



Certified Public Accountants, A.C.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
Ohio County
Single Audit
For the Year Ended June 30, 2019**

RFP #17-392

DHHR - Finance

MAR 18 2020

Date Received

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WHEELING-OHIO COUNTY BOARD OF HEALTH

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WHEELING-OHIO COUNTY BOARD OF HEALTH

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INDEPENDENT AUDITOR'S REPORT

February 28, 2020

Wheeling-Ohio County Board of Health
Ohio County
1500 Chapline St. #106
Wheeling, West Virginia 26003

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the **Wheeling-Ohio County Board of Health**, Ohio County, West Virginia (the Board), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board'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 the preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Wheeling-Ohio County Board of Health, Ohio County, as of June 30, 2019, and the changes in its financial position and the budgetary comparison for the General Fund 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

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

Supplementary and Other Information

Our audit was conducted to opine on the Board's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

DHHR - Finance

MAR 18 2020

Date Received

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020 on our consideration of the Board'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 Board's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

DHHR - Finance

MAR 18 2020

Date Received

**WHEELING-OHIO COUNTY BOARD OF HEALTH
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	Governmental Activities
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 501,244
Receivables:	
Accounts Receivable	3,601
Intergovernmental Receivable	228,171
Prepaid Expenses	13,434
Total Current Assets	746,450
Capital Assets:	
Land	95,222
Buildings	812,797
Equipment	309,282
Vehicles	157,828
Less: Accumulated Depreciation	(809,423)
Net Capital Assets	565,706
TOTAL ASSETS	1,312,156
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources - OPEB	118,188
Deferred Outflows of Resources - Pensions	68,827
TOTAL DEFERRED OUTFLOWS OF RESOURCES	187,015
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,499,171
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current Liabilities:	
Accrued Payroll Taxes and Withholdings	\$ 8,076
Compensated Absences	66,787
Total Current Liabilities	74,863
Long-Term Liabilities:	
Net OPEB Liability	551,159
Net Pension Liability	121,213
Total Long-Term Liabilities	672,372
Total Liabilities	747,235
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources - OPEB	85,562
Deferred Inflows of Resources - Pensions	73,387
TOTAL DEFERRED INFLOWS OF RESOURCES	158,949
Net Position:	
Investment in Capital Assets	565,706
Unrestricted	27,281
Total Net Assets	592,987
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,499,171

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Functions/Programs				
Governmental Activities:				
Women, Infants, and Children	\$ 695,164	\$ -	962,514	\$ 267,350
General Health	643,521	214,139	167,332	(262,050)
Threat Preparedness	84,422	-	79,915	(4,507)
Total Governmental Activities	\$ 1,423,107	\$ 214,139	\$ 1,209,761	793
General Revenues:				
Intergovernmental:				
State				133,306
Local				134,000
Contributions not restricted to specific programs				120,000
State OPEB Support Revenue				34,810
Miscellaneous				34,126
Total General Revenues				456,242
Change in Net Position				457,035
Net Position - Beginning of Year				135,952
Net Position - End of Year				\$ 592,987

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
BALANCE SHEET - GOVERNMENTAL FUND
AS OF JUNE 30, 2019**

	<u>General</u>
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 501,244
Accounts Receivable	3,601
Intergovernmental Receivable	228,171
Prepaid Expenses	13,434
TOTAL ASSETS	\$ 746,450
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accrued Payroll Taxes and Withholdings	\$ 8,076
Total Liabilities	8,076
Fund Balance:	
Nonspendable:	
Not in Spendable Form	13,434
Unassigned	724,940
Total Fund Balance	738,374
TOTAL LIABILITIES AND FUND BALANCE	\$ 746,450

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Total governmental fund balance	\$ 738,374
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds.	565,706
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not report in the funds.	
Deferred outflows of resources related to pension	68,827
Deferred inflows of resources related to pension	(73,387)
Deferred outflows of resources related to OPEB	118,188
Deferred inflows of resources related to OPEB	(85,562)
Long-term liabilities are not due in the current period and therefore are not reported in the funds:	
Compensated absences	(66,787)
Net OPEB Liability	(551,159)
Net Pension Liability	<u>(121,213)</u>
Net position of governmental activities	<u>\$ 592,987</u>

