



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

RFP# 23-288
Jefferson County

AUDIT REPORT OF
JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
JEFFERSON COUNTY, WEST VIRGINIA

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

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**JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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Independent Auditor's Report

Jefferson County Emergency Services Agency
Jefferson County, West Virginia
Ranson, West Virginia

To the Members of the Board:

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Jefferson County Emergency Services Agency, Jefferson County, West Virginia (the Agency), a component unit of Jefferson County, West Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jefferson County Emergency Services Agency, Jefferson County, West Virginia, a component unit of Jefferson County, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Agency, 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.

Responsibilities of Management for the Financial Statements

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

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 Agency'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 Agency'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 Agency'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*, 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. The Agency has omitted the management's discussion and analysis. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability, schedule of pension contributions and notes to required supplementary be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 have 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 June 24, 2024, on our consideration of the Agency'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 Agency's internal control over financial reporting and compliance.



BHM CPA Group, Inc
Huntington, West Virginia
June 24, 2024

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
Governmental Funds Balance Sheet / Statement of Net Position
As of June 30, 2023

	General	Adjustments (Note 2)	Statement of Net Position
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 1,422,576	\$ -	\$ 1,422,576
Accounts Receivable	114,933	-	114,933
Prepaid Expenses	69,959	-	69,959
Total current assets	<u>1,607,468</u>	<u>-</u>	<u>1,607,468</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable:			
Land	-	550,000	550,000
Depreciable:			
Buildings	-	1,366,998	1,366,998
Machinery and equipment	-	667,922	667,922
Less: accumulated depreciation	-	<u>(671,432)</u>	<u>(671,432)</u>
Total capital assets, net	-	1,913,488	1,913,488
Net Pension Assets	-	<u>42,283</u>	<u>42,283</u>
Total noncurrent assets	-	1,955,771	1,955,771
<i>Total Assets</i>	<u>1,607,468</u>	<u>1,955,771</u>	<u>3,563,239</u>
DEFERRED OUTFLOWS:			
Replated to pensions	-	998,230	998,230
<i>Total deferred outflows of resources</i>	-	<u>998,230</u>	<u>998,230</u>
LIABILITIES:			
Current liabilities payable from current assets:			
Accounts payable	136,565		136,565
Payroll payable	181,197		181,197
Current liabilities payable from restricted assets:			
Notes payable	-	40,919	40,919
Interest payable	-	1,161	1,161
Noncurrent liabilities:			
Notes payable- due in more than one year	-	908,482	908,482
Compensated absences payable	-	80,613	80,613
Total liabilities	<u>317,762</u>	<u>1,031,175</u>	<u>1,348,937</u>
DEFERRED INFLOWS:			
Related to pensions	-	117,297	117,297
<i>Total deferred inflows of resources</i>	-	<u>117,297</u>	<u>117,297</u>
Fund Balance/Net Position			
Fund Balance			
Nonspendable	69,959	(69,959)	-
Unassigned	1,219,747	(1,219,747)	-
Total fund balacne	<u>1,289,706</u>	<u>(1,289,706)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund	<u>1,607,468</u>		
NET POSITION:			
Net investment in capital assets, net of related debt		1,007,298	1,007,298
Restricted for:			
Reserved		81,000	81,000
Unrestricted		2,006,937	2,006,937
<i>Total Net Position</i>		<u>\$ 3,095,235</u>	<u>3,095,235</u>

