

**HARDY COUNTY  
RFP # 23-094**

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV  
(A Component Unit of the Hardy County Commission)**

**REGULAR AUDIT**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**JUNE 30, 2022**



**AHMAD ASSOCIATES, LTD (AAL)**  
*A Professional Corporation*  
CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS  
MEMBER AICPA

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## **INTRODUCTORY SECTION**

## OFFICERS AND DIRECTORS

### OFFICE

### NAME

President:

Paul Lewis

Vice President:

Dr. Tim Thorne

Treasurer:

Tim Ramsey

Secretary:

Doug Coffman

Commissioner Representative:

David Fansler

Board Members:

Ron Crites

Fran Welton

Executive Director

Derek Alt

## **FINANCIAL SECTION**



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8230 OLD COURTHOUSE ROAD  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Hardy County Emergency Ambulance Authority  
17940 SR55  
Baker, West Virginia 26801

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Hardy County Emergency Ambulance Authority (the Authority), as of and for the year ended June 30, 2022 and related 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 express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion 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 used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hardy County Emergency Ambulance Authority, as of June 30, 2022, and the respective changes in financial position, thereof, for the year then ended in accordance with the 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 to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context.

Accounting principles generally accepted in the United States of America require that the information related to the defined benefit plan, other post-employment benefits (OPEB) and emergency medical services retirement system (EMSRS), on pages 17 to 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*AAL, P.C.*

AAL, P.C.  
Vienna, VA  
July 29, 2024

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

**Background:**

Hardy County Emergency Ambulance Authority (the Authority) was established by the Hardy County Commission. The Authority's primary responsibility is to provide emergency medical services to the residents of Hardy County. The Authority is primarily funded by the Hardy County Commission (HCC) from the emergency ambulance service fees collected under the Special Emergency Ambulance Service Fee Ordinance authority, Chapter 7, Article 15, Section 17 of the West Virginia Code, as amended, for the purpose of establishing and maintaining an adequate emergency ambulance system within the geographic boundaries of Hardy County, West Virginia. An adequate emergency ambulance system is necessary to promote the health and welfare of the citizens of Hardy County. Emergency ambulance service is a public purpose and a responsibility of the government.

**Mission:**

The Hardy County Emergency Ambulance Authority 's purpose is to provide 911 EMS services in Hardy County.

**Services:**

The Hardy County Emergency Ambulance Authority provides variety of services to general public in the Hardy County, West Virginia.

**Sources of Funding and Support:**

Most of the Hardy County Emergency Ambulance Authority's revenue comes from insurance billings and the HCC ambulance fee.

**FINANCIAL HIGHLIGHTS**

- Net Position increased by \$109,756 during 2022. Net Position was \$466,146 for 2021 and \$575,902 for 2022.
- The total revenue increased by \$17,450 (or 1.37%) during 2022 and was \$1,276,519 for 2021 and \$1,293,969 for 2022.
- The total expenses increased by \$69,533 (or 6.13%). Total expenses were \$1,134,633 for 2021 and \$1,204,166 for 2022.
- Net fixed assets increased by \$107,690 during the fiscal year.
- Cash and investment balance on June 30, 2022, was \$706,346 compared to the previous year's balance of \$618,818.



**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

**Overview of Financial Statements and Analysis**

The Hardy County Emergency Ambulance Authority's financial statement are prepared in compliance with GASB financial reporting requirements and providing an overview of the Authority's financial position and result of operations is required by GASB 34. Basic financial statement of the Authority presented in the report include the balance sheet/statement of net position and statement of activities.

The following table summarizes the **Authority's balance sheet/statement of net position:**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 299,561	\$ 319,723	\$ (20,162)	-6.31%
Capital Assets	406,785	299,095	107,690	36.01%
Total Assets	706,346	618,818	87,528	14.14%
Other Assets	249,882	-	249,882	100.00%
<i>Deferred Outflow of Resources</i>	271,472	157,361	114,111	72.52%
Total Assets and Deferred Outflows	<u><b>\$1,227,700</b></u>	<u><b>\$ 776,179</b></u>	<u><b>\$ 451,521</b></u>	<u><b>58.17%</b></u>
Current Liabilities	\$ 80,285	\$ 72,065	\$ 8,219	11.41%
Non-Current Liabilities	249,059	136,328	112,731	82.69%
Total Liabilities	329,344	208,393	120,951	58.04%
<i>Deferred Inflow of Resources</i>	322,454	101,640	220,814	217.25%
Total Liabilities and Deferred Inflows	<u><b>651,798</b></u>	<u><b>310,033</b></u>	<u><b>341,765</b></u>	<u><b>110.23%</b></u>
<b>Total Net Position</b>	<u><b>\$ 575,902</b></u>	<u><b>\$ 466,146</b></u>	<u><b>\$ 109,756</b></u>	<u><b>23.55%</b></u>

**Current assets** decreased due to a decrease in cash and cash equivalents by \$20,162.

**Capital assets** increased by \$107,690 This change was primarily due to purchased additional vehicles.

**Deferred outflows** of resources, and **deferred inflows** of resources, and noncurrent liabilities represent amounts required to be reported for Authority's participation in the West Virginia Other Post-Employment Benefit Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBT), Authority's participation in the West Virginia Public Employees' Retirement System (PERS) and Authority's participation in the West Virginia Emergency Services' Retirement System (EMSRS).

