

## bhm cpa group, inc. certified public accountants

#### AUDIT REPORT OF BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY BERKELEY COUNTY, WEST VIRGINIA REGULAR AUDIT

For the Year Ended June 30, 2019 Fiscal Year Audited Under GAGAS: 2019

## BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY SCHEDULE OF FUNDS INCLUDED IN THE REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

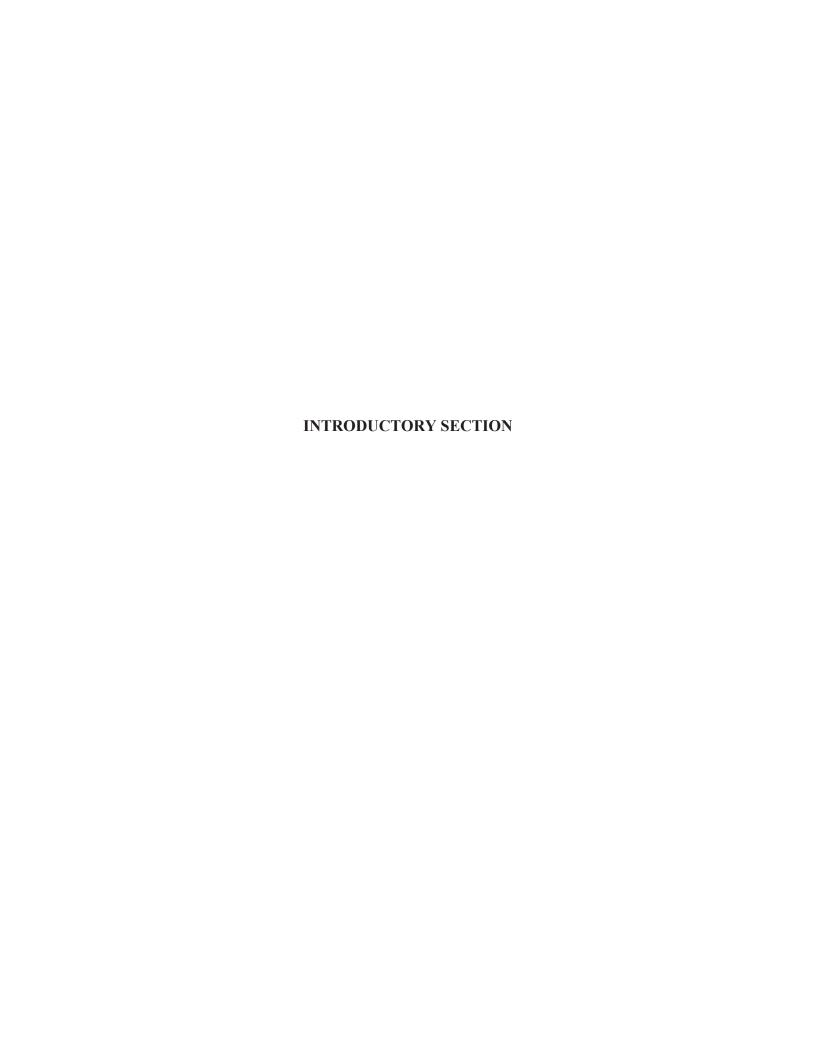
#### **GOVERNMENTAL FUND TYPES**

#### **MAJOR FUNDS**

General

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### BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY BOARD MEMBERS

For the Fiscal Year Ended June 30, 2019

OFFICE NAME

President: David Irvin
Vice President: Mike McGinnis
Board Members: Bill Polk
John Taylor
Nicholas Diehl

Sandy Hamilton

County Council Representative: Douglas Copenhaver, Jr. EMS Director Brian Costello





#### **Independent Auditor's Report**

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

To the Board of Directors:

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Berkeley County Emergency Ambulance Authority, Berkeley County, West Virginia (the Authority), which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in fund net position, and cash flows for the year then ended and notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

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

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

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

Board of Directors Berkeley County Emergency Ambulance Authority Berkeley County, West Virginia Independent Auditor's Report Page 2

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Berkeley County Emergency Ambulance Authority, Berkeley County, West Virginia, as of June 30, 2019, and the changes in its net position and cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

#### Required Supplementary Information

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

#### Supplementary and Other Information

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BHM CPA Group, Inc Huntington, West Virginia February 28, 2020

BHM CPA Group

The discussion and analysis of the Berkeley County Emergency Ambulance Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Authority's financial statements.