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General</u>
REVENUES:	
Intergovernmental:	
Federal	\$ 1,049,843
State	286,993
Local	140,000
Charges for Services	214,703
Contributions and Donations	120,000
Miscellaneous Income	33,793
	<u>1,845,332</u>
EXPENDITURES:	
Salaries and Wages	697,902
Payroll Taxes and Benefits	230,408
Contractual and Professional Services	66,654
Office Expenses	12,237
Telephone	22,158
Medical Supplies	35,316
Software Maintenance and Supplies	6,361
Supplies	45,176
Dues and Subscriptions	2,903
Travel and Education	14,013
Maintenance and Rental of Buildings, Vehicle, and Equipment	110,968
Capital Outlay	90,896
Other Expenses	145,949
	<u>1,480,941</u>
Net Change in Fund Balance	364,391
Fund Balance - Beginning of Year	<u>373,983</u>
Fund Balance - End of Year	<u>\$ 738,374</u>

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balance - total governmental fund	\$ 364,391
Governmental funds report capital outlays as expenditures. However in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	53,288
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	24,396
Expenses related to compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This is the amount by which compensated absences (increased)/decreased.	(6,972)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense.	<u>21,932</u>
Change in net position of governmental activities	<u><u>\$ 457,035</u></u>

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental:				
Federal	\$ 772,149	\$ 772,149	\$ 1,049,843	\$ 277,694
State	265,707	265,707	406,993	141,286
Local	140,000	140,000	140,000	-
Charges for Services	170,000	170,000	214,703	44,703
Miscellaneous Grants and Income	44,770	44,770	33,793	(10,977)
Total Revenues	<u>1,392,626</u>	<u>1,392,626</u>	<u>1,845,332</u>	<u>452,706</u>
EXPENDITURES:				
Salaries	1,086,098	1,086,098	928,310	157,788
Current Operating Expense	302,521	302,521	552,631	(250,110)
Total Expenditures	<u>1,388,619</u>	<u>1,388,619</u>	<u>1,480,941</u>	<u>(92,322)</u>
Net Change in Fund Balances	4,007	4,007	364,391	360,384
Fund Balances - Beginning of Year	<u>373,983</u>	<u>373,983</u>	<u>373,983</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 377,990</u>	<u>\$ 377,990</u>	<u>\$ 738,374</u>	<u>\$ 360,384</u>

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

The accounting policies and the presentation of the financial report of the Wheeling-Ohio County Board of Health (the Board) have been designed to conform to generally accepted accounting principles as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB). GASB embodies the official pronouncements previously issued by the National Council on Governmental Accounting (NCGA).

Reporting Entity

The Wheeling-Ohio County Board of Health was created by West Virginia Code §16-2-5 to direct, supervise, and carry out matters relating to the public health for the combined territorial limits of the participating entities. The combined board consists of at least five members appointed by the participating entities, each serving a five year term. The board of health provides the following basic public services and programs in accordance with the state public health performance-based standards:

- Community Health Promotions
- Environmental Health Promotions
- Communicable or Reportable Disease Prevention and Control

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The basic financial statements of the Wheeling-Ohio County Board of Health have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Board's accounting policies.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information of all the activities of the primary government and its component units, if any. Governmental activities are usually funded by taxes and intergovernmental revenues.

The statement of net position presents the financial condition of the governmental activities of the Board at year end. The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Continued)

Revenue is 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

Fund Accounting

The Board uses funds to report its financial position and the results of its operations. The General Fund is the only fund maintained by the Board and is considered to be a major fund for reporting purposes. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The difference between governmental fund assets plus deferred outflows and liabilities plus deferred inflows of resources is reported as fund balance. The following summarizes the major governmental fund that is presented in the accompanying financial statements:

Governmental fund type:

General Fund – This fund is the general operating fund of the Board.