The notes to the basic financial statements are an integral part of this statement.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Current:			
Salaries & Wages	\$ 3,305,657	\$ (90,311)	\$ 3,215,346
Staff Benefits	710,854	-	710,854
Operations	533,863	(39,000)	494,863
Administrative	235,168	-	235,168
Depreciation expense	-	120,236	120,236
Interest expense	41,842	-	41,842
<i>Total Expenditures/Expenses</i>	<u>4,827,384</u>	<u>(9,075)</u>	<u>4,818,309</u>
PROGRAM REVENUES:			
Charges for services	<u>287,790</u>	-	<u>287,790</u>
<i>Total Program Revenues</i>	287,790	-	287,790
<i>Net Program Revenues</i>			4,530,519
GENERAL REVENUES:			
Intergovernmental:			
County Commission	3,536,062	-	3,536,062
Emergency Service Fee from Jefferson County	900,000	-	900,000
Grants	315,987	-	315,987
Interest income	14,095	-	14,095
Net gain(loss) on sale of investments	3,428	-	3,428
Miscellaneous	13,347	-	13,347
<i>Total General Revenues</i>	<u>4,782,919</u>	<u>-</u>	<u>4,782,919</u>
Change in Net Position	243,325	9,075	252,400
<i>Fund Balance/Net Position at Beginning of Year</i>	<u>1,364,143</u>	<u>1,478,692</u>	<u>2,842,835</u>
<i>Fund Balances/Net Position at End of Year</i>	<u>\$ 1,607,468</u>	<u>\$ 1,487,767</u>	<u>3,095,235</u>

The notes to the basic financial statements are an integral part of this statement.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Jefferson County Emergency Services Agency (the Agency) conforms to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

A. Reporting Entity

The Emergency Services Agency, (a component unit of the Jefferson County Commission) is governed by the Jefferson County Commission, West Virginia and seven (7) board members who are approved by the Jefferson County Commission. The government is a legally separate organization for which elected officials of the primary government are financially accountable. The government is a discretely presented component unit of the primary government based upon the criteria Stipulated in the Governmental Accounting Standards government Statement No. 14 (as amended by GASB Statement No. 39 and GASB Statement No. 61).

B. Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) and the fund financial statements report information on all of the activities of the government. These statements are presented using the dual statement presentation as suggested for single-purpose governments. For the most part, the effect of Interfund activity has been removed from those statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a Liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

D. Fund Balances

In the governmental fund financial statements, fund balance is reported in five classifications.

Non-spendable fund balance

Inventories and prepaid amounts represent fund balance amounts that are not in spendable form.

Restricted

Inventories and prepaid amounts represent fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation.

Committed

The committed category is the portion of fund balance whose use is constrained by limitations have been approved by an order (the highest level of formal action) of the County Commission, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year. The government does not have any assigned fund balance this fiscal year.

Assigned

The assigned category is the portion of fund balance that has been approved by formal action of the other official authorized to assign amounts for any amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The government does not have any assigned fund balance this fiscal year.

Unassigned

The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance.

The Commission is the government's highest level of decision-making authority. The government would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the Jefferson County Emergency Services Agency.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Deposits and Investments

The Jefferson County Emergency Services Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

2. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Capital assets of the government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Machinery and equipment	3-10

3. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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 inflow of resources (revenue) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the 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.

4. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources to pensions, and pension expense, information about the fiduciary net position of the West Virginia Emergency Medical Services' Retirement System (EMSRS) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are prepared for internal control purposes and submitted to the Jefferson County Commission.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

At year end, the government had no investments.

Custodial Credit Risk

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The bank balance was collateralized by federal depository insurance. The government does not have a deposit policy for custodial credit risk. At year end, the Agency's bank balances were \$1,422,576.

A reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

Cash and Cash Equivalents	\$	1,422,576
Total	\$	1,422,576

B. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was follows:

Government-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 550,000	\$ -	\$ -	\$ 550,000
Total Capital Assets Not Being Depreciated	550,000	-	-	550,000
Capital Assets Being Depreciated:				
Buildings and Improvements	1,366,998	-	-	1,366,998
Machinery and Equipment	703,599	329,140	(364,817)	667,922
Total Accumulated Depreciation	(905,547)	(120,237)	354,352	(671,432)
Total Capital Assets Being Depreciated, Net	1,165,050	208,903	(10,465)	1,363,488
Capital Assets, Net	\$ 1,715,050	\$ 208,903	\$ (10,465)	\$ 1,913,488

C. Fund Balance Detail

At year-end, the detail of the government's fund balances is as follows:

		<u>General Fund</u>
Unassigned	\$	26,521
Total Fund Balances	\$	26,521

**JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2023**

IV. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

A. Plan Descriptions, Contribution Information, and Funding Policies

Jefferson County Emergency Services Agency participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of Authority 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.