#### **FINANCIAL HIGHLIGHTS**

The Authority's net position increased \$0.6 million as a result of this year's operations or 11 percent compared to the previous year.

The Authority's operating revenues remained constant at \$5.0 million compared with the previous year and operating expenses increased by \$0.1 million or 2 percent compared to the previous year.

Operating income decreased by \$0.1 million or 13 percent compared to the previous year.

The Authority completed construction of Station 97 during 2019 and placed the facility in service on June 22, 2019. The total cost of the facility including the original purchase of land and building and furnishing the facility was \$2.7 million. The purchase and construction were financed by a \$2.1 million bank loan and internal funding.

The Authority purchased \$1.3 million of equipment and vehicles during 2019. The purchases consisted of 4 ambulances, 1 duty vehicle, and medical equipment. During 2018, the Authority purchased 2 ambulances and medical equipment for \$0.5 million.

Fixed debt obligations were \$2.0 million for 2019 compared to \$0.3 million for 2018. For 2019, the Authority financed \$1.8 million of Station 97 construction with note payable proceeds. For 2018, the Authority financed 2 new ambulances and financed design and permitting for Station 97 with \$0.1 million of note proceeds.

#### **USING THIS ANNUAL REPORT**

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

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

#### 2 Financial Statements

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

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

#### **USING THIS ANNUAL REPORT (continued)**

#### Financial Statements (continued)

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

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

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

#### Notes to Financial Statements

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

#### REPORTING THE AUTHORITY AS A WHOLE

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

Table 1 - Net Position (in Millions)

	2019	2018
Current and other assets Capital assets	\$ 2.9 6.0	\$ 3.4 2.8
Total assets	8.9	6.2
Deferred outflow of resources	0.4	0.3
Total assets and deferred outflows	\$ 9.3	\$ 6.5

#### REPORTING THE AUTHORITY AS A WHOLE (continued)

Table 1 - Net Position (in Millions) (continued)

	2019	2018
Debt outstanding	\$ 2.0	\$ 0.3
Other liabilities	0.8	0.3
Total liabilities	2.8	0.6
Deferred inflow of resources	0.3	0.3
Total liabilities and deferred inflows	3.1	0.9
Net position:		
Net investment in capital assets	3.7	2.5
Restricted	₩.	-
Unrestricted	2.5	3.1
Total net position	6.2	5.6
Total liabilities, deferred inflows and net position	\$ 9.3	\$ 6.5

Net position of the Authority increased by 11 percent (\$0.6 million). Unre.stricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased from \$3.1 million at June 30, 2018, to \$2.5 million at the end of this year.

The Authority's investment in capital assets was \$6.0 million for 2019. Investment in capital assets increased by \$3.2 million or 114 percent compared to the previous year, primarily as a result of Station 97 construction and the purchasing new ambulances and equipment. The Authority uses these capital assets to provide ambulance, life support, and transport services to its users; consequently, these assets are not available for future spending.

The Authority's collective net pension (assets) liabilities decreased \$0.2 million compared to the previous year. Pension related deferred outflows increased \$0.1 million or 33 percent from 2018 to 2019. Pension related deferred inflows remained constant at \$0.3 million compared to the previous year.

#### REPORTING THE AUTHORITY AS A WHOLE (continued)

Table 2 - Changes in Net Position (in Millions)

	2019	2018
Operating revenues Operating expenses	\$ 5.0 4.3	\$ 5.0 4.2
Operating income Non-operating	0.7	0.8
revenues (expenses)	(0.1)	
Changes in net position	\$ 0.6	\$ 0.8

The Authority's operating revenues remained constant at \$5.0 million compared to the previous year. The operating expenses increased by \$0.1 million compared to the previous year or 2 percent.