D. Cash and Cash Equivalents

For the Board, 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 acquisition.

Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (Continued)

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia, obligations of the federal national mortgage association; indebtedness secured by first lien deed of trusts for property situated within this state if the payment is substantially insured or guaranteed by the federal government, pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits which are fully insured or collateralized. Funds registered with the S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

E. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

F. Capital Assets

Capital assets which include land, buildings and improvements, equipment, and vehicles are reported in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included as part of capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight line method over the following useful lives:

<u>Asset</u>	<u>Useful Life</u>
Buildings and Improvements	25-50 Years
Equipment	3-10 Years
Vehicles	3-10 Years

G. Compensated Absences

The liability for compensated absences reported in the government-wide and fund financial statements consist of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payment upon termination are included.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Compensated Absences (Continued)

The entire compensated absence balance is reported in the government-wide financial statements and matured compensated absences are reported on the fund financial statements.

Upon retirement an employee may elect to use any accrued sick leave balances to increase their years of service at retirement but do not have the option for the Board to pay them a cash payout.

Matured compensated absences represents the amount the Board is required to pay to an employee who has notified the Board of their intent to leave or has left the employment of the Board as of June 30, 2019 and has requested their unpaid termination benefits be paid to them.

H. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

I. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Board reported deferred inflows and outflows of resources related to pensions and other post-employment benefits for 2019 in the Statement of Net Position.

J. Use of Resources

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

K. Fund Balance

Fund balance is divided into five classification based primarily on the extent to which the Board 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.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Balance (Continued)

- *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 Health is the Board. 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 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 Board 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.

L. 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 Board 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 Board'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.

M. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Net Pension Liability

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of the Board's Public Employee Retirement System (PERS), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS. 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.

O. Other Post-Employment Benefits (OPEB)

It is the Board's policy to permit employees to accumulate earned but unused sick pay benefits. Sick benefits can be accumulated for unlimited days and carried forward to the subsequent fiscal year. When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board. The payment of health insurance premiums must be absorbed by the last agency employing the retiree and is included as part of the OPEB liability.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost. See Note 9 for further discussion.

NOTE 3 – BUDGET

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Board prepares its budget on the modified accrual basis of accounting. A budget is required to be submitted to the State Department of Health.

The governing body made no material supplementary budgetary appropriations during the year which were required to be reported to the state.

Encumbrance accounting is not employed as an extension of the formal budgetary process. Encumbrances (e.g. purchase orders, contracts) should be reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial credit risk for deposits is the risk that in the event of bank failure, the Board will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2019, the Board's bank balances of \$518,180 were covered by federal depository insurance and securities held by the pledging financial institution's trust department or agent in the entity's name.

The Boards reconciled cash balance at June 30, 2019 was \$501,244.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019 consisted primarily of intergovernmental receivables arising from grants, entitlements, or shared revenues. All receivables are considered fully collectible.

A summary of intergovernmental receivables is as follows:

<u>Description</u>	<u>Amount</u>
Women's, Infants, and Children Grant	\$ 166,254
Treat Preparedness Grant	10,299
Immunizations Grant	393
Municipalities - City of Wheeling	33,500
Ohio County Commission	16,750
IMM State Contracts	975
Total Intergovernmental Receivable	<u>\$ 228,171</u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Non-Depreciable Capital Assets:				
Land	\$ 95,222	\$ -	\$ -	\$ 95,222
Total Non-Depreciable Capital Assets	<u>95,222</u>	<u>-</u>	<u>-</u>	<u>95,222</u>
Depreciable Capital Assets:				
Buildings and Improvements	812,797	-	-	812,797
Equipment	309,282	-	-	309,282
Vehicles	95,752	90,896	(28,820)	157,828
Total Depreciable Capital Assets	<u>1,217,831</u>	<u>90,896</u>	<u>(28,820)</u>	<u>1,279,907</u>
Accumulated Depreciation:				
Buildings and Improvements	(424,161)	(23,811)	-	(447,972)
Equipment	(295,440)	(5,308)	-	(300,748)
Vehicles	(81,034)	(8,489)	28,820	(60,703)
Total Accumulated Depreciation	<u>(800,635)</u>	<u>(37,608)</u>	<u>28,820</u>	<u>(809,423)</u>
Total Capital Assets Being Depreciation, Net	<u>\$ 512,418</u>	<u>\$ 53,288</u>	<u>\$ -</u>	<u>\$ 565,706</u>

