

West Virginia Emergency Medical Services' Retirement System

*Administered by
The West Virginia Consolidated Public Retirement Board*

2019

**Audited Schedules of Employer
Allocations and Pension Amounts
by Employer**

Serving Those Who Serve West Virginia



Fiscal Year Ended June 30, 2019

West Virginia Emergency Medical Services' Retirement System
Audited Schedules of Employer Allocations and Pension Amounts By Employer
As of and for the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
West Virginia Consolidated Public Retirement Board
Charleston, West Virginia

Report on the Schedules

We have audited the accompanying schedule of employer allocations of the West Virginia Emergency Medical Services' Retirement System (EMSRS), administered by the West Virginia Consolidated Public Retirement Board, as of and for the year ended June 30, 2019, and the related notes. We have also audited the total for all entities of the columns titled net pension asset (liability), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of the EMSRS as of and for the year ended June 30, 2019, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension asset (liability), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the total of all participating entities for the West Virginia Emergency Medical Services' Retirement System, as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the West Virginia Consolidated Public Retirement Board as of and for the year ended June 30, 2019, and our report thereon dated October 15, 2019, expressed an unmodified opinion on those financial statements.

Restrictions on Use

Our report is intended solely for the information and use of the West Virginia Consolidated Public Retirement Board, the West Virginia Emergency Medical Services' Retirement System's participating employers and their auditors and is not intended to be used by anyone other than these specified parties.



Charleston, West Virginia
March 5, 2020

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

Schedule of Employer Allocations

As of and for the Year Ended June 30, 2019

<u>Employer Name</u>	<u>Employer Contributions</u>	<u>Employer Allocation Percentage</u>
Berkeley County Emergency Ambulance Authority	\$ 218,802	7.724897%
Boone County Ambulance Authority	175,185	6.184981%
Brooke County Emergency Medical Services	32,090	1.132951%
Cabell County Emergency Medical Services	547,530	19.330779%
Clay County Emergency Ambulance Services	15,435	0.544939%
Gilmer County Ambulance Service	26,666	0.941454%
Jackson County Emergency Medical Services	174,285	6.153206%
Jefferson County Emergency Services Agency	156,121	5.511918%
Kanawha County Emergency Ambulance Authority	802,549	28.334332%
Logan County Emergency Ambulance Service Authority	166,786	5.888450%
Putnam County Emergency Medical Services	190,027	6.708984%
Randolph County Emergency Squad	144,310	5.094926%
Weston-Lewis County Emergency Ambulance Service Authority	65,224	2.302761%
Wetzel County Emergency Ambulance Authority	56,524	1.995604%
Grant County Ambulance	60,892	2.149818%
	<u>\$ 2,832,426</u>	<u>100.000000%</u>