#### **BUDGETARY HIGHLIGHTS**

For the year ended June 30, 2019, budgets were prepared by the Authority and were approved by the Authority's Board of Directors. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the modified cash basis of accounting which is different than generally accepted accounting principles used to prepare the basic financial statements.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At June 30, 2019, the Authority had \$6.0 million invested in a broad range of capital assets, including land, buildings, medical equipment, and medical transport and other vehicles (see Table 3 below). This amount represents a net increase (including additions and disposals) of \$3.2 million, primarily as a result of 2019 construction and purchases of vehicles and equipment.

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

	2019	2018
Capital assets not depreciated - land and construction in progress Capital assets depreciated	\$ 0.5 7.4	\$ 0.7 3.7
Totals	7.9	4.4
Accumulated depreciation	(1.9)	(1.6)
Capital assets, net of depreciation	\$ 6.0	\$ 2.8

#### CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

#### Capital Assets (continued)

Major capital additions during the year ended June 30, 2019:

Station 97 Construction  Medical Equipment	\$	2.3 0.5
4 Ambulances and 1 Duty Vehicle		0.8
Total additions	\$\$	3.6
Major capital additions during the year ended June 30, 2018:		
Mobile Tablets and Portable Radios 2 Ford Ambulances Station 97 Design and permitting	\$	0.1 0.4 0.2
Total additions	\$	0.7
Major capital dispositions during the year ended June 30, 2019:	3	
Medical equipment Land		0.05
Total dispositions	\$	0.1
Total dispositions  Major capital dispositions during the year ended June 30, 2018:	. \$	0.1
	\$	0.1 0.1 0.1

#### Debt

At year-end, the Authority had \$2.0 million in bank debt outstanding compared to \$0.3 million for the previous year.

The debt resulted from a note payable used to finance the purchase of two new ambulances and a note used to finance construction of Station 97.

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

#### **ECONOMIC FACTORS**

The Authority's appointed officials considered many factors when setting the fiscal-year 2019 budget. One of those factors was the economy. The County's population has a direct impact on the Authority's economic growth.

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

#### CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

#### Berkeley County Emergency Ambulance Authority STATEMENT OF NET POSITION June 30, 2019

#### ASSETS AND DEFERRED OUTFLOWS

#### **ASSETS**

Current Assets		
Cash and cash equivalents	\$	2,119,520
Accounts receivable, net		500,851
Inventory of medical supplies		5,000
Prepaid expenses and deposits		108,182
Total current assets		2,733,553
Property Plant & Equipment		
Land		536,210
Land improvements		481,478
Buildings		2,768,751
Medical transport and other vehicles		2,462,701
Medical equipment		1,348,323
Other equipment		74,242
Furniture and fixtures		177,221
Office equipment		25,797
		7,874,723
Accumulated depreciation and amortization	-	(1,859,204)
Total property, plant and equipment	_	6,015,519
Other Assets		
Collective net pension assets		126,298
Total assets	_	8,875,370
Deferred Outflows of Resources		
Defined benefit pension plan contributions		240,050
Collective deferred outflows related to pensions		142,934
Total deferred outflows	_	382,984
Total assets and deferred outflows	\$	9,258,354

See notes to the financial statements.

#### Berkeley County Emergency Ambulance Authority STATEMENT OF NET POSITION (continued) June 30, 2019

#### LIABILITIES, DEFERRED INFLOWS AND NET POSITION

#### **LIABILITIES**

Current Liabilities		
Accounts payable - trade	\$	113,268
Accounts payable - construction		313,118
Compensation liabilities		110,762
Notes payable (due within one year)	_	196,108
Total current liabilities		733,256
Long-term Liabilities		
Notes payable (less current portion above)		1,824,496
Accrued compensated absences		125,454
Collective net pension liabilities		33,675
Total long-term liabilities		1,983,625
Total liabilities		2,716,881
Deferred Inflows of Resources		
Collective deferred inflows related to pensions		317,109
Collective deletted littlows related to perisions	-	317,109
Total liabilities and deferred inflows	3	3,033,990
NET POSITION		
NET I GOINGN		
Net investment in capital assets	3	3,681,797
Unrestricted	2	2,542,567
Total net position	6	5,224,364
Total liabilities, deferred inflows and net position	\$ 9	,258,354
•		

See notes to the financial statements.

