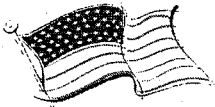


**SOUTHWEST VIRGINIA EMERGENCY MEDICAL  
SERVICES COUNCIL, INC.**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**



**Sharryl Jennell-Sutherland**

*Certified Public Accountant*

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Abingdon, VA 24211

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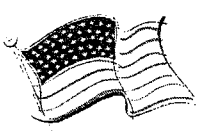
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## SHARRYL JENNEL-SUTHERLAND, CPA

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The Members of the Board of Directors,  
Southwest Virginia Emergency Medical Services Council, Inc.  
Abingdon, VA.

I have audited the accompanying statement of financial position of the Southwest Virginia Emergency Medical Services Council, Inc. as of and for the year ended June 30, 2007, and the related statements of activities and cash flows for the year ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Southwest Virginia Emergency Medical Services Council, Inc. as of June 30, 2007, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as supplementary schedules in the Table of Contents is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole.

*Sharryl Jennell-Sutherland, CPA*

November 7, 2007  
Abingdon, Virginia

**SOUTHWEST VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2007**

**Assets**

Current Assets

Cash on hand and in bank	\$ 90,737	\$ 67,674	\$ 158,411
Accounts receivable:			
State funds	-	-	-
Other	5,141	-	5,141
Inventory	1,225	-	1,225
	<u>97,103</u>	<u>67,674</u>	<u>164,777</u>
Total current assets			

Property and Equipment

Office furniture and equipment	93,814	-	93,814
Training equipment	67,203	-	67,203
Communication equipment	666	-	666
	<u>161,683</u>	<u>-</u>	<u>161,683</u>
Less: accumulated depreciation	(119,382)	-	(119,382)
	<u>42,301</u>	<u>-</u>	<u>42,301</u>
Total property and equipment			
<b>Total assets</b>	<u>\$ 139,404</u>	<u>\$ 67,674</u>	<u>\$ 207,078</u>

**Liabilities and Net Assets**

Current Liabilities

Accounts payable	\$ 2,587	\$ -	\$ 2,587
Accrued vacation	20,723	-	20,723
Accrued payroll taxes	211	-	211
Other accrued expenses	525	-	525
	<u>24,046</u>	<u>-</u>	<u>24,046</u>
Total current liabilities			

Net assets

	<u>115,359</u>	<u>67,674</u>	<u>183,033</u>
<b>Total liabilities and net assets</b>	<u>\$ 139,405</u>	<u>\$ 67,674</u>	<u>\$ 207,078</u>

The notes to financial statements are an integral part of this statement

**SOUTHWEST VIRGINIA MEDICAL SERVICES COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>Support and revenue</b>			
State training income	\$ -	\$ 502,176	\$ 502,176
Training income - other	50,530	-	50,530
Contributions	73,295	-	73,295
Interest	598	-	598
United Way	3	-	3
Other income	196	-	196
Net assets released from restrictions:			
Satisfaction of donor restrictions	469,130	(469,130)	-
 Total support and revenue	 <u>593,751</u>	 <u>33,046</u>	 <u>626,797</u>
<b>Expenses</b>			
Salaries and wages	182,315	-	182,315
Fringe benefits	9,377	-	9,377
Payroll taxes	14,883	-	14,883
Rent	24,764	-	24,764
Repairs and maintenance	1,296	-	1,296
Telephone and utilities	5,350	-	5,350
Postage	7,271	-	7,271
Office	5,827	-	5,827
Travel and meetings	28,091	-	28,091
Professional fees	2,500	-	2,500
Textbook expense	29,783	-	29,783
Depreciation	18,954	-	18,954
Insurance	2,036	-	2,036
Dues and subscriptions	1,197	-	1,197
Miscellaneous	9,119	-	9,119
Training supplies	105,441	-	105,441
Training programs	76,846	-	76,846
Bad Debt	2,951	-	2,951
 Total expenses	 <u>528,003</u>	 <u>-</u>	 <u>528,003</u>
<b>Changes in net assets</b>	65,748	33,046	98,794
 Prior Period Adjustment to Net Assets	10,832		10,832
<b>Net assets, beginning of year</b>	<u>38,779</u>	<u>34,628</u>	<u>73,407</u>
 <b>Net assets, end of year</b>	 <u>\$ 115,359</u>	 <u>\$ 67,674</u>	 <u>\$ 183,033</u>

The notes to financial statements are an integral part of this statement

**SOUTHWEST VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>Cash flows from operating activities</b>			
Change in net assets	\$ 65,748	\$ 33,046	\$ 98,794
Adjustments to reconcile changes in net assets to cash provided by operating activities:			
Depreciation	18,954	-	18,954
Accounts receivable	759	-	759
Inventory	5,099	-	5,099
Accounts payable	(39,459)	-	(39,459)
Accrued expenses	9,896	-	9,896
	<u>60,997</u>	<u>33,046</u>	<u>94,043</u>
Net cash provided (used) by operating activities			
<b>Investing activities</b>			
Purchase of property and equipment	<u>(4,418)</u>	<u>-</u>	<u>(4,418)</u>
Increase (decrease) in cash	56,579	33,046	89,625
Cash and cash equivalents at beginning of year	<u>34,158</u>	<u>34,628</u>	<u>68,786</u>
Cash and cash equivalents at end of year	<u><u>\$ 90,737</u></u>	<u><u>\$ 67,674</u></u>	<u><u>\$ 158,411</u></u>

