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AUDIT REPORT OF  
BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY  
REGULAR AUDIT

For the Year Ended June 30, 2017  
Fiscal Year Audited Under GAGAS: 2017

**BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY  
SCHEDULE OF FUNDS INCLUDED IN THE REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**GOVERNMENTAL FUND TYPES**

**MAJOR FUNDS**

General

**BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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## **INTRODUCTORY SECTION**

**BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BOARD MEMBERS  
For the Fiscal Year Ended June 30, 2017**

<b>OFFICE</b>	<b>NAME</b>
President:	<u>Appointive:</u> David Irvin
Vice President:	Mike McGinnis
Board Members:	Bill Folk John Taylor Nicholas Diehl Sandy Hamilton
County Council Representative:	Douglas Copenhaver, Jr.
EMS Director	Brian Costello

## **FINANCIAL SECTION**



**Balestra, Harr & Scherer, CPAs, Inc.**  
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**Independent Auditor's Report**

Berkeley County Emergency Ambulance Authority  
400 W. Stephen Street  
Suite 207  
Martinsburg, West Virginia 25401

To the Members of the Authority:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Berkeley County Emergency Ambulance Authority, Berkeley County, West Virginia (the Authority), as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' Government Auditing Standards. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Berkeley County Emergency Ambulance Authority, Berkeley County, West Virginia, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Authority considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

**Supplementary and Other Information**

The introductory section presents additional analysis and is not a required part of the basic financial statements. We did not subject the introductory section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2018, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Balestra, Harr & Scherer, CPAs*  
Balestra, Harr & Scherer, CPAs, Inc.  
Huntington, West Virginia  
January 16, 2018

Berkeley County Emergency Ambulance Authority  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2017

The discussion and analysis of the Berkeley County Emergency Ambulance Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Authority's financial statements.

## **FINANCIAL HIGHLIGHTS**

The Authority's net position increased \$0.7 million as a result of this year's operations or 17 percent compared to the previous year.

The Authority's operating revenues remained constant with the previous year and operating expenses increased by \$0.1 million compared to the previous year.

Operating income decreased by \$0.1 million compared to the previous year.

The Authority purchased \$0.4 million in capital assets during 2017. No capital assets were purchased during 2016.

Fixed debt obligations were \$0.1 million for 2017 compared to \$0.4 million for 2016. The Authority extinguished its South Station demand note during 2017 (\$0.3 million pay-off).

## **USING THIS ANNUAL REPORT**

### **1. Management's Discussion and Analysis**

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements and notes to the financial statements included in this report were prepared in accordance with Generally Accepted Accounting Principles applicable to governmental entities in the United States of America for proprietary (enterprise) fund types.

### **2. Financial Statements**

The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to private-sector business. They consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.

The Statement of Net Position presents information on all the Authority's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in different fiscal periods (e.g., depreciation and earned but unused vacation leave).

The Statement of Cash Flows presents the Authority's sources and uses of cash and changes in cash balances between the current and prior year.

Berkeley County Emergency Ambulance Authority  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2017

The basic financial statements report all Authority financial activities. The activities are primarily supported by user and service fees. The Authority's mission is to provide emergency ambulance service to all residents of Berkeley County, West Virginia, and to provide basic and advanced life support and medical transport services.

3. Notes to Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found in the financial statements mentioned above.

**REPORTING THE AUTHORITY AS A WHOLE**

The analyses below focuses on net position (Table 1) and changes in net position (Table 2) of the Authority's financial activities.

Table 1 - Net Position (in Millions)

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 3.0	\$ 2.8
Capital assets	<u>2.4</u>	<u>2.3</u>
Total assets	5.4	5.1
Deferred outflow of resources	<u>0.4</u>	<u>0.3</u>
Total assets and deferred outflows	<u><u>\$ 5.8</u></u>	<u><u>\$ 5.4</u></u>
Debt outstanding	\$ 0.1	\$ 0.4
Other liabilities	<u>0.8</u>	<u>0.5</u>
Total liabilities	<u>0.9</u>	<u>0.9</u>
Deferred inflow of resources	<u>0.1</u>	<u>0.4</u>
Total liabilities and deferred inflows	<u>1.0</u>	<u>1.3</u>
Net position:		
Net investment in capital assets	2.3	1.8
Restricted	-	-
Unrestricted	<u>2.5</u>	<u>2.3</u>
Total net position	<u>4.8</u>	<u>4.1</u>
Total liabilities, deferred inflows and net position	<u><u>\$ 5.8</u></u>	<u><u>\$ 5.4</u></u>

Berkeley County Emergency Ambulance Authority  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 June 30, 2017

Net position of the Authority increased by 17 percent (\$0.7 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased from \$2.3 million at June 30, 2016, to \$2.5 million at the end of this year.

