



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

FRP# 22-159
Berkeley County

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

For the Year Ended June 30, 2023
Fiscal Year Audited Under GAGAS: 2023

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**BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY
SCHEDULE OF FUNDS INCLUDED IN THE REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General

**BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION

**BERKELEY COUNTY EMERGENCY AMBULANCE AUTHORITY
BOARD MEMBERS
For the Fiscal Year Ended June 30, 2023**

OFFICE	NAME
President:	<u>Appointive:</u> David Irvin
Vice President:	Mike McGinnis
Board Members:	Tammy McDaniel James Moffitt James Marshal Nicholas Diehl
County Council Representative:	Steve Catlett
EMS Director	W. Brian Costello

FINANCIAL SECTION



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 Audit of the Financial Statements

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, 2023, 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.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section but does not include the basic financial statements and other auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2024, 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are stylized and cursive.

BHM CPA Group, Inc
Huntington, West Virginia
March 1, 2024

Berkeley County Emergency Ambulance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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, 2023. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

The Authority's net position increased \$0.2 million as a result of this year's operations or 2 percent compared to the previous year.

The Authority's operating revenues increased \$1.4 million or 22 percent during 2023 and operating expenses increased by \$2.0 million or 36 percent. The Authority's service fee per residential living unit increased from \$60 to \$85 during 2023. Compensation expense increased \$1.5 million in 2023 to reflect 14 new employee positions and other adjustments to Authority pay scales.

For the fiscal year ending June 30, 2024, the Authority's service fee for a residential living unit increases from \$85 to \$110. In addition, the Authority will implement a non-residential fee based on facility utilization and square footage. A \$25 homestead exemption will be available for qualifying residents.

Operating income decreased by \$0.6 million in 2023 compared to the previous year and reflects increases in staffing and the 2 year phase-in (2023 and 2024) of increases to the service fees.

During 2023, the Authority expended \$0.4 million for capital additions including an ambulance, duty vehicles and medical equipment. The Authority expended \$0.4 million for the South Station addition and \$0.1 million for medical equipment during 2022.

The Authority purchased 4 Chevrolet K-3500 ambulances at a cost of \$1,099,162 during 2023, but did not take possession of the ambulances during the year. The cost of the ambulances was paid in advance and is presented as vehicle deposits in the Statement of Net Position.

Fixed debt obligations were \$1.8 million for both 2023 and 2022. The Authority had no new fixed debt financing during 2023 and 2022.

The Authority completed construction of a \$0.6 million addition to Station 98 during 2022 with \$0.4 million of construction costs being incurred during 2022. The addition was internally funded.

The Authority's contractual payments to pension plans amounted to \$0.4 million and \$0.3 million for 2023 and 2022, respectively.

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.

Berkeley County Emergency Ambulance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

USING THIS ANNUAL REPORT (continued)

Financial Statements (continued)

2. Financial Statements

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

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

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

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

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.

3. Notes to Financial Statements

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

Berkeley County Emergency Ambulance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

REPORTING THE AUTHORITY AS A WHOLE

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

Table 1 - Net Position (in Millions)

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 4.5	\$ 5.9
Capital assets	<u>6.3</u>	<u>6.5</u>
Total assets	10.8	12.4
Deferred outflow of resources	<u>1.3</u>	<u>1.0</u>
Total assets and deferred outflows	<u><u>\$ 12.1</u></u>	<u><u>\$ 13.4</u></u>
	<u>2023</u>	<u>2022</u>
Debt outstanding	\$ 1.8	\$ 1.8
Other liabilities	<u>0.3</u>	<u>0.4</u>
Total liabilities	<u>2.1</u>	<u>2.2</u>
Deferred inflow of resources	<u>0.1</u>	<u>1.5</u>
Total liabilities and deferred inflows	<u>2.2</u>	<u>3.7</u>
Net position:		
Net investment in capital assets	4.5	4.7
Restricted	-	-
Unrestricted	<u>5.4</u>	<u>5.0</u>
Total net position	<u>9.9</u>	<u>9.7</u>
Total liabilities, deferred inflows and net position	<u><u>\$ 12.1</u></u>	<u><u>\$ 13.4</u></u>

Net position of the Authority increased by 2 percent (\$0.2 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased from \$5.0 million at June 30, 2022, to \$5.4 million at the end of this year.