The accompanying notes are an integral part of this schedule

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

Schedule of Pension Amounts by Employer

As of and for the Year Ended June 30, 2019

Employer	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense			
	Net Pension Asset (Liability)	Differences Between Expected and Actual Experience	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Allocable Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions	
Berkeley County Emergency Ambulance Authority	\$ 350,865	\$ 77,481	\$ 28,307	\$ 105,788	\$ (194,436)	\$ (69,601)	\$ (22,248)	\$ (304,298)	\$ 37,852	\$ 3,069	\$ 40,921	
Boone County Ambulance Authority	280,922	62,035	17,274	79,309	(155,676)	(55,727)	(17,813)	(270,703)	30,306	(8,004)	22,302	
Brooke County Emergency Medical Services	51,459	11,363	13,601	24,964	(28,516)	(10,208)	(3,263)	(48,183)	5,551	3,591	9,142	
Cabell County Emergency Medical Services	878,004	193,888	53,239	247,127	(486,556)	(174,170)	(55,673)	(734,866)	94,721	14,478	109,199	
Clay County Emergency Ambulance Services	24,751	5,466	7,691	13,157	(13,716)	(4,910)	(1,569)	(21,803)	2,670	2,633	5,303	
Gilmer County Ambulance Service	42,761	9,443	3,280	12,723	(23,696)	(8,483)	(2,711)	(49,947)	4,613	(3,212)	1,401	
Jackson County Emergency Medical Services	279,479	61,717	40,632	102,349	(154,876)	(55,440)	(17,721)	(234,593)	30,151	14,198	44,349	
Jefferson County Emergency Services Agency	250,351	55,285	48,005	103,290	(138,735)	(49,662)	(15,874)	(216,144)	27,008	12,515	39,523	
Kanawha County Emergency Ambulance Authority	1,286,945	284,192	3,797	287,989	(713,177)	(255,293)	(81,604)	(1,192,695)	138,840	(55,053)	83,787	
Logan County Emergency Ambulance Service Authority	267,453	59,061	18,902	77,963	(148,212)	(53,055)	(16,959)	(233,228)	28,853	(10)	28,843	
Putnam County Emergency Medical Services	304,722	67,291	10,892	78,183	(168,865)	(60,448)	(19,322)	(267,934)	32,874	(2,886)	29,988	
Randolph County Emergency Squad	231,412	51,102	20,570	71,672	(128,239)	(45,905)	(14,673)	(191,539)	24,965	6,790	31,755	
Weston-Lewis County Emergency Ambulance Service Authority	104,591	23,097	12,370	35,467	(57,960)	(20,748)	(6,632)	(86,969)	11,284	3,709	14,993	
Wetzel County Emergency Ambulance Authority	90,640	20,016	3,173	23,189	(50,229)	(17,980)	(5,747)	(77,432)	9,778	214	9,992	
Grant County Ambulance	97,645	21,563	22,273	43,836	(54,111)	(19,370)	(6,191)	(79,672)	10,534	7,968	18,502	
	\$ 4,542,000	\$ 1,003,000	\$ 304,006	\$ 1,307,006	\$ (2,517,000)	\$ (901,000)	\$ (288,000)	\$ (4,010,006)	\$ 490,000	\$ -	\$ 490,000	

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER

1 - NATURE OF ENTITY

The Emergency Medical Services Retirement System (EMSRS) is a multiple employer defined benefit cost sharing retirement system. The EMSRS Act was passed by the Legislature in March 2007. The legislation provided for a voluntary participation election of eligible emergency medical service officers and mandated that certain participation levels be reached by December 31, 2007, in order for the provisions of EMSRS to become effective. At the close of the election period, fifteen licensed EMS public employers, consisting of twelve eligible Public Employees Retirement System (PERS) political subdivisions and three eligible Non-PERS political subdivisions, passed corporate resolutions to become participating public employers of this retirement system. Statewide, over five hundred eligible Emergency Medical Services Officers elected to opt into this new retirement plan. The WV Emergency Medical Services Retirement System (EMSRS) became effective January 1, 2008.

During fiscal year 1991, the West Virginia State Legislature created the Consolidated Public Retirement Board (the Board) to administer nine of the State of West Virginia's ten retirement plans. The Board is managed by a Board of Trustees, which consists of, by virtue of their position, the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration, together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: four residents of the State who are not participants in the retirement plans, one State and one non-State employee participant in the Public Employees' Retirement System, and one participant each from the other seven defined benefit plans administered by the Board.

Chapter 16, Article 5V of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction - The Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB Statement No. 68 requires governmental employers to recognize a net pension liability and/or a net pension asset as employees earn pension benefits. Governments participating in EMSRS will recognize their proportionate share of the collective pension amounts for all benefits provided through the plan.

Basis of Accounting - The schedules of employer allocations and pension amounts by employer of the EMSRS have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for governmental units.

Basis of Allocation - Pension amounts have been allocated to each participating employer based on their proportionate share of employer contributions to the EMSRS for the fiscal year ended June 30, 2019. Employer contributions are recognized when due. Retroactive service, military service, out of state service, and back pay employer contributions related to prior fiscal years have been excluded from the allocation.

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER

(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates - The preparation of the schedule of employer allocations and pension amounts by employer in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net pension asset, deferred inflows of resources, deferred outflows of resources, and pension expense as of the measurement date. Actual amounts could differ from those estimates.