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:

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 officer hired prior to the effective date who elect to become members.
Authority establishing contributions obligations and benefits provision	State Statute
Plan member’s contribution rate	8.50%
Boards contribution rate	9.50%
Period required to vest	Five years
Benefit and eligibility for distribution	A member who has attained age 50 and has earned 20 years or more of contribution service or age 50 when age plus contributory series equals 70 while still in covered employment; or attainment of age 62 and completion of 5 years of contributory services. 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 year of service.
Deferred retirement portion	No deferred retirement option is available.
Provision for:	
Cost of living	No
Death benefits	Yes

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Trend Information

	<u>Emergency Medical Services Retirement System (EMSRS)</u>		
<u>Fiscal Year</u>	Annual Pension Cost	Percentage Contributed	
2023	\$ 433,314	100%	
2022	\$ 441,549	100%	
2021	\$ 348,807	100%	
2020	\$ 350,960	100%	
2019	\$ 301,803	100%	

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

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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

At fiscal year-end, the Authority reported the following liabilities for its proportionate share of the net pension liabilities. The net position liabilities were measured as of June 30, 2022, and the total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022 using the actuarial assumptions and methods described in the appropriate section of this note. The Authority's proportion of the net pension liabilities was 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 Authority's, actuarially determined. At June 30, 2022, the Authority reported the following proportions and increase/decreases from its proportion measured as of June 30, 2021:

		<u>EMSRS</u>
Amount for proportionate share of net pension asset	\$	42,283
Percentage for proportionate share of net pension asset		7.118392%
Increase/(decrease) % from prior proportion measured		22.00%

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

	<u>EMSRS</u>
Authority-wide pension expense (credit)	\$ <u>166,662</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on pension plan investments	\$ 125,284	\$ -
Change in assumptions	178,814	-
Differences between expected and actual experience	434,720	(19,647)
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	5,221	(97,650)
Authority contributions subsequent to the measurement date	<u>254,191</u>	<u>-</u>
Total	<u>\$ 998,230</u>	<u>\$ (117,297)</u>

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

The amount 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 pension liability 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:

<u>Year Ended June 30:</u>	
2024	\$215,334
2025	215,334
2026	215,334
2027	215,334
Total	\$861,336

C. Actuarial Assumptions

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

Emergency Medical Services Retirement System

Actuarial assumptions

Inflation rate 2.50%

Salary increases by age from 5.00% at age 30 declining to 3.00% at age 65

Investment Rate of Return 7.25%

Mortality rates for active were based on 100% of the Pub-2010 Safety Employee Table, amount-weighted, projected fully generational with Scale MP-2020. Mortality rates for healthy male retirees were based on 98% of the Pub- 2010 Safety Retiree Male Table, amount-weighted, projected fully generational with Scale MP-2020. Mortality rates for healthy female retirees were based on 99% of Pub-2010 Safety Retiree Female Table, amount-weighted, projected fully generational with Scale MP-2020. Mortality rates for disabled males were based on 124% of Pub- 2010 Safety Disabled Male Table, amount-weighted, projected fully generational with Scale MP-2020. Mortality rates for disabled females were based on 100% of Pub-2010 Safety Disabled Female Table, amount-weighted, projected fully generational with Scale MP-2020.