**Current liabilities** represent amounts due to vendors for operating expenses for equipment purchases/payments.

**Non-Current liabilities** increased by \$112,731. This change was due to obtained new notes payable.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

<b>Statement of Activities</b>				
	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>% Change</b>
Total Operating Revenue	\$ 1,293,969	\$ 1,276,519	\$ 17,450	1.37%
Total Operating Expenses	1,204,166	1,134,633	69,533	6.13%
Net Increase (Decrease)	89,803	141,886	(52,083)	-36.71%
Total Non-operating Revenue (Expenses)	(11,675)	(9,513)	(2,162)	-22.73%
Change in Unrestricted Net Position	78,128	132,373	(54,245)	-40.98%
Prior Period Adjustments	31,628	-	31,628	100.00%
Net Position - Beginning	466,145	333,772	132,373	39.66%
<b>Net Position -Ending</b>	<b>\$ 575,901</b>	<b>\$ 466,145</b>	<b>\$ 109,756</b>	<b>23.55%</b>

- Total revenues increased by \$17,450 due to additional income from COVID-testing.
- Total expenses had a net increase of \$69,533 primarily due to a combination of cumulative depreciation and overall personnel costs.

**A Look Ahead**

The Authority continues to be optimistic for economic growth. The increase in needed services has resulted in an increase of staff for FY22 and is moving forward.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WEST VIRGINIA**

**Governmental Fund Balance Sheet / Statement of Net Position  
As of June 30, 2022**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash (Note 3)	\$ 65,936	\$ -	\$ 65,936
Accounts Receivable, Net (Note 4)	233,625	-	233,625
<b>Total Current Assets</b>	<b>299,561</b>	<b>-</b>	<b>299,561</b>
<b>Capital Assets</b>			
Machinery, Equipment and Vehicles (Note 5)	-	1,028,460	1,028,460
Less: Accumulated Depreciation	-	(621,675)	(621,675)
<b>Net Capital Assets</b>	<b>-</b>	<b>406,785</b>	<b>406,785</b>
<b>Total Assets</b>	<b>299,561</b>	<b>406,785</b>	<b>706,346</b>
<b>Other Assets</b>			
Other Asset - OPEB (Note 8)	-	1,278	1,278
Other Asset -EMSRS (Note 9)	-	248,604	248,604
<b>Total Other Assets</b>	<b>-</b>	<b>249,882</b>	<b>249,882</b>
<b>Deferred Outflow of Resources</b>			
Related to OPEB (Note 8)	-	66,845	66,845
Related to Pensions -PERS (Note 9)	-	1,062	1,062
Related to Pensions -EMSRS (Note 9)	-	203,565	203,565
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>271,472</b>	<b>271,472</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 299,561</b>	<b>\$ 928,139</b>	<b>\$ 1,227,700</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities</b>			
Compensated Absences - Current Liability (Note 6)	8,057	-	8,057
Leases and Notes Payable - Current Liability (Note 7)	-	72,228	72,228
<b>Total Current Liabilities</b>	<b>8,057</b>	<b>72,228</b>	<b>80,285</b>
<b>Non-Current Liabilities</b>			
Compensated Absences - Non-Current Liability (Note 6)	41,760	-	41,760
Leases and Notes Payable - Non-Current Liability (Note 7)	-	207,299	207,299
<b>Total Non-Current Liabilities</b>	<b>41,760</b>	<b>207,299</b>	<b>249,059</b>
<b>Total Liabilities</b>	<b>49,817</b>	<b>279,527</b>	<b>329,344</b>
<b>Deferred Inflow of Resources</b>			
Related to OPEB (Note 8)	-	77,440	77,440
Related to Pensions -PERS (Note 9)	-	1,669	1,669
Related to Pensions -EMSRS (Note 9)	-	243,345	243,345
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>322,454</b>	<b>322,454</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>49,817</b>	<b>601,981</b>	<b>651,798</b>
<b>Fund Balance/Net Position</b>			
Net Investment in Capital Assets	-	127,258	127,258
Unrestricted	249,744	198,900	448,644
<b>Total Net Position</b>	<b>249,744</b>	<b>326,157</b>	<b>575,902</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>\$ 299,561</b>	<b>\$ 928,139</b>	<b>\$ 1,227,700</b>

