

RFP #11-154
JEFFERSON CO

AUDIT REPORT OF
JEFFERSON COUNTY
EMERGENCY SERVICES AGENCY
FOR THE FISCAL YEARED ENDING JUNE 30, 2011



LISA K. THORNBURG, CPA

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY

SCHEDULE OF FUNDS INCLUDED IN REPORT

For the Fiscal Year Ended June 30, 2011

GOVERNMENTAL FUND TYPE

Major Fund

General Fund

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY

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JEFFERSON COUNTY EMERGENCY SERVICES AGENCY

AGENCY OFFICIALS

For the Fiscal Year Ended June 30, 2011

Office	Name	Term Ends
President	Pete Kelley	November 2, 2012
Vice President	Todd Wilt	November 2, 2011
Treasurer	Mike Alvarez	November 2, 2013
Secretary	Paul Rosa	November 2, 2013
Board Member	Brenda Engle	November 2, 2013
Board Member	Ed Boober	November 2, 2013
Board Member	Marty Freeman	November 2, 2013
Board Member	Dave Withers	November 2, 2012
Board Member	Mike Mood	November 2, 2013
Board Member	Brenden Soennecken	November 2, 2013
County Commissioner	Dale Manuel	
Medical Director	Dr. Robert Jones	
Operations Manager	Doug Pittinger	

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board
Jefferson County Emergency Services Agency
Ranson, West Virginia 25438

We have audited the accompanying basic financial statements of the Jefferson County Emergency Services Agency (the Agency), a component unit of Jefferson County, West Virginia, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Jefferson County Emergency Services Agency are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of Jefferson County that is attributable to the transactions of the Jefferson County Emergency Services Agency. They do not purport to, and do not, present fairly the financial position of Jefferson County, West Virginia, as of June 30, 2011, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson County Emergency Services Agency, as of June 30, 2011, and the changes in its financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.D.7 in the notes to the financial statements, the Agency implemented the provisions of Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions during the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2012, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

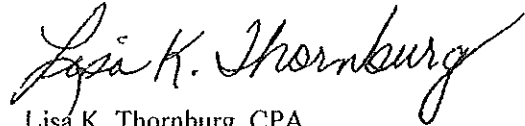
The Agency has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Jefferson County Emergency Services Agency. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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2012

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Respectfully submitted,



Lisa K. Thornburg, CPA

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
 June 30, 2011

	<u>General Fund</u>	<u>Adjustments (Note II)</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 186,995.85	\$ -	\$ 186,995.85
Capital assets:			
Land	-	550,000.00	550,000.00
Equipment	-	487,998.50	487,998.50
Building	-	1,366,998.23	1,366,998.23
Less: Accumulated depreciation	-	(418,372.80)	(418,372.80)
Total assets	<u>\$ 186,995.85</u>	<u>\$ 1,986,623.93</u>	<u>\$ 2,173,619.78</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 3,649.84	\$ -	\$ 3,649.84
Loans payable, current portion	-	23,876.46	23,876.46
Interest payable, current	1,261.93	-	1,261.93
Noncurrent liabilities:			
Leases payable	-	4,016.93	4,016.93
Loans payable	-	1,255,590.01	1,255,590.01
Compensated absences	-	10,876.14	10,876.14
Total liabilities	<u>4,911.77</u>	<u>1,294,359.54</u>	<u>1,299,271.31</u>
Fund Balance/Net Assets			
Fund balances:			
Unassigned	<u>182,084.08</u>	<u>(182,084.08)</u>	
Total fund balances	<u>182,084.08</u>	<u>(182,084.08)</u>	
	<u>\$ 186,995.85</u>		
Net Assets:			
Invested in capital assets, net of related debt		703,140.53	703,140.53
Unrestricted		171,207.94	171,207.94
Total net assets		<u>\$ 874,348.46</u>	<u>\$ 874,348.46</u>

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

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

	<u>General Fund</u>	<u>Adjustments (Note II)</u>	<u>Statement of Activities</u>
<u>Expenditures/expenses:</u>			
General government:			
Advertising	\$ 1,855.02	\$ -	\$ 1,855.02
Auto expenses	19,451.20	-	19,451.20
Capital outlay - new building	61,167.73	(61,167.73)	-
Casual labor	16,500.00	-	16,500.00
Depreciation	-	128,906.51	128,906.51
Dues & subscriptions	38,767.37	-	38,767.37
EMS supplies	36,932.62	-	36,932.62
Insurance	9,179.21	-	9,179.21
Liability insurance	30,169.02	-	30,169.02
Medical supplies	17,763.02	-	17,763.02
Miscellaneous	3,213.71	-	3,213.71
Office expenses	17,113.11	(2,008.95)	15,104.16
Other employee benefits	110,051.02	-	110,051.02
Professional fees	19,624.00	-	19,624.00
Repairs & Maintenance-auto	14,763.41	-	14,763.41
Repairs & Maintenance-building & grounds	7,448.32	-	7,448.32
Salaries, wages and related expenses	1,150,878.19	(1,467.30)	1,149,410.89
Supplies	6,039.36	-	6,039.36
Training	1,386.36	-	1,386.36
Utilities	25,729.14	-	25,729.14
	<u>1,588,031.81</u>	<u>64,262.53</u>	<u>1,652,294.34</u>
Total expenditures			