The Authority's investment in capital assets was \$6.3 million and \$6.5 million for 2023 and 2022, respectively. 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.

Berkeley County Emergency Ambulance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

REPORTING THE AUTHORITY AS A WHOLE (continued)

The Authority's collective net pension assets decreased \$1.5 million compared to the previous year. Pension related deferred outflows increased \$0.3 million and pension related deferred inflows decreased \$1.4 million compared to the previous year.

Table 2 - Changes in Net Position (in Millions)

	2023	2022
Operating revenues	\$ 7.7	\$ 6.3
Operating expenses	7.6	5.6
Operating income	0.1	0.7
Non-operating revenues (expenses)	0.1	-
Changes in net position	\$ 0.2	\$ 0.7

The Authority's operating revenues decreased \$0.6 million compared to the previous year, primarily reflecting changes in staffing and the 2-year phase-in of service fee increases.

BUDGETARY HIGHLIGHTS

For the year ended June 30, 2023, 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 accrual 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, 2023, the Authority had \$6.3 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 decreased \$0.2 million from the previous year as a result of dispositions and depreciation.

Berkeley County Emergency Ambulance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

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

	<u>2023</u>	<u>2022</u>
Capital assets not depreciated - land	\$ 0.5	\$ 0.5
Capital assets depreciated	<u>8.9</u>	<u>9.1</u>
 Totals	 9.4	 9.6
 Accumulated depreciation	 <u>(3.1)</u>	 <u>(3.1)</u>
 Capital assets, net of depreciation	 <u><u>\$ 6.3</u></u>	 <u><u>\$ 6.5</u></u>

Major capital additions during the year ended June 30, 2023:

1 ambulance	\$ 0.1
Duty vehicles	0.1
Medical equipment	<u>0.2</u>
 Total additions	 <u><u>\$ 0.4</u></u>

Major capital additions during the year ended June 30, 2022:

South Station addition	\$ 0.4
Medical equipment	<u>0.1</u>
 Total additions	 <u><u>\$ 0.5</u></u>

Major capital dispositions during the year ended June 30, 2023:

Medical equipment	\$ 0.3
2 ambulances	<u>0.3</u>
 Total dispositions	 <u><u>\$ 0.6</u></u>

Major capital dispositions during the year ended June 30, 2022:

None

Berkeley County Emergency Ambulance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

Debt

The Authority had \$1.8 million in bank debt outstanding for both 2023 and 2022.

There was no new debt financing during 2023 and 2022.

Other long-term obligations include the earned but unused vacation leave and collective net pension liabilities (assets). 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 2023 budget. Factors considered included evaluation of the economy and its impact on financial operations. The County's population has a direct impact on the Authority's economic growth.

The Authority is cautiously 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 it 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, 2023

ASSETS AND DEFERRED OUTFLOWS

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,566,754
Accounts receivable, net	711,190
Inventory of medical supplies	5,000
Prepaid expenses and deposits	117,461
Vehicle deposits	1,099,162

Total current assets	4,499,567
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Property Plant & Equipment

Land	536,210
Land improvements	559,589
Buildings	3,271,242
Medical transport and other vehicles	2,584,800
Medical equipment	2,126,598
Other equipment	96,602
Furniture and fixtures	213,750
Office equipment	53,204

	9,441,995
Accumulated depreciation and amortization	(3,176,000)

Net property, plant and equipment	6,265,995
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Other Assets

Collective net pension assets	20,949
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Total assets	10,786,511
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Deferred Outflows of Resources

Defined benefit pension plan contributions	380,354
Collective deferred outflows related to pensions	899,894

Total deferred outflows	1,280,248
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Total assets and deferred outflows	\$ 12,066,759
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See notes to financial statements.