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WEST VIRGINIA**

**Statement of Revenues, Expenditure and Changes in Fund Balance/Statement of Activities  
For the Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
<b>REVENUE</b>			
Ambulance Service Fee (Note 10)	\$ 780,000	\$ -	\$ 780,000
Insurance Billing, Net (Note 11)	355,078	-	355,078
COVID Testing (Note 12)	140,650	-	140,650
Miscellaneous Income (Note 14)	18,241	-	18,241
<b>Total Revenue</b>	<b><u>1,293,969</u></b>	<b><u>-</u></b>	<b><u>1,293,969</u></b>
<b>OPERATING EXPENSES</b>			
Personnel Cost	474,187	-	474,187
Employee/Business Taxes	194,647	-	194,647
Workers' Comp. Insurance	56,017	-	56,017
Advertising & Marketing	97	-	97
Building - Ground Maintenance	10,629	-	10,629
Collections	1,443	-	1,443
Office Supplies and Software	6,504	-	6,504
Equipment Maintenance	10,422	-	10,422
Equipment Replacement	50,036	-	50,036
Fraley Ambulance Service	60,000	-	60,000
Fuel	32,428	-	32,428
Legal	898	-	898
Medical Supplies	34,194	-	34,194
Uncategorized Expense	4,946	-	4,946
Postage	233	-	233
Professional Services	38,975	-	38,975
Refunds-Fee/Insurnace	3,607	-	3,607
Training/Education	9,606	-	9,606
Uniforms	3,542	-	3,542
Utilities	20,344	-	20,344
Vehicle Maintenance	21,204	-	21,204
Wardensville Volunteer Resque Squad	15,000	-	15,000
WVCorp-Property Insurance	14,059	-	14,059
Depreciation	-	141,148	141,148
<b>Total Operating Expenses</b>	<b><u>1,063,018</u></b>	<b><u>141,148</u></b>	<b><u>1,204,166</u></b>
<b>Total Operating Income/(Loss)</b>	<b><u>230,951</u></b>	<b><u>(141,148)</u></b>	<b><u>89,803</u></b>
<b>Non-Operating Revenue/(Expenses)</b>			
Machinery & Equipment	117,816	(117,816)	-
Other Expense	-	(74)	(74)
Interest Expense	-	(11,601)	(11,601)
<b>Total Non-Operating Revenue/(Expenses)</b>	<b><u>117,816</u></b>	<b><u>(129,491)</u></b>	<b><u>(11,675)</u></b>
<b>Change in Unrestricted Net Position</b>	<b>348,767</b>	<b>(270,639)</b>	<b>78,128</b>
Prior Period Adjustments	-	31,628	31,628
<b>Net Position - Beginning of Year</b>	<b><u>(99,023)</u></b>	<b><u>565,168</u></b>	<b><u>466,145</u></b>
<b>Net Position- End of Year</b>	<b><u>\$ 249,744</u></b>	<b><u>\$ 326,157</u></b>	<b><u>\$ 575,902</u></b>

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Hardy County Emergency Ambulance Authority (the Authority or HCEAA) was established by the Hardy County Commission. The Authority's primary responsibility is to provide emergency medical services (EMS) to the residents of Hardy County. The Authority is primarily funded by the Hardy County Commission from the emergency ambulance service fees collected under the Special Emergency Ambulance Service Fee Ordinance authority, Chapter 7, Article 15, Section 17 of the West Virginia Code, as amended, for the purpose of establishing and maintaining an adequate emergency ambulance system within the geographic boundaries of Hardy County, West Virginia. An adequate emergency ambulance system is necessary to promote the health and welfare of the citizens of Hardy County. Emergency ambulance service is a public purpose and a responsibility of the government.

The Authority, a component unit of the Hardy County Commission, is governed by a Board which is appointed by the County Commission. The Authority is a legally separate organization for which elected officials of the primary government are financially accountable.

Effective August 31, 2018, the Authority sought and obtained tax exempt status under the Code Section 501(c)(3), as a charity, from the Internal Revenue Service per its letter dated April 29, 2019.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Authority accounts for its operation in a proprietary fund using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

A proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services. Operating expenses of the Authority include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

**Accounting Standards**

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 62, the HCEAA's Board has elected to apply the provisions of all relevant pronouncements of the Government Accounting Standards Board.

**Estimates**

In preparing the financial statements in accordance with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

For the Authority, cash and cash equivalents are considered to be cash on hand, demand deposit and short-term investments with original maturities of less than three months from the date of Statement of Net Position.

**Inventories and Prepaids**

The cost of inventories is recorded as expenditures when purchased rather than when consumed.

**Accounts Receivable**

Accounts receivable consist of billings to insurance companies for emergency medical services provided. Any accounts that are thirty days past due is written off.

**Capital Assets and Depreciation**

Capital assets, which include machinery and equipment, are reported at cost for purchased items and at fair value for contributed items. 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. The Authority's policy is to capitalize assets whose expended useful life is in excess of one year and cost (or fair value) is above an established threshold of \$5,000.

Estimated useful lives of the capital assets are as follows:

Machinery and Vehicles	5 - 7 years
------------------------	-------------

**Deferred Outflows and Deferred Inflows**

Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Accrued Compensated Absences**

The Authority recognizes unpaid vacation and sick leave in the period earned and records it at the end of the year. Portions estimated to be used for the following year is recorded as Compensated Absences-Current Liability and the remaining as the Compensated Absences-Non-Current Liability.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Other Post-Employment Benefits (OPEB) Liability**

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to other post-employment benefits, and other post-employment benefit expenses, information about the fiduciary net position of the Authority's Other Post-Employment Benefits Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBT) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the RHBT for the year immediately preceding the audited year. 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. Detailed information on the investment valuation can be found in the plans' financial statements.

**Employees Retirement Systems and Plans**

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to PERS & EMSRS, and PERS & OPEB expenses, information about the fiduciary net position of the Authority's PERS & EMSRS of the West Virginia Consolidated Public Retirement Board (CPRB) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the CPRB for the year immediately preceding the audit year. 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. Detailed information on the investment valuation can be found in the plans' financial statements.

Pension-related information recorded in these financial statements are derived from the publicly available GASB 68 report. It is the policy of the organization to record all pension related financial information (net pension liability/asset, deferred outflows, and deferred inflows) in the current fiscal year financial statements using the GASB 68 report of the previous fiscal year. The report is published by West Virginia Consolidated Public Retirement Board and may be obtained by visiting its website, [www.wvretirement.com](http://www.wvretirement.com), telephone 1 (800) 654-4406.

