



**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

JUNE 30, 2017

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

FINANCIAL REPORT
(In Accordance with the Requirements of Uniform Guidance)

June 30, 2017

EIN#: 54-1010118

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Virginia Emergency Medical Services Council, Inc.
Roanoke, Virginia

We have audited the accompanying financial statements of Western Virginia Emergency Medical Services Council, Inc. (the "Council") which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Virginia Emergency Medical Services Council, Inc. as of June 30, 2017 and 2016, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November __, 2017, on our consideration of the Council’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 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 Council’s internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November __, 2017

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2017

| | 2017 | 2016 |
|--|--------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 178,110 | \$ 276,898 |
| Restricted cash | 8,812 | 40,140 |
| Accounts receivable | 257,959 | 261,779 |
| Prepaid expenses | 24,174 | 9,923 |
| Investments (Note 2) | 426,428 | 475,951 |
| Custodial funds | - | 21,234 |
| | 895,483 | 1,085,925 |
| Total current assets | | |
| Land, buildings, and equipment, net (Note 3) | 575,762 | 582,094 |
| | \$ 1,471,245 | \$ 1,668,019 |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable | \$ 30,496 | \$ 30,737 |
| Accrued expenses (Note 8) | 43,693 | 36,702 |
| Deferred revenue | 64,490 | 104,431 |
| Custodial funds liability | - | 21,234 |
| | 138,679 | 193,104 |
| Total liabilities | | |
| NET ASSETS | | |
| Unrestricted | 1,164,794 | 1,336,888 |
| Temporarily restricted (Note 4) | 167,772 | 138,027 |
| | 1,332,566 | 1,474,915 |
| Total net assets | | |
| | \$ 1,471,245 | \$ 1,668,019 |
| Total liabilities and net assets | | |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

STATEMENTS OF ACTIVITIES
Year Ended June 30, 2017

| | 2017 | | |
|--|---------------------|-----------------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total |
| Revenues, gains, and other support: | | | |
| State government | \$ 507,150 | \$ - | \$ 507,150 |
| Federal grant revenue | - | 770,300 | 770,300 |
| Local government (Note 5) | 137,033 | - | 137,033 |
| Symposium revenue (Note 9) | 349,015 | - | 349,015 |
| Other support and income | 238,672 | - | 238,672 |
| United Way organizations | 900 | - | 900 |
| Unrealized and realized gains | 11,131 | - | 11,131 |
| Investment income | 11,573 | - | 11,573 |
| Contributions | 20,523 | - | 20,523 |
| Net assets released from restrictions and reclassifications | 740,555 | (740,555) | - |
| Total revenues | 2,016,552 | 29,745 | 2,046,297 |
| Expenses (Note 6) | | | |
| Program services | 1,883,438 | - | 1,883,438 |
| Management and general | 305,208 | - | 305,208 |
| Total expenses | 2,188,646 | - | 2,188,646 |
| Change in net assets | (172,094) | 29,745 | (142,349) |
| NET ASSETS | | | |
| Beginning | 1,336,888 | 138,027 | 1,474,915 |
| Ending | <u>\$ 1,164,794</u> | <u>\$ 167,772</u> | <u>\$ 1,332,566</u> |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2016

| | 2016 | | |
|--|---------------------|-----------------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total |
| Revenues, gains, and other support: | | | |
| State government | \$ 480,150 | \$ - | \$ 480,150 |
| Federal grant revenue | - | 819,016 | 819,016 |
| Local government (Note 5) | 137,560 | - | 137,560 |
| Symposium revenue (Note 9) | 350,270 | - | 350,270 |
| Other support and income | 235,887 | - | 235,887 |
| United Way organizations | 1,994 | - | 1,994 |
| Unrealized and realized losses | 14,296 | - | 14,296 |
| Investment income | 5,891 | - | 5,891 |
| Contributions | 412,453 | - | - |
| Net assets released from restrictions and reclassifications | 756,912 | (756,912) | - |
| Total revenues | 2,395,413 | 62,104 | 2,457,517 |
| Expenses (Note 6) | | | |
| Program services | 1,804,920 | - | 1,804,920 |
| Management and general | 306,016 | - | 306,016 |
| Total expenses | 2,110,936 | - | 2,110,936 |
| Change in net assets | 284,477 | 62,104 | 346,581 |
| NET ASSETS | | | |
| Beginning | 1,052,411 | 75,923 | 1,128,334 |
| Ending | <u>\$ 1,336,888</u> | <u>\$ 138,027</u> | <u>\$ 1,474,915</u> |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

**STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016**

| | 2017 | 2016 |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (142,349) | \$ 346,581 |
| Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation expense | 31,586 | 25,110 |
| Unrealized and realized gains on investments | (11,131) | (14,296) |
| Change in certain operating assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 3,820 | 33,393 |
| Prepaid expense | (14,251) | 861 |
| Increase (decrease) in: | | |
| Accounts payable | (241) | (555) |
| Accrued expenses | 6,991 | 5,955 |
| Deferred revenue | (39,941) | 99,842 |
| Net cash provided by (used in) operating activities | (165,516) | 496,891 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (25,254) | (26,400) |
| Change in investments, net of proceeds from sales | 60,654 | (328,349) |
| Net cash provided by (used in) investing activities | 35,400 | (354,749) |
| Increase (decrease) in cash and cash equivalents and restricted cash | (130,116) | 142,142 |
| TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | | |
| Beginning | 317,038 | 174,896 |
| Ending | \$ 186,922 | \$ 317,038 |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations:

Western Virginia Emergency Medical Services Council, Inc. (the “Council”) was organized in September 1975 as a not-for-profit, non-stock corporation under the applicable laws of the Commonwealth of Virginia. The purpose of the Council is to plan and implement a system for the arrangement of personnel, facilities, equipment, and supplies for the provision and delivery of health care services under emergency conditions. The Council serves the counties of Alleghany, Botetourt, Craig, Floyd, Franklin, Giles, Henry, Montgomery, Patrick, Pittsylvania, Pulaski, and Roanoke and the cities of Covington, Danville, Martinsville, Radford, Roanoke, and Salem.

Basis of financial statement presentation and accounting:

The financial statements of the Council have been prepared in accordance with accounting principles generally accepted in the United States of America. 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 the reported amounts of assets and liabilities, the 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.

The accompanying financial statements present information regarding the Council’s financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated based on the existence or absence of donor-imposed restrictions, as described below:

Unrestricted net assets are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues that are not temporarily or permanently restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Temporarily restricted net assets are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Council pursuant to those stipulations.

Permanently restricted net assets are amounts required by donors to be held in perpetuity; however, generally, the income on these assets is available to meet various restricted and other operating needs. There are currently no permanently restricted net assets.

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Cash and cash equivalents:

The Council considers cash, money market accounts, and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents are stated at cost, which approximates fair value. Cash held for long-term investment is classified as investments.

Restricted cash:

Restricted cash includes funds received by the Near Southwest Preparedness Alliance for the Bioterrorism Hospital Preparedness Program and not yet expended at year-end. This grant is further described in Note 4.

Accounts receivable:

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers and agencies having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, as determined by quoted market prices, in the statements of financial position. Net unrealized and realized gains or losses are reflected in the statements of activities. The carrying value of the Council's investments will fluctuate with the financial markets. As a result, the value of such investments as of the date of this report may be materially different than year-end values.

Custodial funds:

Custodial funds consist of funds and equipment held in a custodial capacity on behalf of a state task force.

Property and equipment:

Property and equipment is stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. Depreciation is recorded using the straight-line method over estimated useful lives of the assets.

Equipment is removed from the records and any gain or loss is recognized at the time of disposal. Expenditures for acquisition, renewals, and replacements exceeding \$5,000 are capitalized. Maintenance and repair costs are charged to expense as incurred.

Deferred revenue:

Deferred revenue principally represents grant proceeds received but not yet expended.

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as salaries, benefits, utilities, supplies, and other generic operating expenses, have been allocated among the programs and supporting services benefited.

Fair value measurements:

The Council carries investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, a market-based approach is used which establishes that fair value is based on the “highest and best use”. The Council categorizes its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as reflected below. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date.

Level 2 – Fair values are based on inputs other than quoted prices in Level 1 that are either for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that were observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Fair values are based on unobservable inputs for the asset or liability where there is little, if any, market activity for the asset or liability at the measurement date.

Income taxes:

The Council is classified as an exempt organization for federal income tax purposes under Section 501(c)(3) of the *Internal Revenue Code*.

Credit risk concentrations:

Financial instruments which potentially subject the Council to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, and investments. The Council places its cash with high-credit, quality financial institutions. A portion of the Council’s bank deposits are in excess of federally insured limits. Concentrations of credit risk with respect to accounts receivables occur due to the limited number of governmental and commercial accounts. Approximately 97% and 87% of accounts receivable at June 30, 2017 and 2016, respectively, were from the Council’s two largest funding sources.