Investments - All defined benefit plan funds not required to meet disbursement needs are invested in accordance with the West Virginia Code, as well as policies established by the West Virginia Investment Management Board (WVIMB). The WVIMB has established various investment pools to provide for the investment of the defined benefit plans' assets. These investment pools are structured as multiparticipant variable net asset funds.

The WVIMB was organized on April 25, 1997, as a public body corporate created by *West Virginia Code Section 12-6-1* to provide prudent fiscal administration and investment management services to designated state pension funds, the state's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other state government funds. The WVIMB is governed by a Board of Trustees, consisting of thirteen members. The Governor, the State Auditor, and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other WVIMB Trustees for a term of six years.

Measurement Date - Net pension asset, deferred inflows of resources, deferred outflows of resources, and pension expense were determined by actuarial valuations as of July 1, 2018 rolled forward to June 30, 2019, which is the measurement date.

3 - AMORTIZATION

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in these schedules are amortized and included in pension expense over the average expected remaining service life of 4.58 years.

The amortization of the deferred outflows and deferred inflows related to changes in the proportionate share of contributions from year to year each entity is available from the West Virginia Consolidated Public Retirement Board.

Information regarding the amortization of deferred outflows and deferred inflows of resources related to pension amounts are as follows.

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER

(Continued)

3 - AMORTIZATION (Continued)

Net Difference Between Protected and Actual Investment Earnings on Pension Plan Investments (in thousands, excluding the recognition period):

<u>Measurement date June 30</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ (4,456)	\$ 1,969	\$ 4,393	\$ (4,914)	\$ (1,406)	\$ 1,287			
Recognition period (years)	5.00	5.00	5.00	5.00	5.00	5.00			
Amount recognized in									
fiscal year:									
2014	\$ (892)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (892)	\$ (892)
2015	(892)	394	-	-	-	-	394	(892)	(498)
2016	(892)	394	879	-	-	-	1,273	(892)	381
2017	(892)	394	879	(983)	-	-	1,273	(1,875)	(602)
2018	(888)	394	879	(983)	(282)	-	1,273	(2,153)	(880)
2019	-	393	879	(983)	(282)	258	1,530	(1,265)	265
2020	-	-	877	(983)	(282)	258	1,135	(1,265)	(130)
2021	-	-	-	(982)	(282)	258	258	(1,264)	(1,006)
2022	-	-	-	-	(278)	258	258	(278)	(20)
2023	-	-	-	-	-	255	255	-	255
Balance as of June 30:									
2014	\$ (3,564)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,564)	\$ (3,564)
2015	(2,672)	1,575	-	-	-	-	1,575	(2,672)	(1,097)
2016	(1,780)	1,181	3,514	-	-	-	4,695	(1,780)	2,915
2017	(888)	787	2,635	(3,931)	-	-	3,422	(4,819)	(1,397)
2018	-	393	1,756	(2,948)	(1,124)	-	2,149	(4,072)	(1,923)
2019	-	-	877	(1,965)	(842)	1,029	1,906	(2,807)	(901)
2020	-	-	-	(982)	(560)	771	771	(1,542)	(771)
2021	-	-	-	-	(278)	513	513	(278)	235
2022	-	-	-	-	-	255	255	-	255

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER

(Continued)

3 - AMORTIZATION (Continued)

Differences Between Expected and Actual Experience (in thousands, excluding the recognition period):

<u>Measurement date June 30</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ (1,067)	\$ 724	\$ (1,079)	\$ 1,147	\$ (2,208)			
Recognition period (years)	8.00	7.80	4.74	4.63	4.58			
Amount recognized in fiscal year:								
2015	\$ (134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (134)	\$ (134)
2016	(134)	93	-	-	-	93	(134)	(41)
2017	(134)	93	(228)	-	-	93	(362)	(269)
2018	(134)	93	(228)	248	-	341	(362)	(21)
2019	(134)	93	(228)	248	(483)	341	(845)	(504)
2020	(134)	93	(228)	248	(483)	341	(845)	(504)
2021	(134)	93	(167)	248	(483)	341	(784)	(443)
2022	(129)	93	-	155	(483)	248	(612)	(364)
2023	-	73	-	-	(276)	73	(276)	(203)
Balance as of June 30:								
2015	\$ (933)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (933)	\$ (933)
2016	(799)	631	-	-	-	631	(799)	(168)
2017	(665)	538	(851)	-	-	538	(1,516)	(978)
2018	(531)	445	(623)	899	-	1,344	(1,154)	190
2019	(397)	352	(395)	651	(1,725)	1,003	(2,517)	(1,514)
2020	(263)	259	(167)	403	(1,242)	662	(1,672)	(1,010)
2021	(129)	166	-	155	(759)	321	(888)	(567)
2022	-	73	-	-	(276)	73	(276)	(203)