**Net Position and Fund Balance**

**Net Position**

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. An example of net position restricted for other purposes includes activities for various federal grants and programs. Net position is reported as unrestricted when the net position does not meet the definition of "net investment in capital assets" or "restricted net position". The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Authority is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Non-spendable* fund balances include amounts that cannot be spent because they are in a non-spendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

*Restricted* fund balances are restricted due to legal restrictions from creditors (such as through other debt covenants), grantors, contributors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

*Committed* fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the Board of HCEAA is the seven-member Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2022. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* fund balances are constrained by the intent to use funds for specific purposes but are neither restricted nor committed. Intent can be expressed by the five-member Board or by a body or official to whom the Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

*Unassigned* fund balance is the residual classification for the general fund. This classification represents a fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other funds, any negative fund balances would be unassigned

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.



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**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental fund balance sheet/statement of net position includes an adjustment between the governmental fund balance total and the governmental activities net position as reported in the statement of net position. Capital Assets are not reported on the governmental fund level, but are reported in net position. The details of this difference are as follows:

Fund balance - total governmental fund	\$ 249,744
Capital assets	406,785
Loans and leases	(279,527)
Other Asset_OPEB	1,278
Other Asset_EMSRS	248,604
Deferred outflows related to OPEB	66,845
Deferred outflows related to PERS	1,062
Deferred outflows related to EMSRS	203,565
Deferred inflows related to OPEB	(77,440)
Deferred inflows related to PERS	(1,669)
Deferred inflows related to EMSRS	(243,345)
<b>Total Net Assets</b>	<b><u>\$ 575,902</u></b>

The governmental fund statement of revenues, expenditures, and changes in fund balances/statement of activities include adjustments between net changes in fund balances-total governmental fund and changes in net position of governmental activities as reported in the Statement of Activities. The details of this difference are as follows:

Depreciation expense	\$ (141,148)
Loan & Lease principal payments expensed in fund financial statements	(64,009)
Offset (Expense) recorded for GASB 75	30,173
<b>Total</b>	<b><u>\$ (174,984)</u></b>

**3. CASH AND CASH EQUIVALENTS**

Cash at June 30, 2022 is as follows:

Summit Community Bank _Checking	\$31,137
Summit Community Bank _Saving	34,799
<b>Total</b>	<b><u>\$65,936</u></b>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Authority's deposits at June 30, 2022, were covered by the federal depository insurance.

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**4. ACCOUNTS RECEIVABLE, NET**

The Accounts Receivables at June 30, 2022 consist of the following:

Insurance Billings	\$132,600
State of West Virginia	91,250
Light Years the Movie, LLC	6,200
Panthera Training, LLC	1,900
EA Hawse Continuous Care and Rehab Center	1,675
<b>Total</b>	<b><u>\$ 233,625</u></b>

Accounts Receivable of \$132,600 represent billings to insurance companies for emergency medical services provided. The net receivable amount was obtained from the statement of insurance billings & allowances/adjustments provided by Premier Accounts Receivable Management Inc., the agency handling the insurance billing for the Authority. It is the policy of this agency to write off any balance not reimbursed within thirty days by insurance companies without further collection effort.

Accounts Receivable of \$91,250 represents billings to the State of West Virginia for COVID testing.

Accounts Receivable of \$1,675 represents billings to the EA Hawse Continuous Care and Rehab Center for services provided.

**5. CAPITAL ASSETS**

<u>Asset Classification</u>	<u>Useful Life</u>	<u>Depreciation Method</u>
Vehicles	7 years	Straight-Line, half-year convention
Machinery & Equipment	5 years	Straight-Line, half-year convention

Capital assets being depreciated during the FY 2022 were as follows:

<u>Asset Classification</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Write-Offs / Disposals</u>	<u>Ending Balance</u>
Vehicles	\$ 603,068	\$217,210	\$ -	\$ 820,278
Machinery & Equipment	208,182	-	-	208,182
<b>Total</b>	<b><u>811,250</u></b>	<b><u>217,210</u></b>	<b><u>-</u></b>	<b><u>1,028,460</u></b>
 <i>Less: Accumulated Depreciation</i>				
Vehicles	(370,311)	(99,512)	31,628	(438,195)
Machinery & Equipment	(141,844)	(41,636)	-	(183,480)
Total accumulated depreciation	<b><u>(512,155)</u></b>	<b><u>(141,148)</u></b>	<b><u>31,628</u></b>	<b><u>(621,675)</u></b>
<b>Capital assets, net</b>	<b><u>\$ 299,095</u></b>	<b><u>\$ 76,062</u></b>	<b><u>\$ 31,628</u></b>	<b><u>\$ 406,785</u></b>

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**Notes to the Financial Statements  
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**5. CAPITAL ASSETS (Continued)**

Following vehicles were available to Authority during FY 2022 for providing emergency medical services:

Vehicles ID#	Make	Model	Year Acquired	Vehicle Description
371	Ford	2017	2018	Ambulance Vehicle
372	Ford	2019	2019	Ambulance Vehicle
373	Ford	2021	2019	Ambulance Vehicle
376	International	2003	2013	Ambulance Vehicle
379	Ford	2009	2013	Ambulance Vehicle, retired Jul 15, 2019
381	Ford	2016	2016	Ford Chase Vehicle AWD
383	Ford	2016	2016	Ford Chase Vehicle AWD
ARGO 3	Argo	2020	2021	UTV Resque
ARGO	Argo	2022	2022	Trailer