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

<u>Revenues:</u>			
Intergovernmental:			
Local sources:			
Jefferson County Commission	\$ 1,503,504.00	\$ -	\$ 1,503,504.00
Interest income	2,840.53	-	2,840.53
Miscellaneous	<u>66,869.23</u>	-	<u>66,869.23</u>
Total revenues	<u>1,573,213.76</u>	-	<u>1,573,213.76</u>
Excess (deficiency) of revenues over expenditures	<u>(14,818.05)</u>		
Change in net assets		<u>(64,262.53)</u>	<u>(79,080.58)</u>
Other financing sources (uses):			
USDA Loan proceeds	126,813.21	(126,813.21)	-
Interest expense	(56,722.32)	-	(56,722.32)
Mortgage payment	<u>(25,412.88)</u>	<u>25,412.88</u>	<u>-</u>
Total other financing sources (uses)	<u>44,678.01</u>	<u>(101,400.33)</u>	<u>(56,722.32)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	29,859.96		
Change in net assets		<u>(165,662.86)</u>	<u>(135,802.90)</u>
Fund balance/Net assets, beginning of year (as restated for <i>Statement of Activities - see notes</i>)	<u>152,224.12</u>	<u>857,927.24</u>	<u>1,010,151.36</u>
Fund balance/Net assets, end of year	<u>\$ 182,084.08</u>	<u>\$ 692,264.38</u>	<u>\$ 874,348.46</u>

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

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of the financial report of Jefferson County Emergency Services Agency have been designed to conform to generally accepted accounting principles as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB). GASB embodies the official pronouncements previously issued by the National Council on Governmental Accounting (NCGA).

A. Reporting Entity

The Jefferson County Emergency Services Agency was created by the Jefferson County Commission in fiscal year 2009, pursuant to the provisions of Chapter 7, Article 15 of the West Virginia Code. The Agency is intended to provide ambulance services, fire protection services and emergency medical services in Jefferson County.

The Commission further provided for the creation of the Joint Emergency Services Board to oversee the management and control of the Agency. The Commission has provided that the Agency shall consist of ten members, each serving a three year staggered term. The members are appointed by the county commission. The Chairman and the Vice Chairman of the Agency are elected from the membership.

B. Government-Wide and Fund Financial Statements

For this special purpose government, combined government-wide and fund financial statements are presented. The government-wide section of the financial statements (i.e., the statement of net assets and the statement of changes in net assets) reports information on all the nonfiduciary activities of the government's *Governmental activities*, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide sections of the financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

The governmental fund sections of the financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The *General fund* is the government's primary operating fund. It accounts for all financial sources of the general government.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of less than three months from the date of acquisition.

In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the government reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the state of West Virginia; obligations of the federal national mortgage association; indebtedness secured by first lien deed of trusts for property situated within this state if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the SEC which have fund assets over three hundred million dollars.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Fiscal Year Ended June 30, 2011

2. Receivables and Payables

Receivables

Receivables are accounted for using the accrual basis of accounting for the government-wide financial statements and reflect the amounts that were billed for services and not collected at year end. Receivables are accounted for using the modified accrual basis of accounting for the fund financial statements and reflect the amounts accrued for sixty days after year end. Since, to date, the Agency does not bill for services there are usually no receivables.

Accounts Payable

Accounts payable are accounted for using the accrual basis of accounting for government-wide financial statements as well as the fund level statements.

3. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets with useful lives longer than one year are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. Assets are depreciated using the straight-line method over the estimated useful lives of the assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, are depreciated using the straight line method over the estimated useful life of between 5 to 40 years.

4. Compensated absences

It is the government'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 government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Fiscal Year Ended June 30, 2011

5. Fund Balances and Equity Classification

In the governmental fund financial statements, fund balance is reported in five classifications:

Nonspendable	Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
Restricted	Amounts with constraints imposed on their use, either by external creditors, grantors, contributors, or laws and regulations of other governments; or by law
Committed	Amounts that can only be used for purposes pursuant to constraints imposed by formal action of the Board.
Assigned	Amounts that are constrained by the Board's intent to be used for specific purposes.
Unassigned	Residual fund balance that has not been restricted, committed or assigned.