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Investments

The Council’s investments are reported at fair value in the accompanying statement of financial position.

| | Fair Value Measurements at Reporting Date Using: | |
|-----------------------------|---|-------------------|
| | Fair Value | Level 1 |
| | | |
| <u>June 30, 2017</u> | | |
| Equities | \$ 256,284 | \$ 256,284 |
| Fixed Income | 170,144 | 170,144 |
| | | |
| Total | <u>\$ 426,428</u> | <u>\$ 426,428</u> |
| | | |
| <u>June 30, 2016</u> | | |
| Equities | \$ 275,622 | \$ 275,622 |
| Fixed Income | 200,329 | 200,329 |
| | | |
| Total | <u>\$ 475,951</u> | <u>\$ 475,951</u> |

The investments are comprised of two general components as follows:

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Controlled by and allocated at the discretion of the WVEMS Board of Directors | \$ 137,062 | \$ 129,781 |
| Dedicated to the Virginia EMS Symposium subject to oversight by the Virginia Department of Health Office of EMS | 289,366 | 346,170 |
| | | |
| | <u>\$ 426,428</u> | <u>\$ 475,951</u> |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

Note 3. Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following as of June 30:

| | <u>Estimated Useful Life</u> | <u>2017</u> | <u>2016</u> |
|----------------------------------|----------------------------------|-------------------|-------------------|
| Land | | \$ 201,600 | \$ 201,600 |
| Building | 39 years | 175,223 | 175,223 |
| Building improvements | 39 years | 74,793 | 74,793 |
| Communications equipment | 5-10 years | 147,761 | 147,761 |
| Office equipment | 5-10 years | 52,920 | 52,167 |
| Software | 3 years | 38,759 | 38,759 |
| Miscellaneous equipment | 5-10 years | 341,043 | 321,714 |
| Generator building and equipment | 15-20 years | 16,672 | 16,672 |
| | | 1,048,771 | 1,028,689 |
| Less accumulated depreciation | | <u>(473,009)</u> | <u>(446,595)</u> |
| | | <u>\$ 575,762</u> | <u>\$ 582,094</u> |

Note 4. Federal Grants

The Near Southwest Preparedness Alliance (NSPA) is a division within the Council. NSPA has received a grant passed through the Virginia Department of Health from the Department of Health and Human Services. This grant is a cooperative agreement entitled The Bioterrorism Hospital Preparedness Program. Under this grant, NSPA is to establish a regional emergency preparedness infrastructure for health care institutions in Southwest Virginia. They are also to purchase equipment and pharmaceuticals, which remain the property of the health care institutions, and to provide training on the proper use of this equipment. At June 30, 2017 and 2016, the amount due from the grantor was \$15,403 and \$11,504 representing 10% and 7% of accounts receivable at June 30, 2017 and 2016, respectively. Net assets temporarily restricted under the grant were \$167,772 and \$138,027 as of June 30, 2017 and 2016, respectively.

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

Note 5. Local Government Support

Local government support received by the Council is as follows:

| | 2017 | 2016 |
|------------------------|-------------|-------------|
| City of Roanoke | \$ 16,084 | \$ 16,084 |
| County of Roanoke | 15,433 | 15,433 |
| County of Montgomery | 13,111 | 13,111 |
| County of Pittsylvania | 11,391 | 11,391 |
| County of Franklin | 10,362 | 10,362 |
| City of Danville | 8,528 | 9,055 |
| County of Henry | 7,518 | 7,518 |
| County of Pulaski | 7,352 | 7,352 |
| County of Botetourt | 7,141 | 7,141 |
| City of Salem | 5,972 | 5,972 |
| County of Patrick | 5,089 | 5,089 |
| County of Giles | 4,958 | 4,958 |
| City of Radford | 4,816 | 4,816 |
| County of Alleghany | 4,775 | 4,775 |
| City of Martinsville | 4,435 | 4,435 |
| County of Floyd | 3,506 | 3,506 |
| City of Covington | 3,335 | 3,335 |
| County of Craig | 3,227 | 3,227 |
| | \$ 137,033 | \$ 137,560 |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 6. Functional Allocation of Expenses