**6. ACCRUED COMPENSATED ABSCENCES**

At June 30, 2022, the Authority is contingently liable to employees for accumulated unpaid vacation pay in the amount of \$49,817 which represents an increase of \$9,760 from the FY 2021 balance of \$40,057. Details of accrued compensated account is as follows:

Other Liabilities	Beginning balance	Additions	Paid	Ending Balance	Amounts Due within One year	Non-Current
Compensated Absences	\$ 40,057	\$ 36,112	\$ 26,352	\$ 49,817	\$ 8,057	\$ 41,760

**7. LEASES AND NOTES PAYABLE**

**Leases**

The Hardy County Emergency Ambulance Authority leases various equipment under capital leases expiring in January 2023 but were paid off early in FY2022. The leases were entered into on December 22, 2017, and require annual lease payments of \$40,526, and each lease has a purchase option for \$1 at the end of the lease. The assets and liabilities under the capital lease are recorded at the present value of the lease payments.

The lease obligation is secured by the leased equipment. Depreciation of assets under capital lease is included in depreciation expense for the year ended June 30, 2022.

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**Notes to the Financial Statements  
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**7. LEASES AND NOTES PAYABLE (Continued)**

**Notes Payable**

The Hardy County Emergency Ambulance Authority obtained a note payable (Loan #22737) to purchase an ambulance vehicle on February 15, 2018. The note requires annual payments due on August 1 and will mature on August 1, 2023. The note has a stated interest rate of 3.45% and a maturity of 5.5 years. This note was paid off on September 29, 2020. This note was paid off on September 29, 2020.

The Hardy County Emergency Ambulance Authority obtained a second note payable (Loan #26040) to purchase an ambulance vehicle on July 23, 2019. The note requires annual payments due on February 23 and will mature on February 23, 2024. The note has a stated interest rate of 4.35% and a maturity of 5.5 years.

The Hardy County Emergency Ambulance Authority obtained a note payable (Loan #444230) to purchase an ambulance vehicle on December 8, 2021. The note requires annual payments due on August 15 and will mature on August 15, 2026. The note has a stated interest rate of 3.25% and a maturity of 5.5 years.

Scheduled maturities of the note for years succeeding June 30, 2022 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$40,009	\$6,251	\$46,260
2023	73,548	8,373	81,921
2024	76,314	5,669	81,983
2025	44,101	2,864	46,965
2026	45,555	1,462	47,017
<b>Total</b>	<b><u>\$279,527</u></b>	<b><u>\$24,619</u></b>	<b><u>\$304,146</u></b>

Summary roll forward for all long-term debt is as follows:

<u>Leases &amp; Notes Payable</u>	<u>Balance Due June 30, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>	<u>Due Beyond One Year</u>
Notes	\$ 96,715	\$ 213,688	\$ (30,876)	\$ 279,527	\$ 72,228	\$ 207,299
Leases	33,133	-	(33,133)	-	-	-
<b>Total</b>	<b><u>\$ 129,848</u></b>	<b><u>\$213,688</u></b>	<b><u>\$ (64,009)</u></b>	<b><u>\$ 279,527</u></b>	<b><u>\$ 72,228</u></b>	<b><u>\$ 207,299</u></b>

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**Notes to the Financial Statements  
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**8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The Authority participates in the West Virginia Other Post-Employment Benefit Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBT), a cost sharing multiple-employer defined benefit post-employment healthcare plan for eligible employees administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers.

The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit plans to the WVPEIA Board of Trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB plan. That report may be obtained by writing to West Virginia Public Employees Insurance Agency, 601 57th Street, Charleston, WV 25304, or from the WVPEIA website at [www.peia.wv.gov](http://www.peia.wv.gov).

***Net OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of the net OPEB liability does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial estimated liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. However, the preparation of any estimate of future post-employment costs requires consideration of a broad array of complex social and economic events. Future changes in the healthcare reform, changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs option, changes in the investment rate of return and other matters increase the level of uncertainty of such estimates. As such, the estimate of post-employment program costs contains considerable uncertainty and variability and actual experience may vary significantly by the current estimated net OPEB liability.

The RHBT OPEB actuarial valuation, which was used as the underlying basis for certain information in the Schedules, is as of June 30, 2021, was based on a measurement date of June 30, 2021, and was prepared for the purposes of complying with the requirements of GASB Statement 75 for the Plan Employer's fiscal year ended June 30, 2022, financial reporting.

The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the OPEB plan relative to the projected contributions of all participating entities. At June 30, 2022, the Authority's proportion was 0.004299229% which showed a decrease of 0.001350366% compared to the position measured as of June 30, 2021.