The Board is the government's highest level of decision-making authority. The Board may take formal action to establish, modify or rescind a fund balance commitment or to assign fund balance amounts to a specific purpose. The Board has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be made from restricted resources first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Board has the authority to deviate from this policy if it is in the best interest of the government.

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

6. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the Fiscal Year Ended June 30, 2011

7. Change in Accounting

Effective, July 1, 2010, the Board adopted Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes standards of accounting and financial reporting for fund balance classifications and governmental fund type definitions, including note disclosures, in the financial reports of state and local governments. The Board has applied the required adjustments to the financial statements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets.

The governmental fund balance sheet includes an adjustment between the governmental fund balance total and the governmental activities net assets as reported in the statement of net assets. Capital outlays are expensed at the fund level but are capitalized and depreciated at the government-wide level. In addition, compensated absences are not reported on the governmental fund level, but are reported as a liability in net assets. The details of this difference are as follows:

Land	\$ 550,000.00
Equipment	487,998.50
Building	1,366,998.23
Accumulated Depreciation	(418,372.80)
Loans payable, current portion	(23,876.46)
Loans payable, noncurrent portion	(1,255,590.01)
Leases payable	(4,016.93)
Compensated absences	<u>(10,876.14)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets-governmental activities	<u>\$ 692,264.38</u>

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the Fiscal Year Ended June 30, 2011

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes an adjustment between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the Statement of Activities. The adjustment indicates that long-term liabilities are not recognized on the fund level statements, but are shown on the Statement of Activities. In addition, capital assets are expensed at the fund level, but capitalized and depreciated at the government-wide level. The details of this difference are as follows:

Salaries, wages and related expenses	\$ 1,467.30
Depreciation	(128,906.51)
Capital outlay - new building	61,167.73
Office expense (lease payments)	2,008.95
Mortgage payment	25,412.88
USDA Loan proceeds	<u>(126,813.21)</u>

Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(165,662.86)</u>
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III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government's carrying amount of deposits and bank balances was \$186,995.85, which was entirely covered by Federal Deposit Insurance Corporation coverage. The Agency's balances did not exceed this FDIC coverage at any time during the year.

B. Restatement of Beginning Balance

The beginning balance of the *Statement of Net Assets* required restatement as described below:

Beginning Balance, as originally stated	\$ 1,033,557.95
Adjustment for loan drawdown omitted by USDA in prior year statement	<u>(23,406.59)</u>
Beginning balance, as restated	<u>\$ 1,010,151.36</u>

The beginning balance of the Loans payable required restatement as described below:

Noncurrent liabilities:	
Loan payable, as previously stated	\$ 1,154,659.55
Loan advance previously omitted	<u>23,406.59</u>
Loans payable, as restated	<u>\$ 1,178,066.14</u>

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the Fiscal Year Ended June 30, 2011

C. Capital Assets

Capital Asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land, as restated	\$ 550,000.00	\$ -	\$ -	\$ 550,000.00
Capital assets being depreciated:				
Equipment	487,998.50	-	-	487,998.50
Building	1,305,830.50	61,167.73	-	1,366,998.23
Less: accumulated depreciation	<u>(289,466.29)</u>	<u>(128,906.51)</u>	<u>-</u>	<u>(418,372.80)</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 2,054,362.71</u>	<u>\$ (67,738.78)</u>	<u>\$ -</u>	<u>\$ 1,986,623.93</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$ (128,906.51)</u>

D. Leases

Operating leases

The government leases a certain Ricoh copier under a non cancelable operating lease. The future minimum lease payments for this lease are as follows:

<u>Year ending June 30, 2011</u>	<u>Amount</u>
2012	\$ 2,008.56
2013	<u>2,008.37</u>
	<u>\$ 4,016.93</u>

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the Fiscal Year Ended June 30, 2011

E. Long-term debt

USDA Loan

The Jefferson County Emergency Services Agency received approval for a loan from the USDA on April 22, 2009, in the amount of \$1,310,000. The loan funds were for the construction of a new operations center and other loan costs.

Loan funds were advanced during the construction period as requested by the Agency. As of June 30, 2011, the outstanding loan principal balance was \$1,279,466.47. The Agency undertook operations in the new facility prior to the close of the fiscal year ending June 30, 2010. Part of the loan was received after July 1, 2010.

The loan terms require amortized monthly installments of \$6,747 that began May 22, 2010. The interest rate is a fixed rate of 4.5% for 29 years.