Berkeley County Emergency Ambulance Authority
STATEMENT OF NET POSITION (continued)
June 30, 2023

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

LIABILITIES

Current Liabilities

Accounts payable - trade	\$ 60,090
Compensation liabilities	129,164
Accrued interest expense	1,393
Notes payable (due within one year)	95,103

Total current liabilities 285,750

Long-term Liabilities

Notes payable (less current portion above)	1,657,599
Accrued compensated absences	196,153

Total long-term liabilities 1,853,752

Total liabilities 2,139,502

Deferred Inflows of Resources

Collective deferred inflows related to pensions	54,889
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Total liabilities and deferred inflows 2,194,391

NET POSITION

Net investment in capital assets	4,513,293
Unrestricted	5,359,075

Total net position 9,872,368

Total liabilities, deferred inflows and net position \$ 12,066,759

See notes to financial statements.

Berkeley County Emergency Ambulance Authority
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITON
For the year ended June 30, 2023

OPERATING REVENUES AND SUPPORT

Direct billing fees	\$ 3,881,423
Service fees	3,793,678
Operating grants	15,000
Other	8,851
Total operating revenues and support	7,698,952

OPERATING EXPENSES

Compensation and benefits	5,567,926
Transport, vehicle, and equipment expense	370,344
Facilities	95,720
Supplies	363,684
Insurance and taxes	156,957
Administration	500,560
Depreciation and amortization	553,868
Total operating expenses	7,609,059

**Operating support and revenues
less operating expenses**

89,893

**NON-OPERATING SUPPORT AND
REVENUES (EXPENSES)**

Donations received	68
In-kind donation of ambulance	75,000
Interest income	61,359
Interest and financing expense	(53,221)
Gain (loss) on disposition of vehicles and equipment	(21,938)

**Total non-operating support and
revenues (expenses)**

61,268

Change in net position

151,161

NET POSITION AT BEGINNING OF YEAR

9,721,207

NET POSITION AT END OF YEAR

\$ 9,872,368

See notes to financial statements.

Berkeley County Emergency Ambulance Authority
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from revenues and support	\$ 7,627,643
Cash payments for goods and services	(1,486,655)
Cash payments for employee services	<u>(5,717,692)</u>
Net cash provided by operating activities	<u>423,296</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	61,359
Donations received	<u>68</u>
Net cash provided by investing activities	<u>61,427</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Proceeds from sale of ambulance	29,120
Expenditures for purchase of capital assets	(1,358,855)
Note principal payments	(91,673)
Interest and financing costs paid	<u>(53,001)</u>
Net cash used in capital and related financing activities	<u>(1,474,409)</u>

Net decrease in cash	(989,686)
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CASH AT BEGINNING OF YEAR	<u>3,556,440</u>
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CASH AT END OF YEAR	<u><u>\$ 2,566,754</u></u>
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See notes to financial statements.

Berkeley County Emergency Ambulance Authority
STATEMENT OF CASH FLOWS (continued)
For the year ended June 30, 2023

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

Operating support and revenues less operating expenses	\$ 89,893
Adjustments to reconcile operating support and revenues less operating expenses to net cash provided by operating activities:	
Depreciation and amortization	553,868
Change in operating assets and liabilities:	
Decrease (increase) in accounts receivable	(71,309)
Decrease (increase) in prepaid expenses and deposits	(14,152)
Decrease (increase) in net pension assets and liabilities	1,540,262
Decrease (increase) in pension deferred outflows	(301,677)
Increase (decrease) in accounts payable	14,761
Increase (decrease) in compensation liabilities	(2,950)
Increase (decrease) in pension deferred inflows	<u>(1,385,400)</u>
Net cash provided by operating activities	<u>\$ 423,296</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOWS
INFORMATION**

Noncash investing, capital, and financing transactions:	
In-kind donation of ambulance	<u>\$ 75,000</u>

See notes to financial statements.

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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.

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

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 \$85 per residential living unit for the year ended June 30, 2023.