The Authority's investment in capital assets was \$2.4 million for 2017. Investment in capital assets increased by \$0.1 million or 4 percent compared to the previous year, primarily as a result of purchasing the Sue Court property. The Authority uses these capital assets to provide ambulance, life support, and transport services to its users; consequently, these assets are not available for future spending.

The Authority's collective net pension liabilities increased \$0.3 million compared to the previous year. Pension related deferred outflows increased \$0.1 million or 33 percent from 2016 to 2017. Pension related deferred inflows decreased \$0.3 million or 75 percent from 2016 to 2017.

Table 2 - Changes in Net Position (in Millions)

	2017	2016
Operating revenues	\$ 4.4	\$ 4.4
Operating expenses	3.7	3.6
Operating income	0.7	0.8
Non-operating revenues (expenses)	-	-
Changes in net position	\$ 0.7	\$ 0.8

The Authority's operating revenues remained constant compared to the previous year. The operating expenses increased by \$0.1 million or 3 percent.

**BUDGETARY HIGHLIGHTS**

For the year ended June 30, 2017, budgets were prepared by the Authority and were approved by the Authority's Board of Directors. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the modified cash basis of accounting which is different than generally accepted accounting principles used to prepare the basic financial statements.

Berkeley County Emergency Ambulance Authority  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 June 30, 2017

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2017, the Authority had \$2.4 million invested in a broad range of capital assets, including land, buildings, medical equipment, and medical transport and other vehicles (see Table 3 below). This amount represents a net increase (including additions and disposals) of \$0.1 million, primarily as a result of purchasing the Sue Court property.

Table 3 - Capital Assets at Year-End (Net of Depreciation, in Millions)

	2017	2016
Capital assets not depreciated - land and construction in progress	\$ 0.6	\$ 0.5
Capital assets depreciated	3.3	3.2
Totals	3.9	3.7
Accumulated depreciation	(1.5)	(1.4)
Capital assets, net of depreciation	\$ 2.4	\$ 2.3

Major capital additions during the year ended June 30, 2017:

82 Sue Court building and land	\$ 0.3
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Major capital additions during the year ended June 30, 2016:

None

Major capital dispositions during the year ended June 30, 2017:

2008 GMC ambulance	\$ 0.1
2 Stryker and 1 Power Pro Cots	0.1
Total dispositions	\$ 0.2

Major capital dispositions during the year ended June 30, 2016:

None

Berkeley County Emergency Ambulance Authority  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2017

**Debt**

At year-end, the Authority had \$0.1 million in debt outstanding compared to \$0.4 million for the previous year.

The debt resulted from a note payable used to finance the purchase of two new ambulances.

Other long-term obligations include the earned but unused vacation leave and collective net pension liabilities. More detailed information about the Authority's liabilities is presented in the notes to the financial statements.

**ECONOMIC FACTORS**

The Authority's appointed officials considered many factors when setting the fiscal-year 2017 budget. One of those factors was the economy. The County's population has a direct impact on the Authority's economic growth.

The Authority is optimistic about its potential for economic growth in the future. The increasing population and infrastructure improvements are all positive indicators for continued economic growth of the Authority.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, customers, and investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money its receives. If you have questions about this report or need additional financial information, contact the EMS Director at 304-264-1921, 400 W. Stephen Street, Suite 207, Martinsburg, WV 25401.

Berkeley County Emergency Ambulance Authority  
STATEMENT OF NET POSITION  
June 30, 2017

**ASSETS AND DEFERRED OUTFLOWS**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 2,587,994
Accounts receivable, net	358,486
Inventory of medical supplies	5,000
Deposit	2,500

<b>Total current assets</b>	<b>2,953,980</b>
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**Property Plant & Equipment**

Land	558,018
Land improvements	152,014
Buildings	922,852
Medical transport and other vehicles	1,413,367
Medical equipment	816,672
Furniture and fixtures	17,969
Office equipment	25,797

	3,906,689
Accumulated depreciation and amortization	1,521,937

Total property, plant and equipment in service	2,384,752
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Construction in Progress	10,010
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<b>Total property, plant and equipment</b>	<b>2,394,762</b>
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<b>Total assets</b>	<b>5,348,742</b>
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**Deferred Outflows of Resources**

Defined benefit pension plan contributions	202,329
Collective deferred outflows related to pensions	284,227

<b>Total deferred outflows</b>	<b>486,556</b>
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<b>Total assets and deferred outflows</b>	<b>\$ 5,835,298</b>
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See auditor's report and notes to financial statements.