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to programs as follows for the year ended June 30, 2019:

	2019
Women, Infants, and Children	\$ 34,620
General Health	1,841
Threat Preparedness	1,147
Total	\$ 37,608

NOTE 7 – LONG-TERM LIABILITIES

The Board's long-term liability requirements as of June 30, 2019 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 59,815	\$ 6,972	\$ -	\$ 66,787	\$ 66,787
Net OPEB Liability	541,221	9,938	-	551,159	-
Net Pension Liability	207,537	-	86,324	121,213	-
Total	\$ 808,573	\$ 16,910	\$ 86,324	\$ 739,159	\$ 66,787

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Public Employee Retirement System (PERS)

The Board participates in a statewide, cost-sharing, multiple employer defined benefit plan on behalf of the general Board 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 Board's cost-sharing multiple-employer plan is 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.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

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

Eligibility to participate: All Board full-time employees, except those covered by other pension plans.

Authority establishing contribution obligations and benefit provisions: State statute

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

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

Board's contribution rate: 10.00% For Fiscal Year 2019

Period required to vest: 5 years for Tier 1 and 10 years for Tier 2

Benefits and eligibility for distribution:

Tier 1

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 2

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

Deferred portion No

Provision for:

Cost of living No
Death benefits Yes

The Board's contributions to the West Virginia Public Employees Retirement System for the year ended June 30, 2019 is as follows:

<u>Percentage of Payroll</u>	<u>Total Wages</u>	<u>Coverage Wages</u>	<u>Amount Contributed</u>
Employer Share - 10%	\$ 628,139	\$ 628,139	\$ 62,814
Tier 1 Employee Share - 4.5%	573,133	573,133	25,791
Tier 2 Employee Share - 6%	55,006	55,006	3,300

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>
2019	\$ 62,814	100.00%
2018	\$ 71,135	100.00%
2017	\$ 64,596	100.00%

For 2019, the required contribution was \$62,814. Of this amount, \$0 is reported in accrued payroll taxes and withholdings.

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

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

At fiscal year-end, the Board reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 for the Board fiscal year ended June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018 using the actuarial assumptions and methods described in the appropriate section of this note. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the Board reported the following proportion and increase/decrease from its proportion measured as of June 30, 2018:

Amount for proportionate share of net pension liability	\$ 121,213
Percentage for proportionate share of net pension liability	0.046936%
Increase/(decrease) in % from prior proportion measured	-0.001144%

For the year ended June 30, 2019, the Board recognized the following pension expense:

Pension Expense	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center; padding: 2px;">PERS</td> </tr> <tr> <td style="text-align: center; padding: 2px;">\$ 11,863</td> </tr> </table>	PERS	\$ 11,863
PERS			
\$ 11,863			

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the year ended June 30, 2019:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 71,328
Net differences between projected and actual experiences	6,013	300
Changes in proportion and differences between contributions and proportionate share of contributions	-	13,934
Contributions subsequent to measurement date	62,814	-
Totals	<u>\$ 68,827</u>	<u>\$ 85,562</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 1,998
2021	(15,559)
2022	(53,916)
2023	(12,072)
Total	<u>\$ (79,549)</u>

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2017 and rolled forward to June 30, 2018 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