The actuarial assumptions used in the July 1, 2022 EMSRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments were 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.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for the following defined benefit plans:

<u>Investment</u>	Long-term Expected Real Rate of Return	EMSRS Target Asset Allocation
Domestic Equity	5.3%	27.5%
International Equity	6.1%	27.5%
Fixed Income	2.2%	15.0%
Real Estate	6.5%	10.0%
Private Equity	9.5%	10.0%
Hedge Funds	3.8%	10.0%
		100.0%

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 rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

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

	Decrease	Discount Rate	Increase
	6.25%	7.25%	8.25%
Authority's proportionate share of EMSRS's net pension Asset (Liability)	\$(1,134,031)	\$42,283	\$995,009

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.

JEFFERSON COUNTY EMERGENCY SERVICES AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

V. OTHER INFORMATION

A. Risk Management

The government 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 government carries insurance with the West Virginia Board of Risk for umbrella (general liability) insurance for these various risks.

B. Contingent Liabilities

It is the opinion of the government's counsel that there are no pending lawsuits or unasserted claims against the Jefferson County Emergency Services Agency, West Virginia.

C. Grants

In the normal course of operations, the Agency receives grant funds from various federal and state agencies. The grant programs are subject to audit by the granting authorities for the purpose of ensuing compliance with the conditions of the awards. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

D. Subsequent Events

In preparing these financial statements, the Agency had evaluated any transactions for potential recognition or disclosure through June 24, 2024, the date the financial statements were available to be issued. The Jefferson County Commission took over operations for the Jefferson County Emergency Services Agency as of May 18, 2024. The Agency dissolved its board ended operations as of that date.

JEFFERSON COUNTY EMERGENCY SERVICES AUTHORITY
Required Supplementary Information
Schedule of Authority's Proportionate Share of the Net Pension Liability
West Virginia Emergency Medical Services Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability	7.11839200%	5.83429700%	5.81520300%	5.51191800%	5.60616300%	4.78735900%	4.482310%	3.49716400%	3.921235%	3.76990300%
Authority's proportionate share of the net pension liability	\$ (42,283)	\$ (1,056,883)	\$ (68,329)	\$ (250,351)	\$ (93,847)	\$ 15,176	\$ 303,004	\$ 109,671	\$ 95,913	\$ 303,364
Authority's covered-employee payroll	\$ 2,599,743	\$ 2,420,867	\$ 1,963,124	\$ 1,704,410	\$ 1,644,324	\$ 1,471,876	\$ 1,304,838	\$ 1,171,257	\$ 1,531,562	\$ 1,716,562
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-1.60%	-43.66%	-3.48%	-14.69%	-5.71%	1.03%	23.22%	9.36%	6.26%	17.70%
Plan fiduciary net position as a percentage of the total pension liability	100.53%	117.92%	101.34%	105.65%	102.16%	99.56%	99.56%	89.77%	95.64%	84.20%

JEFFERSON COUNTY EMERGENCY SERVICES AUTHORITY
Required Supplementary Information
Schedule of Authority Contributions
West Virginia Emergency Medical Services Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 272,973	\$ 254,191	\$ 206,128	\$ 178,963	\$ 172,654	\$ 154,547	\$ 137,008	\$ 122,982	\$ 160,814	\$ 180,239
Contributions in relation to the contractually required contribution	<u>(272,973)</u>	<u>(254,191)</u>	<u>(206,128)</u>	<u>(178,963)</u>	<u>(172,654)</u>	<u>(154,547)</u>	<u>(137,008)</u>	<u>(122,982)</u>	<u>(160,814)</u>	<u>(180,239)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority covered-employee payroll	\$ 2,599,743	\$ 2,420,867	\$ 1,963,124	\$ 1,704,410	\$ 1,644,324	\$ 1,471,876	\$ 1,304,838	\$ 1,171,257	\$ 1,531,562	\$ 1,716,562
Contributions as a percentage of covered-employee payroll	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Jefferson County Emergency Services Agency
Jefferson County, West Virginia
Ranson, West Virginia

To the Members of the Board:

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 Jefferson County Emergency Services Agency, Jefferson County, West Virginia (the Agency), a component unit of Jefferson County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated June 24, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency'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 weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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

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 Agency's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc
Huntington, West Virginia
June 24, 2024