Berkeley County Emergency Ambulance Authority  
STATEMENT OF NET POSITION (continued)  
June 30, 2017

**LIABILITIES, DEFERRED INFLOWS AND NET POSITION**

**LIABILITIES**

**Current Liabilities**

Accounts payable	\$ 50,419
Accrued interest	302
Compensation liabilities	94,376
Note payable	131,531

**Total current liabilities** 276,628

**Long-term Liabilities**

Accrued compensated absences	100,356
Collective net pension liabilities	546,282

**Total long-term liabilities** 646,638

**Total liabilities** 923,266

**Deferred Inflows of Resources**

Collective deferred inflows related to pensions	120,160
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**Total liabilities and deferred inflows** 1,043,426

**NET POSITION**

Net investment in capital assets	2,263,231
Unrestricted	2,528,641

**Total net position** 4,791,872

**Total liabilities, deferred inflows and net position** \$ 5,835,298

See auditor's report and notes to financial statements.

Berkeley County Emergency Ambulance Authority  
**STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2017

<b>OPERATING REVENUES AND SUPPORT</b>	
User fees	\$ 2,049,171
Service fees	2,366,630
Other	21,479
	4,437,280
 <b>OPERATING EXPENSES</b>	
Compensation and benefits	2,935,706
Transport, vehicle, and equipment expense	157,806
Facilities	72,826
Supplies	165,706
Insurance and taxes	94,023
Administration	141,590
Depreciation and amortization	218,841
	3,786,498
 <b>Operating support and revenues less operating expenses</b>	 650,782
 <b>NON-OPERATING SUPPORT AND REVENUES (EXPENSES)</b>	
Donations received	450
Gain on sale of vehicle and equipment	2,307
Interest income	4,274
Interest expense	(5,578)
	1,453
 <b>Total non-operating support and revenues (expenses)</b>	 1,453
 <b>Change in net position</b>	 652,235
 <b>NET POSITION AT BEGINNING OF YEAR</b>	 4,139,637
 <b>NET POSITION AT END OF YEAR</b>	 \$ 4,791,872

See auditor's report and notes to financial statements.

Berkeley County Emergency Ambulance Authority  
**STATEMENT OF CASH FLOWS**  
For the year ended June 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from revenues and support	\$ 4,471,482
Cash payments for goods and services	(700,643)
Cash payments for employee services	<u>(2,916,645)</u>
<b>Net cash provided by operating activities</b>	<u>854,194</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	4,274
Donations received	<u>450</u>
<b>Net cash provided by investing activities</b>	<u>4,724</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of capital assets	14,500
Expenditures for purchase of capital assets	(361,890)
Note principal payments	(304,495)
Interest paid on notes	<u>(6,577)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(658,462)</u>
<b>Net increase in cash</b>	200,456
<b>CASH AT BEGINNING OF YEAR</b>	<u>2,387,538</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 2,587,994</u></u>

See auditor's report and notes to financial statements.

Berkeley County Emergency Ambulance Authority  
 STATEMENT OF CASH FLOWS (continued)  
 For the year ended June 30, 2017

**RECONCILIATION OF OPERATING SUPPORT AND  
 AND REVENUES LESS OPERATING EXPENSES  
 TO NET CASH PROVIDED BY OPERATING  
 ACTIVITIES:**

Operating support and revenues less operating expenses	\$ 650,782
Adjustments to reconcile operating support and revenues less operating expenses to net cash provided by operating activities:	
Depreciation and amortization	218,841
Change in operating assets and liabilities:	
Decrease (increase) in accounts receivable	34,202
Decrease (increase) in pension deferred outflows	(126,588)
Increase (decrease) in accounts payable	26,611
Increase (decrease) in compensation liabilities	19,061
Increase (decrease) in net pension liabilities and deferred pension inflows	31,285
Net cash provided by operating activities	\$ 854,194

**SUPPLEMENTAL DISCLOSURES OF CASH FLOWS  
 INFORMATION**

Noncash investing, capital, and financing transactions:  
 None

See auditor's report and notes to financial statements.