Total loans payable at June 30, 2011	\$ 1,279,466.47
Less: Current Portion due in upcoming year	(23,876.46)
Long-term loans payable at June 30, 2011	\$ 1,255,590.01

The annual debt service requirements to maturity for long term debt as of June 30 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	23,876.46	57,087.54	80,964.00
2013	24,973.36	55,990.64	80,964.00
2014	26,120.62	54,843.38	80,964.00
2015	27,320.60	53,643.40	80,964.00
2016	28,575.72	52,388.28	80,964.00
2017 - 2021	163,818.42	241,001.58	404,820.00
2022 - 2026	205,067.23	199,752.77	404,820.00
2027 - 2031	256,702.25	148,117.75	404,820.00
2032 - 2036	321,338.84	83,481.16	404,820.00
2037 - 2038	201,672.97	12,628.55	214,301.52
Totals	\$ 1,279,466.47	\$ 958,935.05	\$ 2,238,401.52

<u>Changes /Long Term Debt:</u>		<u>Governmental Activities</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans payable	\$1,178,066.14	\$126,813.21	(\$25,412.88)	\$1,279,466.47	\$23,876.46
Leases payable	6,025.68	-	2,008.56	4,017.12	2,008.56
Compensated absences	12,343.44	-	(1,467.30)	10,876.14	-
Governmental activities long-term liabilities	<u>\$1,196,435.26</u>	<u>\$126,813.21</u>	<u>(\$24,871.62)</u>	<u>\$1,167,003.38</u>	<u>\$24,643.95</u>

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Fiscal Year Ended June 30, 2011

IV. OTHER INFORMATION

A. Risk Management

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; employees' work related injuries and natural disasters for which the government carries insurance purchased from private insurers or state agencies for these various risks.

B. Employee Retirement Systems and Pension Plans

West Virginia Emergency Medical Services Retirement System (EMSRS)

The governing body of the Jefferson County Emergency Services Agency has elected to become a participant in the West Virginia Emergency Medical Services Retirement System (EMSRS).

Plan Description, Contribution Information, and Funding Policies

Emergency Medical Services Retirement System (EMSRS)

Eligibility to participate:	All Authority full-time EMS employees
Authority establishing contribution obligations and benefit provisions:	State Statute
Plan members' contribution rate:	8.5%
Agency's contribution rate:	10.5%
Period required to vest:	5 years
Benefits and eligibility for distribution:	<p>The statute prohibits any payout of benefits from the EMRS fund prior to January 1, 2011, with the exception of duty disability retirement. An EMRS member is eligible for "normal" retirement as follows:</p> <p>A member who has attained age 50 and has 20 or more years of contributing service; or age 50 if the sum of his/her age plus years of credited service is equal to or greater than 70 while still in covered employment; or age 60 and has 10 years of credited service while still in covered service; or age 62 with completion of 5 year of credited service.</p> <p>The final average salary (highest annual salary during covered employment for any 5 consecutive plan years in the last 10) times the number of years of service times 2.6% equals the annual retirement benefit for years 1-20, 2.0% for years 21-25 and 1.0% for years 26-30.</p>

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the Fiscal Year Ended June 30, 2011

Maximum benefit allowed by Federal law for governmental retirement plan is 67% if plan is less than 75% funded.

In accordance with provisions in statute, upon reaching a 75% funded level as of an actuarial valuation date, the CPRB (Consolidated Public Employees Retirement Board) shall increase the annual retirement benefit multiplier from 2.6% of the final average salary to 2.75% of final average salary for years one through twenty of service credited.

Provisions for:	
Disability benefits	Yes
Death benefits	Yes

Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Amount Contributed</u>
2011	\$152,169	100%
2010	\$118,326	100%
2009	\$127,026	100%

ESMRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Emergency Medical Services Retirement System, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

C. Financial support

The Agency is funded primarily by contributions from the Jefferson County Commission. Any change in that revenue source would have significant impact upon the ability of the Jefferson County Emergency Services Agency to function at its current level.

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Milton, WV 25541
(304) 743-8192

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the Board
Jefferson County Emergency Services Agency
Ranson, West Virginia 25438

We have audited the financial statements of the Jefferson County Emergency Services Agency (Agency), as of and for the year ended June 30, 2011, and have issued our report thereon dated July 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's 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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis.

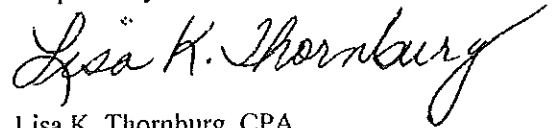
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Agency Officials, County Officials and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Lisa K. Thornburg, CPA

July 31, 2012