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

October 1 st - December 31 st	\$ 110
January 1 st - March 31 st	\$ 135

On or about April 1st, 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 \$4,378,360 at June 30, 2023.

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 \$15,000 or greater and less costly items that have significant management importance.

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

Interest incurred before the end of construction of an asset is recognized as an expense in the period in which the cost is incurred.

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, 2023.
- c. Unrestricted net position - Net position that does not meet the definition of "restricted" or "net investment in capital assets."

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows and Inflows of Resources

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

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

Net Service Revenue

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

Operating Revenues

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

Pensions

For purposes of measuring the net pension (assets) 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

New Accounting Principles Adopted

The Authority has adopted the following GASB Pronouncements during the fiscal year ended June 30, 2023:

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 ended June 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. Statement 94 will be effective for fiscal year ended June 30, 2023.

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 4: NEW ACCOUNTING PRONOUNCEMENTS (continued)

New Accounting Principles Adopted (continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Statement 96 will be effective for fiscal year ended June 30, 2023.

New Accounting Principles

GASB Statement No. 100, *Summary of Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, aims to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions of assessing accountability. Statement 100 will be effective for fiscal year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement 101 will be effective for fiscal year ending June 30, 2025.

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	\$ 118,945
Money market accounts	2,446,809
Cash on hand	<u>1,000</u>
Total cash and cash equivalents	<u><u>\$ 2,566,754</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's deposits at June 30, 2023, were covered under federal depository insurance or fully collateralized by securities held by custodial banks in the Authority's name for deposits in excess of federal depository insurance limits.

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

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 www.wvretirement.com.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees Retirement System (PERS)

Eligibility to participate:	All Authority full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions:	West Virginia State Code Section 5-10d
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:	9.00% for fiscal year 2023
Period required to vest:	5 years for Tier 1 and 10 years for Tier 2
Benefits and eligibility for distribution:	<u>Tier 1</u> A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit. <u>Tier 2</u> 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 portion:	No
Provisions for:	
Cost of living	No
Death benefits	Yes

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

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 services officer first employed after the effective date and any emergency medical service officers hired prior to the effective date who elect to become members.
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	8.5%
Authority's contribution rate	9.50% for fiscal year ended June 30, 2023
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 50 and has earned 20 or more years of contributory service; or age 50 when age plus contributory service equals 70 while still in covered employment; or the attainment of age 60 and completion of 10 years contributory service while still in covered employment; or attainment of age 62 and completion of 5 years of contributory service. The final average salary is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (January 1 - December 31) within the last 10 years of service.
Deferred retirement portion	No deferred retirement option is available.
Provisions for:	
Cost of living	No
Death benefits	Yes

Trend Information

Fiscal Year	Public Employees Retirement System (PERS)		Emergency Medical Services Retirement System (EMSRS)	
	Annual Pension		Annual Pension	
	Contractual Cost	Percentage Contributed	Contractual Cost	Percentage Contributed
2023	\$ 30,721	100%	\$ 349,633	100%
2022	\$ 29,990	100%	\$ 295,090	100%
2021	\$ 28,260	100%	\$ 273,333	100%

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

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

At June 30, 2023, the Authority reported the following liabilities (assets) for its proportionate share of the net pension liabilities (assets). The net pension liabilities (assets) were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities (assets) were determined by actuarial valuations as of that date. The Authority's proportions of the net pension liabilities (assets) 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, 2023, the Authority reported the following proportions per the actuarial valuations and increases/decreases from its proportions measured as of June 30, 2022:

	<u>PERS</u>	<u>EMSRS</u>
Amount for proportionate share of net pension liability (asset)	\$ 27,589	\$ (48,538)
Percentage for proportionate share of net pension liability (asset)	0.018526%	8.171438%
Increase/(decrease) % from prior proportion measured	0.00078%	0.413162%

For the year ended June 30, 2023, the Authority recognized the following pension expenses:

	<u>PERS</u>	<u>EMSRS</u>
Pension expense	\$ 17,869	\$ 215,567

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

Public Employees Retirement System (PERS)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 16,636	\$ -
Difference between expected and actual experience	10,584	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,964	56
Change in assumptions	18,158	-
Authority contributions subsequent to the measurement date	30,721	-
	<u>\$ 80,063</u>	<u>\$ 56</u>

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

Public Employees Retirement System (PERS) (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 decrease (increase) of the net pension liability (asset) in the year ended June 30, 2024. 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

2024	\$ 26,810
2025	13,982
2026	8,494
Total	\$ 49,286

Emergency Medical Services Retirement System (EMSRS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual investment earnings on pension plan investments	\$ 143,817	\$ -
Difference between expected and actual experience	499,030	22,553
Changes in proportion and differences between Authority contributions and proportionate share of contributions	2,438	32,280
Changes in assumptions	205,267	-
Authority contributions subsequent to the measurement date	349,633	-
	<u> </u>	<u> </u>
	\$ 1,200,185	\$ 54,833
	<u> </u>	<u> </u>

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

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

Emergency Medical Services Retirement System (EMSRS) (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 decrease (increase) of the net pension liability (asset) in the year ended June 30, 2024. 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

2024	\$ 259,716
2025	227,807
2026	25,311
2027	282,885
Total	\$ 795,719

Summary of Deferred Outflow/Inflow Balances

	Total	PERS	EMSRS
Difference between expected and actual experience	\$ 487,061	\$ 10,584	\$ 476,477
Changes in assumptions	223,425	18,158	205,267
Net difference between projected and actual earnings on pension plan investments	160,453	16,636	143,817
Changes in proportion and differences between Authority contributions and proportionate share of contributions	(25,934)	3,908	(29,842)
Contributions subsequent to the measurement date	380,354	30,721	349,633
	<u>\$1,225,359</u>	<u>\$ 80,007</u>	<u>\$1,145,352</u>

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

Actuarial Assumptions and Methods

The total pension liability was determined by an actuarial valuation as of July 1, 2021, and rolled forward to June 30, 2022, which is the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

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	7.25%
Projected salary increases	3.60-6.75%%, including inflation
Inflation rate	2.75%
Discount rate	7.25%
Mortality rates	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy females - 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018 Disabled males - 118% of Pub 2010 General/ Teachers Disabled Male table, below-median headcount weighted, projected with scale MP-2018 Disabled females - 117% of Pub 2010 General/ Teachers Disabled Female table, below-median headcount weighted, projected with scale MP-2018 Disabled Annuitant, Scale AA fully generational
Date range in most recent experience study	2015-2020 - Economic assumptions; 2013-2018 - All other assumptions

Berkeley County Emergency Ambulance Authority
 NOTES TO FINANCIAL STATEMENTS (continued)
 For the year ended June 30, 2023

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	Level dollar, fixed period
Amortization period	10 years from July 2020
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases:	By age from 5.00% at age 30 declining to 3.00% at age 65
Inflation rate	2.50%
Discount rate	7.25%
Mortality rates	<i>Active</i> -100% of Pub-2010 Safety Employee Table, Median, Amount - weighted, projected generationally with Scale MP-2020 <i>Healthy Male Retirees</i> - 98% of Pub-2010 Safety Retiree Male Table, Median, Amount - weighted, projected generationally with Scale MP-2020 <i>Healthy Female Retirees</i> - 99% of Pub-2010 Safety Retiree Female Table, Median, Amount - weighted, projected generationally with Scale MP-2020 <i>Disabled Males</i> - 124% of Pub-2010 Safety Disabled Male Table, Amount -weighted, projected generationally with Scale MP-2020 <i>Disabled Females</i> - 100% of Pub-2010 Safety Disabled Female Table. Amount - weighted, projected generationally with Scale MP-2020 <i>Beneficiary Males</i> - 111% of Pub-2010 Contingent Survivor Male Table, Median, Amount - weighted, projected generationally with Scale MP-2020 <i>Beneficiary Females</i> - 109% of Pub-2010 Contingent Survivor Female Table, Median, Amount - weighted, projected generationally with Scale MP-2020
Date range in most recent experience study/review	2015-2020