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER

(Continued)

3 - AMORTIZATION (Continued)

Change in Assumptions (in thousands, excluding the recognition period):

<u>Measurement date June 30</u>	<u>2017</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ (792)			
Recognition period (years)	4.74			
Amount recognized in fiscal year:				
2017	\$ (168)	\$ -	\$ (168)	\$ (168)
2018	(168)	-	(168)	(168)
2019	(168)	-	(168)	(168)
2020	(168)	-	(168)	(168)
2021	(120)	-	(120)	(120)
Balance as of June 30:				
2017	\$ (624)	\$ -	\$ (624)	\$ (624)
2018	(456)	-	(456)	(456)
2019	(288)	-	(288)	(288)
2020	(120)	-	(120)	(120)

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER
(Continued)

4 - PENSION EXPENSE

The components of pension expense for the year ended June 30, 2019 (in thousands):

Service cost	\$ 3,272
Interest cost	5,911
Projected earnings on plan investments	(5,984)
Employee contributions	(2,302)
Recognition of current period deferred outflows/inflows:	
Differences between expected and actual experience	(483)
Differences between projected and actual investment earnings	258
Recognition of prior years' deferred outflows/inflows:	
Changes in assumptions	(168)
Differences between expected and actual experience	(21)
Differences between projected and actual investment earnings	<u>7</u>
Total pension expense	<u>\$ 490</u>

The average of the expected remaining service lifetime of actives and inactive members as of July 1, 2018, which is 4.58 years

5 - NET PENSION ASSET (LIABILITY) AND ACTUARIAL INFORMATION

The net pension asset (NPA) is the portion of the actuarial present value of projected benefit payments related to past periods. The NPA for the employers is based on the allocation percentages from the Schedule of Employer Allocations.

The components of the net pension asset (liability) as of June 30, 2019, are as follows (in thousands):

Total Pension Liability	\$ (80,427)
Fiduciary Net Position	<u>84,969</u>
Net Pension Asset (Liability)	<u>\$ 4,542</u>
Fiduciary Net Position as a percent of Total Pension Liability	105.65%

WEST VIRGINIA EMERGENCY MEDICAL SERVICES' RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER
(Continued)

5 - NET PENSION ASSET (LIABILITY) AND ACTUARIAL INFORMATION (Continued)

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019 using the actuarial assumptions and methods described, as follows:

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2038
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	By age from 4.75% at age 30; declining to 3.25% at age 65
Inflation rate	3.00%
Discount rate	7.50%
Mortality rates	Active - 100% of RP-2014 Non-Annuitant tables (sex-distinct), Scale MP-2016 fully generational Healthy Male Retirees - 103% of RP-2014 Male Healthy Annuitant table, Scale MP-2016 fully generational Healthy Female Retirees - 100% of RP-2014 Female Healthy Annuitant tables, Scale MP-2016 fully generational Disabled Males - 100% of RP-2014 Male Disabled Annuitant table, Scale MP-2016 fully generational Disabled Females - 100% of RP-2014 Female Disabled Annuitant table, Scale MP-2016 fully generational
Withdrawal rates	6.00% - 28.00%
Disability rates	0.04% - 0.60%
Retirement rates	25% - 100%
Date range in most recent experience study	2011-2016

6 - SENSITIVITY OF THE NET PENSION ASSET (LIABILITY) TO CHANGE IN THE DISCOUNT RATE

Sensitivity of Discount Rate	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total net pension asset (liability)	<u>\$ (7,398,000)</u>	<u>\$ 4,542,000</u>	<u>\$ 14,234,000</u>