# Berkeley County Emergency Ambulance Authority STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITON For the year ended June 30, 2019

OPERATING REVENUES AND SUPPORT		
Direct billing fees	\$	2,497,737
Service fees	Ψ	2,452,278
Other		35,564
Other	_	33,304
Total operating revenues and support		4,985,579
OPERATING EXPENSES		
Compensation and benefits		3,178,288
Transport, vehicle, and equipment expense		178,415
Facilities		109,771
Supplies		178,277
Insurance and taxes		117,450
Administration		225,199
Depreciation and amortization		333,391
•		
Total operating expenses		4,320,791
Operating support and revenues		
less operating expenses		664,788
NON-OPERATING SUPPORT AND		
REVENUES(EXPENSES)		
Donations received		16
Loss on disposition of assets		(35,082)
Interest income		31,049
Interest and financing expense		(30,336)
3 1	-	(==,===)
Total non-operating support and		
revenues (expenses)		(34,353)
(enpended)		(0.,000)
Change in net position		630,435
		000,100
NET POSITION AT BEGINNING OF YEAR		5,593,929
	-	
NET POSITION AT END OF YEAR	\$	6,224,364
	=	

#### Berkeley County Emergency Ambulance Authority STATEMENT OF CASH FLOWS For the year ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES  Cash received from revenues and support  Cash payments for goods and services  Cash payments for employee services	\$ 5,085,018 (766,128) (3,435,564)
Net cash provided operating activities	883,326
CASH FLOWS FROM INVESTING ACTIVITIES Interest received Donations received	31,049 16
Net cash provided investing activities	31,065
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Proceeds from sale of capital assets Expenditures for purchase of capital assets Proceeds from notes payable Note principal payments Interest and financing costs paid	2,500 (3,254,725) 1,821,056 (102,479) (30,336)
Net cash used in capital and related financing activities	(1,563,984)
Net decrease in cash	(649,593)
CASH AT BEGINNING OF YEAR	2,769,113
CASH AT END OF YEAR	\$ 2,119,520

#### Berkeley County Emergency Ambulance Authority STATEMENT OF CASH FLOWS (continued) For the year ended June 30, 2019

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

Operating support and revenues less operating expenses	\$ 664,788
Adjustments to reconcile operating support and	
revenues less operating expenses to net cash	
provided by operating activities:	
Depreciation and amortization	333,391
Change in operating assets and liabilities:	
Decrease (increase) in accounts receivable	99,439
Decrease (increase) in prepaid expenses and deposits	(73,712)
Decrease (increase) in pension deferred outflows	(106,699)
Increase (decrease) in accounts payable	75,986
Increase (decrease) in compensation liabilities	28,971
Increase (decrease) in net pension assets and liabilities	(166,882)
Increase (decrease) in pension deferred inflows	28,044
Net cash provided by operating activities	\$ 883,326

## SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

Noncash investing, capital, and financing transactions:

Construction of new station financed by accounts payable \$ 313,118

See notes to the financial statements.

#### NOTE 1: DESCRIPTION OF REPORTING ENTITY

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

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

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

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

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

The accompanying financial statements include all accounts of Authority operations.

#### NOTE 2: BASIS OF ACCOUNTING

#### Basis of Presentation

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

#### Measurement Focus and Basis of Accounting

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

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

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

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

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

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

#### Public Body

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

#### Ambulance Service Fees

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

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

Upon receipt of the Authority's estimated budget, the President of the Authority shall request the Assessor provide the Authority's office with a list of all residential "living units." The annual rate established by Ordinance was \$60 per residential living unit for the year ended June 30, 2019.

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

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

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

#### Allowance for Doubtful Accounts

The Authority uses the allowance method of providing for uncollectible accounts. The allowance amounted to \$2,239,791 at June 30, 2019.

#### Property, Plant and Equipment

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

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

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

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

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

#### Capitalized Interest

During the year ended June 30, 2019, the Authority implemented GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. No interest was capitalized during the year ended June 30, 2019.

#### **Estimates**

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

#### Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Authority considers all cash accounts and all highly liquid debt instruments purchased with an original maturity of three months or less, to be cash equivalents.