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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**Notes to the Financial Statements  
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**8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes in proportion and differences between Employer contributions and proportionate share of contributions	\$ 17,244	\$ 32,048
Differences between expected and actual investment earning	-	8,822
Differences between expected and actual non-investment experience	-	8,806
Changes in assumptions	-	-
Employer contributions subsequent to the measurement date	49,601	27,051
Re-allocation of opt-out Employer changes in proportionate share	-	713
<b>Total</b>	<b>\$ 66,845</b>	<b>\$ 77,440</b>

The amount of \$49,601 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:

2023	\$ 18,136
2024	18,136
2025	18,136
2026	18,136
2027	4,897
<b>Total</b>	<b>\$ 77,440</b>

*Actuarial assumptions*

The net OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Inflation	2.25%
Salary increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of

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**8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

*Actuarial assumptions*

	31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20-year closed period beginning June 30, 2017
Mortality Post-Retirement	TRS: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. PERS: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females. Troopers A and B: Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2019 and scaling factors of 100% for males and females.
Mortality Pre-Retirement	TRS: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019. PERS: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019. Troopers A and B: Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2019.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

There were no assumptions changes from the actuarial valuation as of June 30, 2020, measured at June 30, 2020 to roll-forward measurements date of June 30, 2021

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the West Virginia Investment Management Board (WVIBM) and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments (WVBTI).

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge funds and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

The long-term rate of return on OPEB plan investments were determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was developed for each major asset class. These ranges were

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**8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (“CMA”), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan’s investment advisors, including the West Virginia Investment Management Board (“WV-IMB”). The projected nominal return for the Money Market Pool held with the West Virginia Board of Treasury Investments (“WV-BTI”) was estimated based on WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below:

<b>Asset Class</b>	<b>Weighted Average Expected Real Rate of Return</b>
Global Equity	4.80%
Core Plus Fixed Income	2.10%
Core Real Estate	4.10%
Hedge Funds	2.40%
Private Equity	6.80%

***Single Discount rate***

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

***Deferred outflows and deferred inflows of resources by source for the OPEB Plan as a whole***

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active members expected to receive a plan benefit was approximately 295,577 years. Additionally, the total number of plan members expected to receive a plan benefit as of the actuarial valuation date was 77,886. As a result, the average of the expected remaining service lives for plan members expected to receive a plan benefit for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 3.795 years.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For



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**8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

*Sensitivity of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the Plan, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.65%) or 1-percentage point higher (7.65%) than the current discount rate:

	<u>1% Decrease (5.65%)</u>	<u>Discount Rate (6.65%)</u>	<u>1% Increase (7.65%)</u>
Employer's proportionate share of the net OPEB liability (asset)	\$ 6,860	\$ (1,278)	\$ (8,035)
All Employer' net OPEB liability (asset)	\$ 159,559,746	\$ (29,734,708)	\$(186,903,110)
Employer's proportion of the net OPEB liability	0.004299229%	0.004299229%	0.004299229%

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the net OPEB (asset) of the Plan, as well as what the Plan's net OPEB (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower:

	<b>Healthcare Cost</b>		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
Hurricane Water & Sewer's proportionate share of the net OPEB liability	\$ (9,439)	\$ (1,278)	\$ 8,662
All Governments' net OPEB liability (asset)	\$ (219,545,277)	\$ (29,734,708)	\$ 201,476,232
Hurricane Water & Sewer's proportion of the net OPEB liability	\$0.00004299229	\$0.00004299229	\$0.000042992

**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

*General Information about the Pension Plans*

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

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

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**Notes to the Financial Statements  
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**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

**Public Employees Retirement System (PERS)**

Eligibility to participate	All full-time employees, except those covered by other pension plans	
Authority establishing contribution obligations and benefit provisions	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia.	
Plan member's contribution rate	Tier I 4.50%	Tier II 6.00%
Authority's contribution rate	11.00%	11.00%
Period required to vest	Five Years	
Benefits and eligibility for distribution	Tier I: 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. Tier II: A member who has attained age 62 and has earned 10 years or more of contributing service. The final average salary (five highest consecutive years in the last 15) 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	

**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	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the State of West Virginia. The WVDRS is also discussed in West Virginia State Code §16-5v.	
Plan member's contribution rate	8.50%	
Authority's contribution rate	9.50%	

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**Notes to the Financial Statements  
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**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

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.
Deferred retirement option	No deferred retirement option is available.
Provisions for:	
Cost of living	No
Death benefits	Yes

The long-term rates of return on pension plan investments were determined using the building block method in which estimates of expected future real rates of return (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 weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation.

Best estimates of long-term geometric rates of return are summarized in the following tables and were used for all defined benefit plans for the year ended June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>	<u>Weighted Average Expected Real Rate of Return</u>
Domestic Equity	27.50%	5.50%	1.51%
International Equity	27.50%	7.00%	1.93%
Fixed Income	15.00%	2.20%	0.33%
Real Estate	10.00%	6.60%	0.66%
Private Equity	10.00%	8.50%	0.85%
Hedge Funds	10.00%	4.00%	0.40%
<b>Total</b>	<b>100.00%</b>		<b>5.68%</b>
Inflation (CPI)			2.10%
			<b>7.78%</b>

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**Notes to the Financial Statements  
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**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

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

At the fiscal year-end, the Authority reported the following liabilities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. Note: these amounts differ from the net pension liability reported on the Statement of Net Position due to rounding and changes to the allocation schedules; however, the differences in these amounts are considered immaterial.