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PLANS (continued)

Actuarial Assumptions and Methods (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which estimates of expected 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 as of June 30, 2022, include the inflation component and were used for the defined benefit plan:

Investment	Long-Term Expected Real Rate of Return	PERS Target Asset Allocation	EMSRS Target Asset Allocation
US Equity	5.3%	27.50%	27.50%
International Equity	6.1%	27.50%	27.50%
Private Equity	9.5%	10.00%	10.00%
Fixed Income	2.2%	15.00%	15.00%
Real Estate	6.5%	10.00%	10.00%
Hedge Funds	3.8%	10.00%	10.00%
		100.00%	100.00%

Discount Rate

The discount rate used to measure the total pension liabilities was 7.25 percent for the defined benefit plans. The projection of cash flows used to determine the discount rate assumed that employee/employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for the defined benefit pension plans 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 the plans.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of PERS's net pension liability (asset)	\$ 195,214	\$ 27,589	\$ (115,874)
Authority's proportionate share of EMSRS's net pension liability (asset)	\$ 1,301	\$ (48,538)	\$ (1,142,195)

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

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

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, 2023:

	Beginning	Additions	Disposals	Ending
Capital assets not being depreciated				
Land	\$ 536,210	\$ -	\$ -	\$ 536,210
Total capital assets not being depreciated	536,210	-	-	536,210
Capital assets being depreciated				
Land improvements	559,589	-	-	559,589
Buildings	3,271,242	-	-	3,271,242
Medical transport and other vehicles	2,734,742	140,008	(289,950)	2,584,800
Medical equipment	2,152,010	194,686	(220,098)	2,126,598
Other equipment	96,602	-	-	96,602
Furniture and fixtures	223,649	-	(9,899)	213,750
Office equipment	75,287	-	(22,083)	53,204
Total	9,113,121	334,694	(542,030)	8,905,785
Accumulated depreciation	(3,113,105)	(553,868)	490,973	(3,176,000)
Total capital assets being depreciated, net	6,000,016	(219,174)	(51,057)	5,729,785
Total capital assets	\$ 6,536,226	\$ (219,174)	\$ (51,057)	\$ 6,265,995

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 9: NOTES PAYABLE

Notes payable consist of the following:

	Balance	Due Within One Year
Term note payable to City National Bank, dated December 28, 2017, in the original amount of \$2,103,750. The note is for a 20-year term and interest is payable at 2.9% per annum. The note was used to finance the construction of Station 97. Monthly principal and interest payments of \$12,056 are required, secured by deed of trust on Station 97 real estate.	\$ 1,752,702	\$ 95,103
Total	\$ 1,752,702	\$ 95,103

Maturities of Notes Payable are as follows:

Year	Principal	Interest	Total
2024	\$ 95,103	\$ 49,571	\$ 144,674
2025	97,898	46,776	144,674
2026	100,775	43,899	144,674
2027	103,736	40,938	144,674
2028	106,785	37,889	144,674
2029-2033	582,885	140,483	723,368
2034-2038	665,520	49,647	715,167
	\$ 1,752,702	\$ 409,203	\$ 2,161,905

Changes in notes payable are as follows:

Balance at July 1, 2022	Additions	Payments	Balance at June 30, 2023
\$ 1,844,375	\$ -	\$ 91,673	\$ 1,752,702

Berkeley County Emergency Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2023

NOTE 10: CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities are as follows:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023
Compensated absences	\$ 153,614	\$ 42,539	\$ -	\$ 196,153
Collective net pension (assets) liabilities	(1,561,211)	2,002,945	462,683	(20,949)
	<u>\$(1,407,597)</u>	<u>\$ 2,045,484</u>	<u>\$ 462,683</u>	<u>\$ 175,204</u>

NOTE 11 SUBSEQUENT EVENTS

The Authority has evaluated all subsequent events through March 5, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Berkeley County Emergency Ambulance Authority
SCHEDULES OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION (ASSETS) LIABILITIES
June 30, 2023