Expenses incurred were:

| | 2017 | | |
|-----------------------------------|-----------------------------|-----------------------------------|--------------|
| | Program Services | Management and General | Total |
| Salaries | \$ 212,141 | \$ 177,495 | \$ 419,380 |
| NSPA expenses | 513,023 | - | 513,023 |
| VHHA expenses | 248,408 | - | 248,408 |
| Contracts for services | 139,751 | - | 139,751 |
| Symposium (Note 9) | 418,344 | 19,900 | 438,244 |
| Payroll tax and employee benefits | 82,436 | 41,842 | 124,278 |
| Salaries – education and testing | 50,036 | - | 50,036 |
| MRC expenses | 278 | - | 278 |
| CBA expenses | 3,856 | - | 3,856 |
| Special projects | 7,724 | - | 7,724 |
| Supplies and equipment | 28,740 | 11,418 | 40,158 |
| Depreciation | - | 31,586 | 31,586 |
| Utilities | 22,279 | - | 22,279 |
| Maintenance and repair | 18,036 | 287 | 18,323 |
| Travel, mileage, and lodging | 5,921 | 1,616 | 7,537 |
| Professional fees | 9,014 | - | 9,014 |
| Insurance | 4,121 | 10,494 | 14,615 |
| Telecommunications | 7,827 | 5,121 | 12,948 |
| Textbooks | 84,894 | - | 84,894 |
| Equipment rental | 8,100 | - | 8,100 |
| Staff development | 2,913 | 1,078 | 3,991 |
| Rent | 6,778 | - | 6,778 |
| Miscellaneous | 17,225 | - | 17,225 |
| Postage | 595 | 1,959 | 2,554 |
| Printing and publications | 381 | 1,151 | 1,532 |
| CISM conference and miscellaneous | 8,497 | - | 8,497 |
| Dues and membership | 120 | 1,261 | 1,381 |
| Inter-divisional rent | (18,000) | - | (18,000) |
| | \$ 1,883,438 | \$ 305,208 | \$ 2,188,646 |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 6. Functional Allocation of Expenses (Continued)

Expenses incurred were:

| | 2016 | | |
|-----------------------------------|-----------------------------|-----------------------------------|---------------------|
| | Program Services | Management and General | Total |
| Salaries | \$ 219,524 | \$ 191,796 | \$ 411,320 |
| NSPA expenses | 489,690 | - | 489,690 |
| VHHA expenses | 266,627 | - | 266,627 |
| Contracts for services | 115,935 | - | 115,935 |
| Symposium (Note 9) | 424,009 | 23,627 | 447,636 |
| Payroll tax and employee benefits | 78,092 | 33,636 | 111,728 |
| Salaries – education and testing | 37,971 | - | 37,971 |
| CBA expenses | 1,534 | - | 1,534 |
| Special projects | 15,312 | - | 15,312 |
| Supplies and equipment | 10,113 | 9,867 | 19,980 |
| Depreciation | - | 25,110 | 25,110 |
| Utilities | 21,260 | - | 21,260 |
| Maintenance and repair | 10,632 | 459 | 11,091 |
| Travel, mileage, and lodging | 6,350 | 1,309 | 7,659 |
| Professional fees | 11,430 | - | 11,430 |
| Insurance | 5,247 | 8,889 | 14,136 |
| Telecommunications | 7,395 | 5,919 | 13,314 |
| Textbooks | 63,300 | - | 63,300 |
| Equipment rental | 5,700 | - | 5,700 |
| Staff development | 13,410 | 857 | 14,267 |
| Rent | 6,492 | - | 6,492 |
| Miscellaneous | 10,847 | - | 10,847 |
| Postage | 285 | 1,419 | 1,705 |
| Printing and publications | - | 1,500 | 1,500 |
| CISM conference and miscellaneous | 1,585 | - | 1,585 |
| Dues and membership | 180 | 1,628 | 1,808 |
| Inter-divisional rent | (18,000) | - | (18,000) |
| | \$ 1,804,920 | \$ 306,016 | \$ 2,110,936 |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 7. Retirement Plan

The Council has a Simplified Employee Pension Plan covering all salaried employees who are at least 21 years of age, have received at least \$300 in compensation during the current year, and have completed one year of employment. This one year of employment is defined as having any portion of the year prior to the January 1 enrollment date. The Council contributes a 5% match of the employees' eligible contributions. The Council contributed \$30,128 and \$27,094 to the plan in 2017 and 2016, respectively.

Note 8. Compensated Absences

Each employee earns paid time off (PTO) in accordance with the Council's policies. At the end of each fiscal year, balances of PTO up to 200 hours are carried forward. At June 30, 2017 and 2016, the accrual for compensated balances was \$41,789 and \$36,702, respectively, and is included in accrued expenses on the statement of financial position.