Berkeley County Emergency Ambulance Authority  
NOTES TO FINANCIAL STATEMENTS  
For the year ended June 30, 2017

**NOTE 1: DESCRIPTION OF REPORTING ENTITY**

The Berkeley County Emergency Ambulance Authority (the Authority) is a public corporation, which was created by the Berkeley County Commission under the provisions of the Emergency Ambulance Service Act of 1975 (Chapter 7, Article 15 of the Code of the State of West Virginia, as amended).

The purpose of the Authority is to provide emergency ambulance service to all residents of Berkeley County, West Virginia. In addition, the Authority provides basic and advanced life support and medical transport services. The Authority grants credit to clients served on an individual basis and does not require collateral to secure credit granted.

The Authority complies with Governmental Accounting Standards Board (GASB) pronouncements pertaining to the financial reporting entity. These standards apply to defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In accordance with the criteria established by the GASB for defining a reporting entity, Berkeley County Emergency Ambulance Authority is considered to be a Component Unit of Berkeley County Council, West Virginia.

The Authority considered all potential component units in determining when organizations should be included in the Authority's financial statements. Based on the above criteria, there are no component units to be included in the Authority's financial statements.

The accompanying financial statements include all accounts of Authority operations.

**NOTE 2: BASIS OF ACCOUNTING**

Basis of Presentation

The Authority's sole fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user and service charges, and the measurement of financial activity focuses on change in net position (net income) measurement similar to the private sector.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then the unrestricted resources as needed.

Berkeley County Emergency Ambulance Authority  
NOTES TO FINANCIAL STATEMENTS (continued)  
For the year ended June 30, 2017

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and reporting principles.

Public Body

The Authority is a public body corporate and politic pursuant to Laws of the State of West Virginia. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.

Ambulance Service Fees

The Authority has implemented a Special Emergency Ambulance Service Fee as permitted by legislative authority under Chapter 7, Article 15, Section 17 of the Code of West Virginia, as amended.

The fee was established for the purpose of maintaining an adequate emergency ambulance system within the geographic boundaries of Berkeley County, West Virginia. An adequate emergency ambulance system is a necessary governmental responsibility to provide for the health and welfare of the citizens of Berkeley County.

Upon receipt of the Authority's estimated budget, the President of the Authority shall request the Assessor provide the Authority's office with a list of all residential "living units." The annual rate established by Ordinance was \$60 per residential living unit for the year ended June 30, 2017.

Ambulance service fees billed must be paid in full not later than September 30<sup>th</sup>. Fees paid after September 30<sup>th</sup> are as follows:

October 1 <sup>st</sup> - December 31 <sup>st</sup>	\$ 85
January 1 <sup>st</sup> - March 31 <sup>st</sup>	\$ 110

On or about April 1<sup>st</sup>, all delinquent accounts shall be turned over to an appropriate collection agency as engaged by the Authority and or submitted to the Berkeley County Magistrate Court for collection.

Allowance for Doubtful Accounts

The Authority uses the allowance method of providing for uncollectible accounts. The allowance amounted to \$3,334,418 as of and for the year ended June 30, 2017.

Property, Plant and Equipment

Property, plant and equipment is stated at cost for purchased items and fair value for contributed items. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5-40 years.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

When capital assets are retired, the cost and accumulated depreciation thereon are eliminated from their respective accounts and any gain or loss on the disposition is reflected in the statement of revenues, expenses, and changes in net position.

The Authority's policy is to generally capitalize property, plant and equipment costing \$5,000 or greater and less costly items that have significant management importance.

Berkeley County Emergency Ambulance Authority  
NOTES TO FINANCIAL STATEMENTS (continued)  
For the year ended June 30, 2017

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capitalized Interest

The Authority capitalizes interest costs as a component of construction cost during periods of active construction. There was no interest capitalized during the year ended June 30, 2017.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Authority considers all certificates of deposit and money market mutual funds with a maturity of three months or less to be cash equivalents.

Contributions of Goods and Services

Contributions of facilities, goods and services, both volunteered and paid from other sources, are not recorded by the Authority.

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay any amounts when employees separate from service with the Authority. All vacation pay is accrued when incurred and reflected in the financial statements.

Inventory

Inventory consists of medical supplies and is stated at cost, determined on the first-in first-out basis. Quantities are determined by physical measurement or count.

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on its use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation. There was no restricted net position at June 30, 2017.
- c. Unrestricted net position - Net position that does not meet the definition of "restricted" or "net investment in capital assets."