#### Contributions of Goods and Services

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

#### Compensated Absences

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

#### Inventory

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

#### Net Position

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

- a. Net investment in capital assets Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position Consists of net position with constraints placed on its use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation. There was no restricted net position at June 30, 2019.
- c. Unrestricted net position Net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

#### Deferred Outflows and Inflows of Resources

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

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

#### Net Service Revenue

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

#### Operating Revenues

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

#### **Pensions**

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

#### NOTE 4: NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 84, *Fiduciary Activities*, provides guidance to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement 84 will be effective for fiscal year ending June 30, 2020.

GASB Statement No. 87, Leases, aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement 87 will be effective for the fiscal year ending June 30, 2021.

#### NOTE 4: NEW ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 90, *Majority Equity Interests* - *an amendment of GASB Statements No. 14 and No. 61* seeks to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Statement 90 will be effective for fiscal year ending June 30, 2020.

GASB Statement No. 91, *Conduit Debt Obligations* seeks to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement 91 will be effective for fiscal year ending June 30, 2022.

The Authority has not yet determined the effect these Statements will have on its financial statements.

#### NOTE 5: CASH AND CASH EQUIVALENTS

Cash deposits in bank checking accounts	\$ 105,044
Money market accounts	1,780,878
Construction account	232,598
Cash on hand	1,000
Total cash and cash equivalents	\$2,119,520

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's deposits at June 30, 2019, were covered under federal depository insurance or fully collaterized by securities held by custodial banks in the Authority's name for deposits in excess of federal depository insurance limits.

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

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

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

#### Public Employees Retirement System (PERS)

Eligibility to participate					except those
	COV	ered bv oth	er bension	blans	

	coronea by carer periods.	
Authority establishing contribution		

State Statute

Tier 1 Plan member's contribution rate	4.50% (Employees hired before July 1, 2015)

Tier 2 Plan member's contribution rate	6.00% (Employees hired after July 1, 2015)
	(   )

Authority's contribution rate	10.00% for fiscal year 2019
Pariod required to yest	5 years for tier 1 and 10 years for tier 2

renou required to vest	5 years for tier	ranu	10 years for tier 2	

A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average
salary (three highest consecutive years in the last 15) times the years of service times 2% equals the

Tier 1

annual retirement benefit.

#### Tier 2

Qualification for normal retirement is age 62 with 10 years of service or at least age 55 plus service years equal to 80 or greater. The final average salary is the average of the five consecutive highest annual earnings years out of the last fifteen years. The final average salary times the years of service times 2% equals the annual retirement benefit.

Deferred	retirement	nortion	Nb	

Provisions for:	
Cost of living	No
Death benefits	Yes

obligations and benefit provisions

Benefits and eligibility for distribution

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

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

Eligibility to participate

Any emergency medical service\_s officer first employed after the effective date and any emergency medical service officers hired prior to the effective date who elect to become members.

Authority establishing contribution obligations and benefit provisions

State Statute

Plan member's contribution rate

8.5%

Authority's contribution rate

10.50%

Period required to vest

Five Years

Benefits and eligibility for distribution

A member who has attained age 50 and has earned 20 or more years of contributing service; or age 50 when age plus contributory service equals 70 while still in covered employment; or the attainment of age 60 and completion of 10 years contributory service while still in covered employment; or attainment of age 62 and completion of 5 years of contributory service. The final average salary is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (January 1 - December 31) within the last 10 years of service.

Emergency Medical Convince

Deferred retirement portion

No deferred retirement option is available.

