMS has an obligation to provide</p>

		future services and may have additional income or expenses associated with these courses. None of this amount was disclosed as temporarily restricted in the audited financial statements. Otherwise, we 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.	<p>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 whether: (1) the goods or services ordered were consistent with those billed; (2) the invoices were approved; and (3) the subsequent payment was approved.</p> <p>Most of the invoices were not approved and the results of this testing is presented in Exhibit IV.</p>

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

**Agreed-Upon Procedures and Findings at
Thomas Jefferson Emergency Medical Services Council, Inc.**

Exhibit I

CASH/INVESTMENT ACCOUNTS					
Account Description	Balances as of:		Variance		
	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>\$</u>	<u>%</u>	
SunTrust Checking	46,750	60,368	(13,618)	-22.56%	1
SunTrust Money Market	100,272	99,372	900	0.91%	

All responses below were obtained from management of TJEMS.

1. FY 2009 ending balance is down from 2008 due to the net loss experienced by TJEMS of \$13,000 along with an increase in accounts receivables of \$13,000 which was offset by decreases in other current liabilities.

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Exhibit II

Description	For the Year Ended:		Variance		
	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>\$</u>	<u>%</u>	
Governmental contributions	275,642	287,489	(11,847)	-4.12%	1
Program coordination	36,870	21,725	15,145	69.71%	2
ALS and BLS education	32,820	-	32,820	100.00%	3
Other income	8,150	12,900	(4,750)	-36.82%	4
Interest income	837	1,549	(712)	-45.97%	

All responses below were obtained from management of TJEMS.

1. Revenue is down almost \$12,000 or 4% due to an \$8,000 decrease in the OEMS contract and slightly lower county contributions of almost \$3,000.
2. Program coordination- TJ EMS has conducted and billed for more training classes in 2009, and in 2008 an item was expensed in revenue for \$4,107 for a course fee which should have been reclassified to expenses. Also, in 2009 consolidated test site revenue was up about \$2,500 as more classes were conducted. CFD OMD contract was up over \$5,000 in 2009 vs. 2008.
3. Basically shown as a new category in 2009, in 2008 income from this was \$4,960 and grouped as other revenue. For 2009 the amount is up due to an increase in Category 1 ALS funds of \$6,550, an increase in CFD QA funds of \$12,500 and increases in BLS education of almost \$8,000.
4. Decrease is due to in 2008 ALS and BLS revenue of \$4,960 was grouped here, in 2009 shown as separate line item.

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Office of Emergency Medical Services**

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Thomas Jefferson Emergency Medical Services Council, Inc.**

Exhibit III

Description	For the Year Ended:		Variance		
	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>\$</u>	<u>%</u>	
Payroll	157,046	147,942	9,104	6.15%	1
Benefits-retirement	26,522	22,271	4,251	19.09%	2
Supplies	20,636	14,944	5,692	38.09%	3
Occupancy	23,491	20,206	3,285	16.26%	4
Professional development	3,169	-	3,169	100.00%	5
Program coordination	32,109	36,228	(4,119)	-11.37%	6
Vehicle	11,291	4,778	6,513	136.31%	7
Regional awards	6,770	4,305	2,465	57.26%	8
ALS and BLS education	31,024	-	31,024	100.00%	9

All responses below were obtained from management of TJEMS

1. Previous director made less in 2008. Also, had two directors for a portion of 2009. Also, raises for employees.
2. See explanation to item 1 above.
3. TJEMS moved into larger location in 2009, more supplies were needed.
4. TJEMS moved to a larger location in 2009 and therefore rent increased.
5. Employees were allowed to attend more professional development in 2009, none in 2008.
6. Some of 2008 should have been in line item ALS and BLS education.
7. Employees paid mileage in late 2008 for using personal vehicles, instead of company car. Also, mileage reimbursement rate went up from 2008 to 2009.
8. Increase in regional awards held in 2009 vs. 2008.
9. Revenue is up over \$26,000 from the prior year. Expected expense to also significantly increase. Also, some was shown as program coordination in 2008 as no line item in 2008 for this expense.

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Office of Emergency Medical Services**

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Thomas Jefferson Emergency Medical Services Council, Inc.**

Exhibit IV

<u>EXPENSE ITEM SELECTED</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>EXPENSE CATEGORY</u>	
1 George Lindbeck	7/17/2008	17,500.00	medical director	A
2 T&N Printing	6/18/2009	17,403.00	medical protocols	
3 SunTrust Visa	7/14/2008	7,438.32	company credit card	B
4 SunTrust	1/7/2009	6,580.36	payroll withholdings	
5 George Lindbeck	11/3/2008	2,500.00	CFD QA/QI OMD	C
6 Stephen Rea	12/4/2008	2,500.00	relocation expenses	
7 Thomas Stott	12/11/2008	2,123.67	audit fees	
8 Stephen Rea	6/12/2009	2,032.65	payroll and related	D
9 Barbara Walker	4/14/2009	1,800.00	CATEC	E
10 Davenport and Company	2/23/2009	1,027.14	simple contributions employer	
11 John Winstead	6/24/2009	1,000.00	scholarship award	F
12 Barger Insurance	8/11/2008	746.00	workers compensation	
13 NWG solutions	8/11/2008	678.00	computer repairs	
14 Quill	11/17/2008	647.99	office supplies	
15 Tom Joyce	10/20/2008	600.00	enhanced class	G
16 Robert Bressan	5/13/2009	580.00	labor for CATEC	
17 NWG Solutions	9/11/2008	563.00	computer repairs	
18 Festive Fare Rentals	5/12/2009	555.25	ems banquet	
19 Christy Hodge	11/3/2008	500.00	cfid als	H
20 Virginia Regional	5/12/2009	500.00	regional directors group	
21 Donna Burns	11/3/2008	481.02	cfid contract, \$400 for teaching	I
22 Valley Office Machine	5/7/2009	421.25	copy machine agreement copies	
23 Mike Morris	11/17/2008	280.00	enhanced class	J
24 Tcvpo Education	7/7/2008	250.00	emt intermediate	K
25 Labor and Delivery	6/24/2009	250.00	emt intermediate	L

Comments:

A Was able to provide FYE 2010 contract for \$35,000 (medical director is \$30,000), could not find 2009 contract, this is two payments of \$8,750.

B TJEMS was not able to supply credit card statement for support.

C Pass through of quality assurance for medical director to Charlottesville fire department, part of contract in first item above.

D No sign off on time sheet, salaried employee

E TJEMS was not able to supply invoices for support.

F Approved by ED and by the Board President, no invoice provided.

G Email from President requesting reimbursement.

H Check stub- says cfid als ce, no invoice provided.

I The invoice supports \$81, remainder is \$400 payment for teaching class with no supporting documentation.

J Approval is an email from President, no invoice provided.

K Approval is an email from Christie Hodge, no invoice provided.

L Approval is an email from Christie Hodge, no invoice provided.