Berkeley County Emergency Ambulance Authority  
NOTES TO FINANCIAL STATEMENTS (continued)  
For the year ended June 30, 2017

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Deferred Outflows and Inflows of Resources

A deferred outflow of resources represents a consumption of net assets applicable to a future reporting period and will not be recognized as an expense until then. Deferred outflows related to the Authority's defined benefit pension plans will be recognized based on actuarial determinations.

A deferred inflow of resources represents an acquisition of net assets applicable to a future reporting period and will not be recognized as revenue until then. Deferred inflows related to the Authority's defined benefit pension plans will be recognized based on actuarial determinations.

Net Service Revenue

Net service revenue is reported at the estimated net realizable amounts from clients, third-party payors and others for services rendered.

Operating Revenues

The Authority's Statements of Revenues, Expenses, and Changes in Net Position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing emergency ambulance services and basic life support and advanced life support services, the Authority's principal activities. Nonexchange revenues are reported as nonoperating revenues. Operating expenses are expenses incurred to provide emergency ambulance services and basic life support and advanced support services, other than financing costs.

Pensions

For purposes of measuring the net pension liabilities and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Public Employee Retirement System (PERS) and Emergency Medical Services Retirement System (EMSRS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS and EMSRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash deposits in bank checking accounts	\$ 113,177
Certificates of deposit and money market accounts	2,473,817
Cash on hand	1,000
	<hr/>
Total cash and cash equivalents	<u><u>\$2,587,994</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's deposits at June 30, 2017, were covered under federal depository insurance or fully collateralized by securities held by custodial banks in the Authority's name for deposits in excess of federal depository insurance limits.

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

***Plan Descriptions, Contribution Information, and Funding Policies***

The Authority participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of Authority employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

All of the Authority's cost-sharing, multiple-employer plans are administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at [www.wvretirement.com](http://www.wvretirement.com). The following is a summary of eligibility factors, contribution methods, and benefit provisions:

**Public Employees Retirement System (PERS)**

Eligibility to participate	All Authority full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Tier 1 Plan member's contribution rate	4.50% (Employees hired before July 1, 2015)
Tier 2 Plan member's contribution rate	6.00% (Employees hired after July 1, 2015)
Authority's contribution rate	12.00% for fiscal year 2017
Period required to vest	Five Years
Benefits and eligibility for distribution	<p><u>Tier 1</u></p> <p>A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.</p> <p><u>Tier 2</u></p> <p>Qualification for normal retirement is age 62 with 10 years of service or at least age 55 plus service years equal to 80 or greater. The final average salary is the average of the five consecutive highest annual earnings years out of the last fifteen years. The final average salary times the years of service times 2% equals the annual retirement benefit.</p>
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)**

***Plan Descriptions, Contribution Information, and Funding Policies (continued)***

**Emergency Medical Services Retirement System (EMSRS)**

Eligibility to participate	Any emergency medical services officer first employed after the effective date and any emergency medical service officers hired prior to the effective date who elect to become members.
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	8.5%
Authority's contribution rate	10.50%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 50 and has earned 20 or more years of contributory service; or age 50 when age plus contributory service equals 70 while still in covered employment; or the attainment of age 60 and completion of 10 years contributory service while still in covered employment; or attainment of age 62 and completion of 5 years of contributory service. The final average salary is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (January 1 - December 31) within the last 10 years of service.
Deferred retirement portion	No deferred retirement option is available.
Provisions for: Cost of living Death benefits	No Yes

***Trend Information***

Fiscal Year	Public Employees Retirement System (PERS)		Emergency Medical Services Retirement System (EMSRS)	
	Annual Pension Cost	Percentage Contributed	Annual Pension Cost	Percentage Contributed
	Cost	Contributed	Cost	Contributed
2017	\$ 20,651	100%	\$ 181,678	100%
2016	\$ 23,883	100%	\$ 173,828	100%
2015	\$ 29,113	100%	\$ 168,845	100%

PERS and EMSRS issue a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)**

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions***

At June 30, 2016, the Authority reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2015 and rolled forward to June 30, 2016 using the actuarial assumptions and methods described in the appropriate section of this note. The Authority's proportions of the net pension liabilities were based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2016, the Authority reported the following proportions and increase/decreases from proportions measured as of June 30, 2015:

	PERS	EMSRS
Amount for proportionate share of net pension liability	\$ 118,001	\$ 428,281
Percentage for proportionate share of net pension liability	0.012839%	6.335516%
Increase/(decrease) % from prior proportion measured	(16.271032%)	2.159436%

For the year ended June 30, 2017, the Authority recognized the following pension expenses:

	PERS	EMSRS
Pension expense	\$ 12,177	\$ 95,039

The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Public Employees Retirement System (PERS)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	\$ 37,080	\$ -
Difference between expected and actual experience	9,840	-
Deferred difference in assumptions	-	5,749
Changes in proportion and differences between Authority contributions and proportionate share of contributions	2,907	23,412
Authority contributions subsequent to the measurement date	20,651	-
	\$ 70,478	\$ 29,161

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)**

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)***

The amount reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30

	2018	\$ (188)
	2019	(190)
	2020	10,329
	2021	10,715
		10,715
Total		\$ 20,666

**Emergency Medical Services Retirement System (EMSRS)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		
Net difference between projected and actual		
investment earnings on pension plan investments	\$ 184,630	\$ -
Difference between expected and actual experience	39,977	50,621
Changes in proportion and differences between		
Authority contributions and proportionate share of		
contributions	9,793	40,378
Authority contributions subsequent to the		
measurement date	181,678	-
	181,678	-
	\$ 416,078	\$ 90,999

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)**

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)***

The amount reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30

		2018		\$ 17,035
		2019		17,289
		2020		73,469
		2021		48,453
		2022		(7,096)
		2023		(6,778)
		2024		1,029
Total				\$ 143,401

**Summary of Deferred Outflow/Inflow Balances**

	Total	PERS	EMSRs
Difference between expected and actual experience	\$ (804)	\$ 9,840	\$ (10,644)
Deferred difference in assumptions	(5,749)	(5,749)	-
Net difference between projected and actual earnings on pension plan investments	221,710	37,080	184,630
Changes in proportion and differences between Authority contributions and proportionate share of contributions	(51,090)	(20,505)	(30,585)
Government contributions subsequent to the measurement date	202,329	20,651	181,678
	\$ 366,396	\$ 41,317	\$ 325,079

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)**

***Actuarial Assumptions***

The total pension liability in the 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods in the measurement:

**Public Employees Retirement System (PERS)**

Actuarial assumptions

Inflation rate	3.00%
Salary increases	3.0%-6.0%
Investment rate of return	7.50%

Mortality Rates	Healthy males	1983 GAM
	Healthy females	1971 GAM
	Disabled males	1971 GAM
	Disabled females	Revenue ruling 96-7

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016.

**Emergency Medical Services Retirement System (EMSRS)**

Actuarial assumptions

Inflation rate	3.00%
Salary increases	By age from 4.75% at age 30 declining to 3.25% at age 65
Investment rate of return	7.50%

Active member mortality is the RP2000 Non-Annuitant Table projected to 2020 by Scale BB. Inactive, retired members' mortality is the RP2000 Healthy Annuitant Mortality Table projected to 2025 by scale BB with separate rates for male and female members. Disabled member mortality is the RP2000 Healthy Annuitant Table projected to 2025, scale BB set forward 1 year.

The actuarial assumptions used in the June 30, 2016 EMSRS valuations were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for the defined benefit plan:

Berkeley County Emergency Ambulance Authority  
NOTES TO FINANCIAL STATEMENTS (continued)  
For the year ended June 30, 2017

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)**

**Actuarial Assumptions (continued)**

Investment	Long-Term Expected Real Rate of Return	PERS Target Asset Allocation	EMSRS Target Asset Allocation
US Equity (Russell 3000)	7.0%	27.5%	27.5%
International Equity (ACWI ex US)	7.7%	27.5%	27.5%
Fixed Income	2.7%	7.5%	7.5%
High Yield	5.5%	7.5%	7.5%
TIPS	2.7%	0.0%	0.0%
Real Estate	7.0%	10.0%	10.0%
Private Equity	9.4%	10.0%	10.0%
Hedge Funds	4.7%	10.0%	10.0%
		<u>100.0%</u>	<u>100.0%</u>

*Discount rate* - The discount rate used to measure the total pension liability was 7.5 percent for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Authority's proportionate share of PERS's net pension liability	\$ 213,601	\$ 118,001	\$ 36,812
Authority's proportionate share of EMSRS's net pension liability	\$ 1,050,239	\$ 428,281	\$ (81,095)

*Pension plans' fiduciary net position* - Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at [www.wvretirement.com](http://www.wvretirement.com). That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 6: RISK MANAGEMENT AND CONTINGENCIES**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters, injuries to employees, and employee health and life. The Authority reduces its exposure to risk of loss by a variety of insurance programs, some of which are purchased from commercial insurance carriers or state agencies.