PERS	June 30, 2018
Actuarial Cost Method	Individual entry age normal cost with level percentage of payroll
Asset Valuation Method	Fair value
Amortization Method	Level dollar, fixed period
Amortization Period	Through Fiscal Year 2035
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases:	
PERS:	
State	3.0-4.6%
Nonstate	3.35-6%
Inflation Rate	3.00%
Discount Rate	7.50%
Mortality Rates	Active-100% of RP-200 Non-Annuitant, Scale AA fully generational, Retired health males 110% of RP-2000 Healthy Annuitant, Scale AA fully generational, Retired healthy females-101% of RP-200 Healthy Annuitant, Scale AA fully generational, Disabled Males-96
Withdrawal Rates:	
State	1.75-35.1%
Nonstate	2-35.88%
Disability Rates	0.007-.675%
Retirement Rates	12-100%
Date Range in Most Recent Experience Study	2009-2014

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. 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. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following tables:

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

2018

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>	<u>PERS Target Asset Allocation</u>
US Equity	4.5%	27.5%
International Equity	8.6%	27.5%
Core Fixed Income	3.3%	15.0%
Real Estate	6.0%	10.0%
Private Equity	6.4%	10.0%
Hedge Funds	4.0%	10.0%
		<u>100.0%</u>

Discount Rate

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

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

	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Proportionate share of PERS's Net pension liability	\$ 488,150	\$ 121,213	\$ (189,210)

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.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN

West Virginia Retiree Health Benefit Trust Fund (RHBT)

Plan description:

The Board participates in the West Virginia Other Postemployment Benefit Plan (the Plan) a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as the Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

RHBT issues publicly available reports that include a full description of the other post-employment benefit plan regarding benefit provisions, assumptions and membership information that can be obtained by contacting Public Employees Insurance Agency, 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, by calling (888) 680-7342 or can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided:

The Board's employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the PERS or meet certain other eligibility requirements of other CPRB sponsored retirement plans. RHBT provides medical and prescription drug insurance and life insurance benefits to those qualified participants. Life insurance is provided through a vendor and is fully funded by member contributions. The medical and prescription drug insurance is provided through two options; Self-Insured Preferred Provider Benefit Plan - primarily for non-Medicare-eligible retirees and spouses or External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses.

The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a Medicare Advantage Plan. Under this arrangement, the vendor assumes the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option. The RHBT collects employer contributions for Managed Care Organization (MCO) participants and remits capitation payments to the MCO. Survivors of retirees have the option of purchasing the medical and prescription drug coverage.

Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is a closed plan to new entrants.

Contribution requirements:

Employer contributions consist of pay as you go premiums, commonly referred to as paygo, and retiree leave conversion billings. Employees are not required to contribute to the OPEB plan.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (CONTINUED)

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rates for fiscal year 2019 were \$183.

The Board's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2019 was \$36,783. No amount was payable at year-end. Employees are not required to contribute to the OPEB plan.

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below;

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.

- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

Contributions by Non-employer Contributing Entities in Special Funding Situations:

The State of West Virginia (the State) is a nonemployer contributing entity that provides funding through Senate Bill 419, effective July 1, 2012 and amended by West Virginia Code §11-21-96. For fiscal years beginning on and after July 1, 2016, this Senate Bill and corresponding State Code section requires that an annual amount of \$30 million from the State shall be dedicated for payment of the unfunded liability of the RHBT fund. The \$30 million annual contribution is to continue through July 1, 2037, or until the unfunded liability has been eliminated, whichever comes first.

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 Million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020.

The State is a nonemployer contributing entity that provides funding through Senate Bill 469 which was passed February 10, 2012, granting OPEB liability relief to the 55 County Boards of Education effective July 1, 2012. This special funding under the school aid formula subsidizes employer contributions of the county boards of education and contributes to the overall unfunded OPEB liability.

WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (CONTINUED)

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

At fiscal year-end, the Board reported the following liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018 for the Board fiscal year ended June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018 using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net OPEB liability was based on a projection of the government's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the Board reported the following proportions and increase/decreases from its proportion measured as of June 30, 2018:

Board's proportionate share of the net OPEB liability		\$ 551,159
State's proportional share of the net OPEB liability associated with the Board		<u>113,884</u>
Total portion of the net OPEB liability associated with the Board		<u>\$ 665,043</u>
Amount for proportionate share of net OPEB liability	\$	551,159
Percentage for proportionate share of net OPEB liability		0.025689823%
Increase/(decrease) in % from prior proportion measured		0.003679909%

For the year ended June 30, 2019, the Board recognized the following OPEB expense and support provided by the State:

OPEB expense Board		\$ 53,015
OPEB expense State support		<u>34,810</u>
Total OPEB expense		<u>\$ 87,825</u>
State support revenue	\$	34,810

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (CONTINUED)

The Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2019:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 10,202
Net differences between projected and actual experiences	-	8,153
Deferred differences in assumptions	-	55,032
Changes in proportion and differences between contributions and proportionate share of contributions	81,405	-
Contributions subsequent to measurement date	36,783	-
Totals	<u>\$ 118,188</u>	<u>\$ 73,387</u>

The Board reported deferred outflows of resources in the amount of 36,783 related to OPEB from contributions subsequent to the measurement date for the year ended June 30, 2019.

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 2,531
2021	2,531
2022	1,744
2023	1,212
Total	<u>\$ 8,018</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (CONTINUED)

<u>OPEB</u>	<u>June 30, 2018</u>
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Fair value
Amortization Method	Level percentage of payroll over a 20 year closed period
Amortization Period	20 years closed as of June 30, 2017
Actuarial Assumptions:	
Investment Rate of Return	7.15%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	Dependent upon pension system. Ranging from 3.0% to 6.5% including inflation
Inflation Rate	2.75%
Discount Rate	7.15%
Healthcare Cost Trends	Actual trend used for 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.5%. Excess trend rate of 0.13% and 0.0% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
Mortality Rates	Post-Retirement RP-2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis
Date Range in Most Recent Experience Study	July 1, 2010 to June 30, 2015

The long term expected rate of return of 7.15% on the OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 3.00% for assets invested with the West Virginia Board of Treasury Investments.

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

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (CONTINUED)

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

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

Discount Rate

The discount rate used to measure the OPEB liability was 7.15 percent. 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Proportionate share of Board's Net OPEB liability	\$ 647,777	\$ 551,159	\$ 470,617

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (CONTINUED)

Healthcare Cost Trend Rate

The following table presents the Board's proportionate share of its net OPEB liability calculated using the healthcare cost trend rate of percent and the impact of using a discount rate that is 1% higher or lower than the current rate.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Proportionate share of Board's Net OPEB liability	\$ 456,054	\$ 551,159	\$ 667,040

Subsequent to the June 30, 2018, measurement date, on August 21, 2018 RHBT executed a contract renewal with Humana's Medicare Advantage Plan (Humana MAPD) for Plan years 2019 and 2020. This renewal included reduced per member per month capitation costs which decreased from \$224 to \$175 per month, due to favorable experience and the removal of the health insurance fee.

The estimated impact of these reduced rates is not recognized in the estimated net OPEB liability measured at June 30, 2018, since the contract was executed subsequent to the measurement date. Per GASB Statement 75, if a change occurs in a factor relevant to measurement of the net OPEB liability between the measurement date of the net OPEB liability and the employer's current fiscal year-end, the employer should report the effect on the net OPEB liability of that change as of next measurement date. The estimated impact of the reduced capitation rates on the net OPEB liability is a decrease of approximately 9.0%, or \$280 million, which will be considered in the next actuarial valuation estimating the net OPEB liability measured as of June 30, 2019. The future actuarial measurement may differ significantly from this estimate due to various other factors such as the following: plan changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

NOTE 10 – RISK MANAGEMENT

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM)

The Commission participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, board of education, and other local governmental agencies who wish to participate. The Commission pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first \$2 million per property event and purchases excess insurance on losses above that level. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 (CONTINUED)**

NOTE 10 – RISK MANAGEMENT (CONTINUED)

Workers Compensation Fund (WCF):

Private insurance companies could begin to offer worker's compensation coverage to government employers beginning July 1, 2010. Worker's compensation coverage is currently provided for the entity by Berkley Assigned Risk Services.