Provisions for: Cost of living Death benefits

No Yes

Dublic Employees

#### Trend Information

	R	Retirement System (PERS)			Retirement System (EMSRS)			
	Annua	al Pension		Annu	ıal Pension			
	Cor	ntractual	Percentage	Co	ntractual	Percentage		
Fiscal Year		Cost	Contributed	Cost		Contributed		
: <del></del>								
2019	\$	21,247	100%	\$	218,802	100%		
2018	\$	19,818	100%	\$	207,987	100%		
2017	\$	20,651	100%	\$	181,678	100%		

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

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

At June 30, 2019, the Authority reported the following (assets) liabilities for its proportionate share of the net pension (assets) liabilities. The net pension (assets) liabilities were measured as of June 30, 2018, and the total pension (assets) liabilities used to calculate the net pension (assets) liabilities were determined by an actuarial valuation as of that date. The Authority's proportions of the net pension (assets) liabilities were based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the Authority reported the following proportions and increase/decreases from proportions measured as of June 30, 2016:

	F	PERS	EMSRS
Amount for proportionate share of net pension (asset) liability	\$	33,675	\$ (126,298)
Percentage for proportionate share of net pension (asset) liability	0.	.013039%	7.544689%
Increase/(decrease) % from prior proportion measured	0.	.000504%	1.187552%

For the year ended June 30, 2019, the Authority recognized the following pension expenses:

	F	PERS	EMS RS	
Pension expense	\$	(4,940)	\$	150

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

#### Public Employees Retirement System (PERS)

			red Inflows esources
\$	*	\$	19,816
	1,670		83
	1,960		5,188
	21,247		-
,		X=====	
\$	24,877	\$	25,087
	of R	1,670 1,960 21,247	of Resources of R \$ 1,670  1,960  21,247

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

The amount reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30

Total	\$	(21,457)
2023	_	(3,355)
2022		(13,960)
2021		(3,145)
2020	\$	(997)

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

		d Outflows esources	Deferred Inflows of Resources		
Net difference between projected and actual investment earnings on pension plan investments	\$		\$	145,084	
	φ	404 404	Ф	•	
Difference between expected and actual experience		101,401		87,066	
Changes in proportion and differences between					
Authority contributions and proportionate share of					
contributions		37,903		25,468	
Changes in assumptions				34,404	
Authority contributions subsequent to the					
measurement date		218,803			
	\$	358,107	\$	292,022	

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

The amount reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Year ended June 30

2020	\$ (10,866)
2021	(40,657)
2022	(98,583)
2023	(7,379)
2024	4,767
Total	\$ (152,718)

#### Summary of Deferred Outflow/Inflow Balances

	Total	PERS	EMSRS
Difference between expected and actual experience	\$ 15,922	\$ 1,587	\$ 14,335
Changes in assumptions	(34,404)	-	(34,404)
Net difference between projected and actual earnings			
on pension plan investments	(164,900)	(19,816)	(145,084)
Changes in proportion and differences between			
Authority contributions and proportionate			
share of contributions	9,207	(3,228)	12,435
Contributions subsequent to the measurement			
date	240,050	21,247	218,803
	\$ 65,875	\$ (210)	\$ 66,085

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

#### Actuarial Assumptions and Methods

Significant assumptions used in the actuarial valuations are as follows:

#### PERS

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 2035

Actuarial assumptions: Investment rate of return

Projected salary increases:

PERS:

State

3.0-4.6%%

Nonstate

3.35-6.0%%

Inflation rate

3.00%

7.50%

Discount rate

7.50%

Mortality rates

Active-100% of RP-2000 Non-Annuitant, Scale

AA fully generational

Retired healthy males-110% of RP-2000 Healthy

Annuitant, Scale AA fully generational Retired healthy females-101 % of RP-2000 Healthy Annuitant, Scale AA fully generational

Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational

Disabled Females-107% of RP-2000 Disabled

Annuitant, Scale AA fully generational

Withdrawal rates

State

1.75-35.10%%

Non-state

2-35.88%%

Disability rates

0.007 - .675%%

Retirement rates

12 - 100%%

Date range in most recent

experience study

2009-2014

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

#### Actuarial Assumptions and Methods (continued)

#### **EMSRS**

Actuarial cost method

Individual entry age normal cost with level

percentage of payroll

Asset valuation method

Fair value

Amortization method Amortization period

Level dollar, fixed period Through Fiscal Year 2038

Actuarial assumptions:

7.50%

Investment rate of return Projected salary increases:

By age from 4.75% at age 30

declining to 3.25% at age 65

Inflation rate Discount rate

3.00% 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 full

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
Disability rates

6.00% - 28.00% 0.04% - 0.60%

Retirement rates

25% - 100%

Date range in most recent experience study/review

2011-2016

#### NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

#### Actuarial Assumptions and Methods (continued)

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

	Long-Term Expected Real Rate	PERS Target Asset	EMSRS Target Asset
Investment	of Return	Allocation	Allocation
Domestic Equity	4.5%	27.5%	27.5%
International Equity	8.6%	27.5%	27.5%
Private Equity	6.4%	10.0%	10.0%
Fixed Income	3.3%	15.0%	15.0%
Hedge Funds	4.0%	10.0%	10.0%
Real Estate	6.0%	10.0%	10.0%
		100.0%	100.0%

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

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

	Current						
	1%	Discount	1%				
	Decrease	Rate	Increase				
	6.5%	7.5%	8.5%				
Authority's proportionate share of PERS's net pension liability	\$ (135,616)	\$ (33,675)	\$ 52,566				
Authority's proportionate share of EMSRS's net pension asset	\$ (766,992)	\$126,298	\$ 847,872				

Pension plans' fiduciary net position - Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at <a href="https://www.wvretirement.com">www.wvretirement.com</a>. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

#### NOTE 7: RISK MANAGEMENT AND CONTINGENCIES

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

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

#### NOTE 8: PROPERTY, PLANT & EQUIPMENT

Changes in the Authority's capital assets consisted of the following for the year ended June 30, 2019:

	Beginning Additions		Disposals	Ending
Capital assets not being depreciated				
Land	\$ 558,018	\$ 8,424	\$ (30,232)	\$ 536,210
Construction in progress	150,561	2,233,055	(2,383,616)	
Total capital assets				
not being depreciated	708,579	2,241,479	(2,413,848)	536,210
Capital assets being depreciated				
Land improvements	152,014	329,464	90	481,478
Buildings	922,852	1,845,899	4:	2,768,751
Medical transport and	,			
other vehicles	1,619,098	843,603	æ:	2,462,701
Medical equipment	919,399	457,520	(28,596)	1,348,323
Other equipment	-	74,242	*	74,242
Furniture and fixtures	17,969	159,252	=	177,221
Office equipment	25,797		-	25,797
Total	3,657,129	3,709,980	(28,596)	7,338,513
Accumulated depreciation	(1,547,060)	(333,391)	21,247	(1,859,204)
Total capital assets				
being depreciated, net	2,110,069	3,376,589	(7,349)	5,479,309
Total capital assets	\$ 2,818,648	\$ 5,618,068	\$(2,421, 197)	\$6,015,519

#### NOTE 9: NOTES PAYABLE

Notes payable consist of the following:

							Due alance One		
Term note payable to 0 30, 2017, in the original monthly installments of annum, secured by con ambulances.	\$8,875 including	,000 inte	), repayable in erest at 1.97%	36	\$ 148,5	548	\$	104,513	
Term note payable to C 2017, in the original am 20-year term and intere note is being used to fir The Authority draws no construction progresses payable monthly throug 2019, monthly principal required through Decer on Station 97 real estate	nount of \$2,103,7 est is payable at 2 hance the constructe proceeds on a s at the station.  h June 28, 2019 and interest payable 28, 2037, separation of the station of the	50. 2.9% uctic an as Inter . Be mer	The note is for per annum. To per annum. To per annum. To per of Station 97 is needed basis rest only was reginning July 28 of \$12,056 at per per of \$12,056 at per of \$12,056	Ta The The The The Tas Tas Tas	1,872,0	)56		91,595	
					<del>)</del>		-		
Total					\$2,020,6	04	\$	196,108	
Maturities of Notes Payable	e are as follows:				41				
·	Year	Tra	Principal	Int	erest		Total		
	2020 2021 2022 2023 2024 2025-2029 2030-2034 2035-2036	\$	196,108 138,322 97,058 99,910 102,847 561,387 648,872 176,100	1	55,065 50,603 47,616 44,764 41,827 61,982 74,497 3,374	\$	188 144 144 144 723 723	,173 ,925 ,674 ,674 ,674 ,369 ,369 ,474	
		\$	2,020,604	\$47	9,728	\$	2,500	,332	
Changes in notes payable	are as follows:								
	Balance at July 1, 2018		Additions	_P	ayments	J	Balan une 30	ce at ), 2019	
	\$ 302,027		\$ 1,821,056	\$	102,479		\$ 2,02	20,604	