The Authority is occasionally involved in legal proceedings. Although the outcome of these proceedings often is not determinable, it is the opinion of the Authority's counsel that resolution of these matters will not have a material effect on the financial condition of the Authority.

**NOTE 7: PROPERTY, PLANT & EQUIPMENT**

Changes in the Authority's capital assets consisted of the following for the year ended June 30, 2017:

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
Capital assets not being depreciated				
Land	\$ 468,018	\$ 90,000	\$ -	\$ 558,018
Construction in progress	-	10,010	-	10,010
	<u>468,018</u>	<u>100,010</u>	<u>-</u>	<u>568,028</u>
Total capital assets not being depreciated	468,018	100,010	-	568,028
Capital assets being depreciated				
Land improvements	152,014	-	-	152,014
Buildings	733,975	188,877	-	922,852
Medical transport and other vehicles	1,507,907	-	(94,540)	1,413,367
Medical equipment	778,304	73,003	(34,635)	816,672
Furniture and fixtures	17,969	-	-	17,969
Office equipment	25,797	-	-	25,797
	<u>3,215,966</u>	<u>261,880</u>	<u>(129,175)</u>	<u>3,348,671</u>
Total	3,215,966	261,880	(129,175)	3,348,671
Accumulated depreciation	<u>(1,420,078)</u>	<u>(218,841)</u>	<u>116,982</u>	<u>(1,521,937)</u>
Total capital assets being depreciated, net	1,795,888	43,039	(12,193)	1,826,734
Total capital assets	<u>\$2,263,906</u>	<u>\$ 143,049</u>	<u>\$ (12,193)</u>	<u>\$2,394,762</u>

Berkeley County Emergency Ambulance Authority  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 For the year ended June 30, 2017

**NOTE 8: NOTES PAYABLE**

Notes payable consist of the following:

A demand note payable to Jefferson Security Bank dated October 10, 2014, in the original amount of \$271,552 with an outstanding balance of \$131,531; interest accrues at 3.00% per annum; principal and interest are due based on \$4,885 monthly payment; secured by commercial security agreement on ambulances.

Changes in notes payable are as follows:

Balance at July 1, 2016	Additions	Payments	Balance at June 30, 2017
\$ 436,026	\$ -	\$ 304,495	\$ 131,531

**NOTE 9: CHANGES IN LONG-TERM LIABILITIES**

Changes in long-term liabilities are as follows:

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017
Compensated absences	\$ 88,927	\$ 11,429	\$ -	\$ 100,356
Collective net pension liabilities	288,693	535,340	(277,751)	546,282
	\$ 377,620	\$ 546,769	\$ (277,751)	\$ 646,638

**NOTE 10: OPERATING LEASES**

The Authority had the following operating lease in effect at June 30, 2016:

Lease effective March 1, 2010 for approximately 4,000 square feet of space located in Martinsburg, West Virginia. The lease renewed on March 1, 2015 for a 3 year period ending February 28, 2018. The rental payment is \$2,759 per month through February 28, 2017, and escalates to \$2,815 per month for the remaining year of the renewal. Future minimum lease payments for 2018 are \$22,520.

Rent expense for the year ended June 30, 2017 amounted to \$33,934.

**NOTE 11: SUBSEQUENT EVENTS**

The Authority has evaluated all subsequent events through January 16, 2018, the date the financial statements were available to be issued. On November 30, 2017, the Authority purchased two ambulances for \$310,000 that were financed by a term loan from a financial institution. The Authority obtained a construction line of credit on December 28, 2017 in the amount of \$2,103,750 to construct a new facility known as Station 97. Construction is expected to take one year. The line of credit will be converted to a term obligation repayable over 19 years after completion of the project.