Other Commercial Coverage:

The Board is exposed to various other risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; terrorism; natural disasters; and employee dishonesty for which the Board purchases commercial insurance coverage.

During the year ended June 30, 2018 the Board did not reduce insurance coverage's from coverage levels in place as of June 30, 2017. No settlements have exceeded coverage levels in place during the past three years.

NOTE 11 – CONTINGENT LIABILITIES

The Board participates in federal grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

The Board believes that disallowed claims, if any, will not have a material effect on the financial condition.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through February 28, 2020, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through February 28, 2020 that would require adjustment or disclosure in the financial statements.

WHEELING-OHIO COUNTY BOARD OF HEALTH
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2019

	Public Employees Retirement System					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Board's proportion of the net pension liability (asset) (percentage)	0.046936%	0.048080%	0.050195%	0.052015%	0.055553%	0.059513%
Board's proportionate share of the net pension liability (asset)	\$ 121,213	\$ 207,537	\$ 461,355	\$ 290,454	\$ 205,026	\$ 542,540
Board's covered payroll	\$ 648,496	\$ 663,531	\$ 687,112	\$ 831,076	\$ 730,395	\$ 796,076
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.69%	31.28%	67.14%	34.95%	28.07%	68.15%
Plan fiduciary net position as a percentage of the total pension liability	96.33%	93.67%	86.11%	94.23%	93.98%	79.70%

*Information prior to June 30, 2013 is not available.

This schedule will be built prospectively

WHEELING-OHIO COUNTY BOARD OF HEALTH
SCHEDULE OF THE BOARD'S PENSION CONTRIBUTIONS
 June 30, 2019

Public Employees Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 62,814	\$ 71,335	\$ 79,624	\$ 92,760	\$ 120,506	\$ 107,867	\$ 111,516	\$ 118,139	\$ 99,485	\$ 84,003
Contributions in relation to contractually required contribution	<u>(62,814)</u>	<u>(71,335)</u>	<u>(79,624)</u>	<u>(92,760)</u>	<u>(120,506)</u>	<u>(107,867)</u>	<u>(111,516)</u>	<u>(118,139)</u>	<u>(99,485)</u>	<u>(84,003)</u>
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 628,139	\$ 648,496	\$ 663,531	\$ 687,112	\$ 831,076	\$ 730,395	\$ 769,076	\$ 814,749	\$ 795,882	\$ 763,667
Contributions as a percentage of covered payroll	10.00%	11.00%	12.00%	13.50%	14.50%	14.77%	14.50%	14.50%	12.50%	11.00%

*Information prior to 2010 is not available.

This schedule will be built prospectively

WHEELING-OHIO COUNTY BOARD OF HEALTH
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
June 30, 2019

Retiree Health Benefit Trust

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Board's proportion of the net OPEB liability (asset) (percentage)	0.025689823%	0.022009914%	0.021376254%
Board's proportionate share of the net OPEB liability (asset)	\$ 551,159	\$ 541,221	\$ 530,842
State's proportionate share of the net OPEB liability (asset) associated with the Board	<u>113,884</u>	<u>163,874</u>	<u>-</u>
Total	<u>\$ 665,043</u>	<u>\$ 705,095</u>	<u>\$ 530,842</u>
Board's covered-employee payroll	\$ 649,496	\$ 663,531	\$ 687,112
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	84.86%	81.57%	77.26%
Plan fiduciary net position as a percentage of the total OPEB liability	30.98%	25.10%	21.64%

Information prior to 2016 is not available.

This schedule will be built prospectively

**WHEELING-OHIO COUNTY BOARD OF HEALTH
SCHEDULE OF THE BOARD'S OPEB
CONTRIBUTIONS
June 30, 2019**

Retiree Health Benefit Trust

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 36,783	\$ 52,485	\$ 45,208	\$ 36,568
Contributions in relation to contractually required contribution	<u>(36,783)</u>	<u>(52,485)</u>	<u>(45,208)</u>	<u>(36,568)</u>
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 628,139	\$ 649,496	\$ 663,531	\$ 687,112
Contributions as a percentage of covered-employee payroll	5.86%	8.08%	6.81%	5.32%

Information prior to 2016 is not available.