Note 9. Symposium

During the year ended June 30, 2016, WVEMS assumed all assets and liabilities of Alliance for Emergency Medical Education and Research (AEMER). WVEMS is now responsible for the primary purpose of AEMER, the sponsorship of an annual education symposium for emergency medical providers in Virginia and elsewhere, and in particular for Virginia statewide emergency medical services.

Total revenues from the symposium for the year ended June 30, 2017 were \$349,015. Expenses incurred were:

| | 2017 | | |
|---------------------------|-----------------------------|-----------------------------------|--------------|
| | Program Services | Management and General | Total |
| Conference center | \$ 258,412 | \$ - | \$ 258,412 |
| Symposium event manager | 26,594 | - | 26,594 |
| Supplies | 10,173 | - | 10,173 |
| Discounts | 10,575 | - | 10,575 |
| Professional services | - | 19,900 | 19,900 |
| Printing and publications | 11,460 | - | 11,460 |
| Participant material | 10,267 | - | 10,267 |
| Contract labor | 22,196 | - | 22,196 |
| Symposium entertainment | 12,653 | - | 12,653 |
| Symposium scholarship | 5,000 | - | 5,000 |
| Planning | 2,007 | - | 2,007 |
| Travel | 49,007 | - | 49,007 |
| | \$ 418,344 | \$ 19,900 | \$ 438,244 |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 9. Symposium (Continued)

Total revenues from the symposium for the year ended June 30, 2016 were \$350,270. Expenses incurred were:

| | 2016 | | |
|---------------------------|-----------------------------|-----------------------------------|-------------------|
| | Program Services | Management and General | Total |
| Conference center | \$ 265,685 | \$ - | \$ 265,685 |
| Symposium event manager | 26,546 | - | 26,546 |
| Supplies | 8,989 | - | 8,989 |
| Discounts | 10,160 | - | 10,160 |
| Professional services | - | 23,553 | 23,553 |
| Printing and publications | 9,082 | - | 9,082 |
| Participant material | 6,259 | - | 6,259 |
| Contract labor | 18,174 | - | 18,174 |
| Symposium entertainment | 8,598 | - | 8,598 |
| Symposium scholarship | 10,000 | - | 10,000 |
| Planning | 13,235 | - | 13,235 |
| Miscellaneous | - | 74 | 74 |
| Travel | 47,281 | - | 47,281 |
| | <u>\$ 424,009</u> | <u>\$ 23,627</u> | <u>\$ 447,281</u> |

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017**

| Federal Grantor/Program Title | Federal CFDA/ Grant Number | Total Federal Financial Assistance |
|--|---|---|
| Pass Through from Virginia Department of Health | | |
| National Bioterrorism Hospital Preparedness Program | 93.889 | \$ <u>770,300</u> |
| Total Federal Awards | | \$ <u><u>770,300</u></u> |

Note: This schedule of expenditures was prepared on the accrual basis of accounting.



INDEPENDENT AUDITOR’S 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*

To the Board of Directors
Western Virginia Emergency Medical Services Council, Inc.
Roanoke, Virginia

We have audited, in accordance with the 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, the financial statements of Western Virginia Emergency Medical Services Council, Inc. (the “Council”), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November __, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control.

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 entity’s financial statements will not be prevented or detected and corrected on a timely basis. *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 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 that might be significant deficiencies or material weaknesses. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council’s 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 that are required to be reported under *Government Auditing Standards*.**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November __, 2017



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Western Virginia Emergency Medical Services Council, Inc.
Roanoke, Virginia

Report on Compliance for Each Major Federal Program

We have audited Western Virginia Emergency Medical Services Council, Inc.’s (the “Council”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council’s major federal programs for the year ended June 30, 2017. The Council’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Council’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. **We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November __, 2017

WESTERN VIRGINIA EMERGENCY MEDICAL SERVICES COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017**

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an **unmodified opinion** on the financial statements of Western Virginia Emergency Medical Services Council, Inc. (the “Council”).
2. **No significant deficiencies** relating to the audit of the financial statements are reported in the Independent Auditor’s 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*.
3. **No instances of noncompliance material** to the financial statements of the Council were disclosed during the audit.
4. **No significant deficiencies** relating to the audit of the major federal award program are reported in the Independent Auditor’s Report on Compliance with Requirements for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award program for the Council expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major program**.
7. The following program was tested as a major program:

| | |
|---|--------|
| National Bioterrorism Hospital Preparedness Program | 93.889 |
|---|--------|
8. The **threshold** for distinguishing Types A and B programs was **\$750,000**.
9. **The Council was determined not to be a low-risk auditee.**

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.