**REQUIRED SUPPLEMENTARY INFORMATION**

Berkeley County Emergency Ambulance Authority  
SCHEDULES OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITIES  
June 30, 2017

Public Employees Retirement System  
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Authority's proportionate share of the net pension liability (%)	0.012839%	0.015334%	0.018348%	0.017276%						
Authority's proportionate share of the net pension liability (\$)	\$ 118,001	\$ 85,626	\$ 67,715	\$ 157,489						
Authority's covered-employee payroll	\$ 172,091	\$ 176,911	\$ 207,947	\$ 245,695						
Authority's proportionate share of net pension liability as a % of its covered-employee payroll	68.57%	48.40%	32.56%	64.10%						
Plan fiduciary net position as a percentage of the total pension liability	86.11%	91.29%	93.98%	79.70%						

Emergency Medical Services Retirement System  
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Authority's proportionate share of the net pension liability (%)	6.335516%	6.475347%	6.294714%	6.961634%						
Authority's proportionate share of the net pension liability (\$)	\$ 428,281	\$ 203,067	\$ 153,969	\$ 560,203						
Authority's covered-employee payroll	\$ 1,730,267	\$ 1,655,510	\$ 1,608,051	\$ 1,469,698						
Authority's proportionate share of net pension liability as a % of its covered-employee payroll	24.75%	12.27%	9.57%	38.12%						
Plan fiduciary net position as a percentage of the total pension liability	89.77%	94.78%	95.64%	84.20%						

Note: This data will be presented prospectively until ten years is accumulated.  
The amounts presented for each fiscal year were determined as of June 30th.

Berkeley County Emergency Ambulance Authority  
SCHEDULES OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS  
June 30, 2017

Public Employees Retirement System Last 10 Fiscal Years										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 20,651	\$ 23,883	\$ 29,113	\$ 35,626	\$ 32,371	\$ 33,410	\$ 25,006	\$ 20,920	\$ 19,963	\$ 86,265
Contributions in relation to the contractually required contribution	<u>(20,651)</u>	<u>(23,883)</u>	<u>(29,113)</u>	<u>(35,626)</u>	<u>(32,371)</u>	<u>(33,410)</u>	<u>(25,006)</u>	<u>(20,920)</u>	<u>(19,963)</u>	<u>(86,265)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Authority's covered-employee payroll	<u>\$ 172,091</u>	<u>\$ 176,911</u>	<u>\$ 207,947</u>	<u>\$ 245,695</u>	<u>\$ 231,219</u>	<u>\$ 230,415</u>	<u>\$ 200,044</u>	<u>\$ 190,182</u>	<u>\$ 190,123</u>	<u>\$ 821,572</u>
Contributions as a percentage of covered-employee payroll	<u>12.0%</u>	<u>13.5%</u>	<u>14.0%</u>	<u>14.5%</u>	<u>14.0%</u>	<u>14.5%</u>	<u>12.5%</u>	<u>11.0%</u>	<u>10.5%</u>	<u>10.5%</u>

Emergency Medical Services Retirement System Last 10 Fiscal Years										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 181,678	\$ 173,828	\$ 168,845	\$ 154,318	\$ 161,590	\$ 146,814	\$ 142,161	\$ 144,296	\$ 135,755	\$ 55,345
Contributions in relation to the contractually required contribution	<u>(181,678)</u>	<u>(173,828)</u>	<u>(168,845)</u>	<u>(154,318)</u>	<u>(161,590)</u>	<u>(146,814)</u>	<u>(142,161)</u>	<u>(144,296)</u>	<u>(135,755)</u>	<u>(55,345)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
Authority's covered-employee payroll	<u>\$ 1,730,267</u>	<u>\$ 1,655,510</u>	<u>\$ 1,608,051</u>	<u>\$ 1,469,698</u>	<u>\$ 1,538,952</u>	<u>\$ 1,398,225</u>	<u>\$ 1,353,914</u>	<u>\$ 1,374,247</u>	<u>\$ 1,292,928</u>	<u>\$ 527,093</u>
Contributions as a percentage of covered-employee payroll	<u>10.5%</u>	<u>10.5%</u>								

Note: The amounts presented for each fiscal year were determined as of June 30th.

**ACCOMPANYING INFORMATION**



**Balestra, Harr & Scherer, CPAs, Inc.**  
**(A Division of BHM CPA Group, Inc.)**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments  
[www.bhscpas.com](http://www.bhscpas.com)

**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards***

Berkeley County Emergency Ambulance Authority  
400 W. Stephen  
Suite 207  
Martinsburg, West Virginia, 25401

To the Members of the Authority:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of the Berkeley County Emergency Ambulance Authority, Berkeley County, West Virginia (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 16, 2018.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of the Authority  
Berkeley County Emergency Ambulance Authority  
Berkeley County, West Virginia  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by Government Auditing Standards  
Page 2

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under Government Auditing Standards.

### ***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Huntington, West Virginia  
January 16, 2018