For the year ended June 30, 2022, the Authority recognized the following pension expenses:

	<u>PERS</u>	<u>EMSRS</u>
Pension Expense (Offset)	\$52	(\$39,738)

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

**Public Employees Retirement System**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 1,062	\$ 1,669
Net difference between projected and actual Investment earnings on pension plan investments	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Employer contributions made subsequent to measurement date	-	-
<b>Total</b>	<u>\$ 1,062</u>	<u>\$ 1,669</u>

The amount reported as deferred outflows of resources related to pensions resulting from Authority's contributions for subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. There is no subsequent payments. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

2023	\$	391
2024		391
2025		391
2026		391
2027		106
<b>Total</b>	<b>\$</b>	<b><u>1,669</u></b>

**Emergency Medical Services Retirement System**

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ -	\$ 25,001
Net difference between projected and actual Investment earnings on pension plan investments		206,157
Differences between expected and actual experience	53,646	12,187
Changes in assumptions	50,297	-
Employer contributions made subsequent to measurement date	99,622	-
<b>Total</b>	<b><u>\$ 203,565</u></b>	<b><u>\$ 243,345</u></b>

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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$	56,989
2024		56,989
2025		56,989
2026		56,989
2027		15,387
<b>Total</b>	<b>\$</b>	<b><u>243,345</u></b>

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:

	<b><u>Decrease (6.25%)</u></b>	<b><u>Discount Rate (7.25%)</u></b>	<b><u>1% Decrease (8.25%)</u></b>
Employer's proportionate share of the net EMSRS Assets (Liability)	\$ 46,482	\$ 248,604	\$ 412,629
Employers' total share of the net EMSRS Assets (Liability)(in '000)	3,387	18,115	30,067
Employer's proportion of the net EMSRS Assets (Liability)	1.372365%	1.372365%	1.372365%

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

*Actuarial assumptions*

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2021, and rolled forward to June 30, 2022 using the actuarial assumptions and methods described, as follows:

	<b>PERS</b>	<b>EMSRS</b>
Actuarial cost method	Individual entry age normal cost with level percentage of payroll	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035	Through Fiscal Year 2038
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases:		
State	3.10% - 5.30%	NA
Nonstate	3.35% - 6.50%	3.25% - 4.75%
Educators	NA	NA
Non-Educators	NA	NA
Inflation rate	3.00%	3.00%
Discount rate	7.50%	7.50%
Mortality rates:		
Actives	100% of Pub-2010 General Employees table, below median, headcount weighted, projected generationally with scale MP-2018	100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational
Retired healthy males	108% of Pub-2010 General Retiree Male table, below median, headcount weighted, projected generationally with scale MP-2018	103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational
Retired healthy females	122% of Pub-2010 General Retiree Female table, below median, headcount weighted, projected generationally with scale MP-2018	100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**9. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

*Actuarial assumptions (Continued)*

	<u>PERS</u>	<u>EMSRS</u>
Mortality rates:		
Disabled males	118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP2018	100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational
Disabled females	117% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018	100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational
Withdrawal rates:		
State	2.28% - 45.63%	NA
Nonstate	2.50% - 35.88%	6.00% - 28.00%
Educators	NA	NA
Non-Educators	NA	NA
Disability rates	0.005% - 0.540%	0.04% - 0.60%
Retirement rates	12% - 100%	25% - 100%
Date range in most recent experience study	2013-2018	2011 - 2016

*Discount rate*

The discount rate used to measure the total pension liability was 7.25 percent for all defined benefit plans. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that the Authority contributions to all plans will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

*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](http://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.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**10. AMBULANCE SERVICE FEE**

Ambulance Service Fee is a fund collected by the Hardy County Commission under the Special Emergency Ambulance Service Fee Ordinance. In the fiscal year of 2022, the Authority received \$780,000 in ambulance service fee.

**11. INSURANCE BILLING, NET**

The Authority uses services from Premier Accounts Receivable Management Inc., to handle the insurance billing. The amount that is not collected within thirty days by the agency is written off without further collection effort.

**12. COVID TESTING**

The Authority was a contracted vendor through the State of West Virginia for COVID testing. The Authority invoices for services to the state of West Virginia for fiscal year 2022 and will continue to test for the foreseeable future.

**13. GRANT FUNDS**

There is no grants received during FY2022

**14. MISCELLANEOUS INCOME**

Miscellaneous incomes primarily consist of rebates of fuel and credit cards, overpayments to IRS, and selling of a motor out of a retired ambulance.

**15. 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; and natural disasters for which the Authority is provided coverage through the West Virginia Board of Risk.

The Authority receives worker's compensation coverage provided by Brick Street Mutual Insurance Company.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

It is the opinion of the Authority's counsel that there are no pending lawsuits or unasserted claims against the Hardy County Emergency Ambulance Authority.



**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2022**

**16. CONCENTRATION OF CREDIT RISK**

Financial instruments that are potentially subject to concentration of credit risk consist principally of cash deposits in financial institutions. The Authority maintains accounts at one financial institution. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer. As of June 30, 2022, all cash deposits including were fully insured by the FDIC.