Public Employees Retirement System Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportionate share of the net pension (asset) liability (%)	0.018526%	0.017746%	0.014867%	0.014472%	0.013039%	0.012535%	0.012839%	0.015334%	0.018348%	0.017276%
Authority's proportionate share of the net pension (asset) liability (\$)	\$ 27,589	\$ (155,799)	\$ 78,598	\$ 31,117	\$ 33,675	\$ 54,107	\$ 118,001	\$ 85,626	\$ 67,715	\$ 157,489
Authority's covered-employee payroll	\$ 340,159	\$ 299,907	\$ 282,594	\$ 221,911	\$ 212,464	\$ 180,162	\$ 172,091	\$ 176,911	\$ 207,947	\$ 245,695
Authority's proportionate share of net pension (asset) liability as a % of its covered-employee payroll	8.11%	-51.95%	27.81%	14.02%	15.85%	30.03%	68.57%	48.40%	32.56%	64.10%
Plan fiduciary net position as a percentage of the total pension liability	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%
Emergency Medical Services Retirement System Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportionate share of the net pension (asset) liability (%)	8.171438%	7.758276%	7.869662%	7.544689%	7.544689%	6.357137%	6.335516%	6.475347%	6.294714%	6.961634%
Authority's proportionate share of the net pension (asset) liability (\$)	\$ (48,538)	\$ (1,405,412)	\$ (92,469)	\$ (350,865)	\$ (126,298)	\$ 20,152	\$ 428,281	\$ 203,067	\$ 153,969	\$ 560,203
Authority's covered-employee payroll	\$ 3,668,837	\$ 2,810,376	\$ 2,603,175	\$ 2,306,559	\$ 2,083,830	\$ 1,980,833	\$ 1,730,267	\$ 1,655,510	\$ 1,608,051	\$ 1,469,698
Authority's proportionate share of net pension (asset) liability as a % of its covered-employee payroll	-1.32%	-50.01%	-3.55%	-15.21%	-6.06%	1.02%	24.75%	12.27%	9.57%	38.12%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.53%	117.92%	101.34%	105.65%	102.16%	99.56%	89.77%	94.78%	95.64%	84.20%

Note: 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, 2023

Public Employees Retirement System
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 30,721	\$ 29,991	\$ 28,260	\$ 22,191	\$ 21,247	\$ 19,818	\$ 20,651	\$ 23,883	\$ 29,113	\$ 35,626
Contributions in relation to the contractually required contribution	(30,721)	(29,991)	(26,260)	(22,191)	(21,247)	(19,818)	(20,651)	(23,883)	(29,113)	(35,626)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 340,159	\$ 299,207	\$ 282,594	\$ 221,911	\$ 212,464	\$ 180,162	\$ 172,091	\$ 176,911	\$ 207,947	\$ 245,695
Contributions as a percentage of covered-employee payroll	9.0%	10.0%	10.0%	10.0%	10.0%	11.0%	12.0%	13.5%	14.0%	14.5%

Emergency Medical Services Retirement System
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 349,633	\$ 295,090	\$ 273,333	\$ 242,189	\$ 218,803	\$ 207,987	\$ 181,678	\$ 173,828	\$ 168,845	\$ 154,318
Contributions in relation to the contractually required contribution	(349,633)	(295,090)	(273,333)	(218,803)	(218,803)	(207,987)	(181,678)	(173,828)	(168,845)	(154,318)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 23,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 3,668,837	\$ 2,810,376	\$ 2,603,175	\$ 2,306,559	\$ 2,083,830	\$ 1,980,833	\$ 1,730,267	\$ 1,655,510	\$ 1,608,051	\$ 1,469,698
Contributions as a percentage of covered-employee payroll	9.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

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

ACCOMPANYING INFORMATION



**Independent Auditor's 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, 2023, 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 March 5, 2024.

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.

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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc
Huntington, West Virginia
March 5, 2024