#### NOTE 10: CHANGES N LONG-TERM LIABILITIES

Changes in long-term liabilities are as follows:

	Balance at July 1, 2018	Additions	Reductions	Balance at June 30, 2019		
Compensated absences Collective net pension (assets) liabilities	\$ 101,933 74,259	\$ 23,521 132,643	\$ (299,525)	\$ 125,45 (92,62		
	\$ 176,192	\$ 156,164	\$ (299,525)	\$ 32,83	31	

#### **NOTE 11: OPERATING LEASES**

The Authority had the following operating lease in effect during the year ended June 30, 2019:

Lease for approximately 4,000 square feet of space located in Martinsburg, West Virginia. The lease expired on June 30, 2019 and was not renewed. The rental payment was \$2,900 per month and amounted to \$34,800 for the year ended June 30, 2019.

Rent expense for the year ended June 30, 2019 amounted to \$34,800.

#### NOTE 12: STATION 97

The Authority completed construction of the new Station 97 facility during 2019. Total costs of construction amounted to \$2,383,615. The Authority had unpaid construction costs of \$313,118 at June 30, 2019. Construction was financed by a \$2,103,750 bank note and internal funds.

#### **NOTE13: SUBSEQUENTEVENTS**

The Authority has evaluated all subsequent events through February 28, 2020, the date the financial statements were available to be issued.



Berkeley County Emergency Ambulance Authority SCHEDULES OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITIES June 30, 2019

Public Employees Retirement System Last 10 Fiscal Years

2015 2014 2013 2012 2011 2010	0.018348% 0.017276%	\$ 67,715 \$ 157,489	\$ 207,947 \$ 245,695	32.56% 64.10%	93.98% 79.70%	wa	2015 2014 2013 2012 2011 2010	6.294714% 6.961634%	\$ 153,969 \$ 560,203	\$ 1,608,051 \$ 1,469,698	9.57% 38.12%	
2016	0.015334%	\$ 85,626 \$	\$ 176,911 \$	48.40%	91.29%	Emergency Medical Services Retirement System Last 10 Fiscal Years	2016	6.475347%	\$ 203,067 \$	\$1,655,510 \$	12.27%	
2017	0.012839%	\$ 118,001	\$ 172,091	68.57%	86.11%	ledical Services Retire Last 10 Fiscal Years	2017	6.335516%	\$ 428,281	\$ 1,730,267	24.75%	
2018	0.012535%	\$ 54,107	\$ 180,162	30.03%	93.67%	Emergency M	2018	6.357137%	\$ 20,152	\$1,980,833	1.02%	
2019	0.013039%	\$ 33,675	\$ 212,464	15.85%	96.33%		2019	7.544689%	\$ (126,298)	\$ 2,083,830	%90'9-	
	Authority's proportionate share of the net pension liability(%)	Authority's proportionate share of the net pension liability (\$)	Authority's covered-employee payroll	Authority's proportionate share of net pension liability as a % of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability			Authority's proportionate share of the net pension (asset) liability (%)	Authority's proportionate share of the net pension (asset) liability (\$)	Authority's covered-employee payroll	Authority's proportionate share of net pension (asset) liability as a % of its covered-employee payroll	

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

# Berkeley County Emergency Ambulance Authority SCHEDULES OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS June 30, 2019

Public Employees Retirement

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

#### Berkeley County Emergency Ambulance Authority NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the year ended June 30, 2019

#### **PERS**

There were no significant actuarial assumption changes for PERS during the year.

#### **EMSRS**

There were no significant actuarial assumption changes made during the year.





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

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Berkeley County Emergency Ambulance Authority, Berkeley County, West Virginia (the Authority) which comprise the statement of net position as of and for the year ended June 30, 2019, and the related statement of revenues, expenses and changes in fund net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 28, 2020.

#### Internal Control Over Financial Reporting

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

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

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

BHM CPA Group, Inc Huntington, West Virginia

BHM CPA Group

February 28, 2020