**17. SUBSEQUENT EVENTS**

Management has evaluated events subsequent to the date of the financial statement through July 29, 2024, the date of the audit report. No events have occurred subsequent to the date of the financial statement through July 29, 2024 that would require adjustment or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Schedule of Authority's Proportionate Share of the Net  
Other Post-Employment Benefits Liability  
West Virginia Retiree Health Benefits Trust Fund  
For the Fiscal Year Ended June 30,**

**Last Six Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total plan OPEB Liability	\$1,643,289,292	\$1,666,333,746	\$2,750,793,325	\$3,108,550,896	\$3,282,900,408	\$2,483,325,251
Plan fiduciary net position	\$1,673,024,000	\$1,224,642,000	\$1,091,661,000	\$ 963,115,000	\$ 823,911,315	\$ 823,911,315
Net OPEB liability (asset)	\$ (29,734,708)	\$ 441,691,746	\$1,659,132,325	\$2,145,435,896	\$2,458,989,093	\$2,483,325,251
Authority's proportion of the net OPEB liability	0.004299229%	0.005649595%	0.006750532%	0.007189157%	0.002084243%	0.002000977%
Authority's proportionate share of the net OPEB liability	\$ (1,278)	\$ 24,954	\$ 112,000	\$ 154,239	\$ 51,251	\$ 49,691
Authority's covered-employee payroll	\$ 460,475	\$ 447,314	\$ 338,308	\$ 296,347	\$ 270,593	\$ 206,637
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	-0.27%	5.58%	33.11%	52.05%	18.94%	24.05%
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%	25.10%	33.18%

\*Applicable information was available for six years for this schedule.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Schedule of Authority Contributions  
West Virginia Retiree Health Benefits Trust Fund  
For the Fiscal Year Ended June 30**

**Last Seven Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 5,544	\$ 7,872	\$ 10,920	\$ 13,908	\$ 14,691	\$ 4,281	\$ 3,423
Contributions in relation to contractually required contributions	\$ 5,544	\$ 7,872	\$ 11,163	\$ 14,232	\$ 14,262	\$ 4,281	\$ 3,423
Contribution deficit (surplus)	\$ 41,761	\$ -	\$ 243	\$ 324	\$ (429)	\$ -	\$ -
HCEAA's covered payroll	\$460,475	\$447,314	\$312,831	\$296,347	\$270,593	\$206,637	\$ 90,783
Contribution as a percentage of covered employee payroll	1.20%	1.76%	3.57%	4.80%	5.27%	2.07%	3.77%

\*-Applicable information was available for seven years for this schedule.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Schedule of Authority's Proportionate Share of the  
Net Pension Liability  
West Virginia Public Employees Retirement System  
For the Fiscal Year Ended June 30,**

**Last Two Years\***

	<b>2022</b>	<b>2021</b>
Total plan Pension Liability	\$7,927,948	\$7,431,924
Plan fiduciary net position	\$8,805,884	\$6,903,253
Net Pension Liability	\$ (877,936)	\$ 528,671
Authority's proportion of the net pension liability	0.000000%	0.000743%
Authority's proportionate share of the Net Pension liability	\$ -	\$ 3,928
Authority's covered-employee payroll	\$ -	\$ 21,819
Authority's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	0.00%	18.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	92.89%

\*- Applicable information was available for one year for this schedule.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Schedule of Authority Contributions  
West Virginia Public Employees Retirement System  
For the Fiscal Year Ended June 30,**

**Last Two Years\***

	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ -	\$ 1,155
Contributions in relation to contractually required contributions	\$ -	\$ 1,436
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ 281</u>
HCEAA's covered payroll	\$ -	\$ 21,819
Contribution as a percentage of covered employee payroll	0.00%	6.58%

\*- Applicable information was available for one year for this schedule.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Schedule of Authority's Proportionate Share of the  
Net Pension Liability  
West Virginia Emergency Medical Services Retirement System  
For the Fiscal Year Ended June 30, 2022**

**Last Two Years\***

	<u>2022</u>	<u>2021</u>
Total plan Pension Liability	\$ 101,106	\$ 87,830
Plan fiduciary net position	\$ 119,221	\$ 89,005
Net Pension Asset (Liability)	\$ (18,115)	\$ (1,175)
Authority's proportion of the net pension liability	1.372365%	0.817579%
Authority's proportionate share of the Net Pension asset (liability)	\$(248,604)	\$ (9,607)
Authority's covered-employee payroll	\$ 460,475	\$ 225,440
Authority's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	-51.71%	-4.26%
Plan fiduciary net position as a percentage of the total pension liability	117.92%	101.34%

\*- Applicable information was available for one year for this schedule.

**HARDY COUNTY EMERGENCY AMBULANCE AUTHORITY  
BAKER, WV**

**Schedule of Authority Contributions  
West Virginia Emergency Medical Services Retirement System  
For the Fiscal Year Ended June 30,**

**Last Two Years\***

	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 48,350	\$ 25,161
Contributions in relation to contractually required contributions	\$ 48,350	\$ 39,803
Contribution deficit (surplus)	<u>\$ 51,272</u>	<u>\$ 14,642</u>
HCEAA's covered payroll	\$460,475	\$225,440
Contribution as a percentage of covered employee payroll	10.50%	17.66%

\*- Applicable information was available for one year for this schedule.





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

Board of Directors  
Hardy County Emergency Ambulance Authority  
17940 SR55  
Baker, West Virginia 26801

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements and related notes which collectively comprise basic financial statements as listed in the table of contents, of Hardy County Emergency Ambulance Authority (the Authority) as of and for the year ended June 30, 2022, and have issued our report thereon dated July 29, 2024.

**Internal Control Over Financial Reporting**

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

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

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

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (Continued)**

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*AAL, P.C.*

AAL, P.C.  
Vienna, VA  
July 29, 2024