The notes to financial statements are an integral part of this statement

**Southwest Virginia Emergency Medical Services Council, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Activity:**

Southwest Virginia Emergency Medical Services Council, Inc. is a non-stock, non-profit corporation, serving thirteen counties and three cities in southwest Virginia. The corporation is the sole regional agency operating in the area to plan and implement an improved and functional EMS delivery system through coordination of activities among volunteer rescue squads, government agencies, hospitals, and individuals among the general public. The organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Accounting Methodology:**

The corporation uses for financial and tax reporting the accrual basis of accounting. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

**Cash and Cash Equivalents:**

The corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Inventory:**

The corporation states inventory at the lower of cost or market value. Inventory at June 30, 2007 was \$1,225.00 which consisted of textbooks and testing supplies.

**Financial Statement Presentation:**

The corporation's financial statements are presented in accordance with Statement of Financial Accounting Standards No. 117. Net assets of the organization are reported based on the existence of donor restrictions. The following classifications are used to report the net assets of the corporation.

Temporarily Restricted- the part of the net assets of the organization resulting from: (a) inflows of assets whose use by the organization is limited by donor imposed stipulations that either expires by the passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations; (b) other asset enhancements and diminishments subject to the same kind of stipulations; (c) reclassifications to (or from) other classes of net assets as a consequence of donor imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the organization pursuant to those stipulations.

Unrestricted- The part of net assets of the organization that is neither permanently restricted nor temporarily restricted by donor imposed stipulations.

The Corporation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Corporation adopted the provisions of Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received, including unconditional promises to give, are recorded as unrestricted,

temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor imposed restrictions, if any, on the contributions.

#### Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

#### Note 2 – FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is computed for financial reporting purposes using the straight line method. The estimated useful lives of the assets are 5-7 years.

A summary of the changes in fixed assets are as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Office Furniture	120,722	8,607	(35,515)	93,814
Communication Equipment	666			666
Training Equipment	31,688	35,515		67,203
Less: Accumulated Depreciation	<u>(100,428)</u>	<u>(18,954)</u>		<u>(119,382)</u>
Totals	\$52,648	25,168	(35,515)	\$42,301

#### Note 3 – Income Taxes

The Internal Revenue Service has determined that Southwest Virginia emergency medical services Council Inc. is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code; therefore no provision has been made for income tax expense. Donors may deduct contributions as provided in Section 170 of the Code.

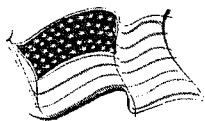
#### Note 4 – Lease Agreement

The Corporation entered into a three-year lease agreement for office space commencing on May 1, 2006. The lease has a one year renewal option. The rent amount is \$2,000.00 per month or \$24,000.00 per year over the applicable time period.



**SOUTHWEST VIRGINIA MEDICAL SERVICES COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
**BUDGET COMPARISON**  
**YEAR ENDED JUNE 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Support and revenue</b>			
State training income	\$ 265,727	\$ 502,176	\$ 236,449
Training income - other		73,295	73,295
Contributions:			-
Local governments	40,000	50,530	10,530
Hospitals	-	-	-
Other	-	-	-
Interest	150	598	448
United Way	-	3	3
Other income	1,000	196	(804)
	<u>306,877</u>	<u>626,797</u>	<u>319,920</u>
<b>Expenses</b>			
Salaries and wages	165,480	182,315	(16,835)
Fringe benefits	34,751	9,377	25,374
Payroll taxes	15,250	14,883	367
Rent	26,000	24,764	1,236
Repairs and maintenance	1,400	1,296	104
Telephone and utilities	5,200	5,350	(150)
Postage	2,750	7,271	(4,521)
Office	2,280	5,827	(3,547)
Travel and meetings	16,000	28,091	(12,091)
Professional fees	2,500	2,500	-
Textbook expense	-	29,783	(29,783)
Depreciation	-	18,954	(18,954)
Insurance	2,500	2,036	464
Dues and subscriptions	3,000	1,197	1,803
Miscellaneous	9,200	9,119	81
Training supplies	11,500	105,441	(93,941)
Training programs	1,000	76,846	(75,846)
Bad debts	-	2,951	(2,951)
	<u>298,811</u>	<u>528,003</u>	<u>(229,192)</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 8,066</u>	<u>\$ 98,794</u>	<u>\$ 90,728</u>



## SHARRYL JENNEL-SUTHERLAND, CPA

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To: The Board of Directors of Southwest Virginia Emergency Medical Services Council, Inc.

In planning and performing our audit of Southwest Virginia Emergency Medical Services Council, Inc. as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Southwest Virginia Emergency Medical Services Council, Inc. internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors of Southwest Virginia Emergency Medical Services Council, Inc., others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

*Sharryl Jennell-Sutherland, CPA*

November 7, 2007