The schedule will be built prospectively

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

Note 1 - Changes in Assumptions PERS

Changes in the assumptions between the 2015 and 2014 valuations:

Projected salary increases went from 4.25-6% in 2014 to 3-6% in 2015; the inflation rate went from 2.2% in 2015 to 1.9% in 2015; mortality rates changed due to from the Gam model to RP-2000 model; withdrawal rates went from 1-31.2% in 2014 to 1.75-35.8% in 2015; disability rates went from 0-.8% in 2014 to 0-.675% in 2015;. The range of the experience study was 2004-2009 in 2014 and 2009-2014 in 2015. These changes in assumptions lead to deferred inflows of \$89,556,000 in 2015.

There have been no changes in assumptions since 2015.

Note 2 – Changes in Assumptions OPEB

Changes in the assumptions between the 2018 and 2017 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately \$17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately \$68 million; a change in certain healthcare-related assumptions decreased the liability by approximately \$232 million; and an update to the mortality tables increased the liability by approximately \$25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Changes in the assumptions between the 2016 and 2015 valuations:

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by the RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

The 2016 and 2015 valuations include consideration of the \$30 million annual appropriations under Senate Bill 419, through July 1, 2037, or if earlier, the year the benefit obligation is fully funded. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/ <i>Pass Through Grantor/ Program Title</i>	Federal CFDA Number	Pass Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed - Through West Virginia Department of Health and Human Resources</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	G190747 G180623	N/A N/A	\$ 486,922 <u>219,882</u>
Total Special Supplemental Nutrition Program for Women, Infants, and Children				<u>706,804</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>706,804</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed - Through West Virginia Department of Health and Human Services</i>				
Threat Preparedness (TP)	93.074	G190432	N/A	63,126
TB DOT Program	93.U01	AM EHP 17*06	N/A	2,000
<i>Passed - Through Brooke County Health Department</i>				
Immunization Cooperative Agreements	93.268	G170823	N/A	<u>7,770</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>72,896</u>
Total Federal Awards Expenditures				<u>\$ 779,700</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Wheeling-Ohio County Board of Health** (the Board) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The Board did not provide funds to subrecipients during the past fiscal year.



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740.373.0056

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304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

February 28, 2020

Wheeling-Ohio County Board of Health
Ohio County
1500 Chapline Street
Wheeling, West Virginia 26003

To the Board of Health:

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 governmental activities and major fund of the **Wheeling-Ohio County Board of Health**, Ohio County, (the Board) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated February 28, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

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Compliance and Other Matters

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

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

DHHR - Finance

MAR 18 2020

Date Received



Certified Public Accountants, A.C.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

February 28, 2020

Wheeling-Ohio County Board of Health
Ohio County
1500 Chapline Street
Wheeling, West Virginia 26003

To the Board of Health:

Report on Compliance for the Major Federal Program

We have audited the **Wheeling-Ohio County Board of Health's** (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Wheeling-Ohio County Board of Health's major federal program for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Board's major federal program.

Management's Responsibility

The Board's management is responsible for complying with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Board's compliance for the Board's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Board's major program. However, our audit does not provide a legal determination of the Board's compliance.

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Opinion on the Major Federal Program

In our opinion, the Board complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Board's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

DHHR - Finance

MAR 18 2020

Date Received

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Women, Infants and Children (WIC) – CFDA #10.557
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2019-001

Posting Receipts

The District should have procedures and controls in place to help prevent and detect errors in financial reporting.

During 2019, receipts were not posted into accurate classifications based on the source of the receipt. The following posting error were noted:

- Contribution and Donation receipts were posted to Intergovernmental – State

Not posting revenues accurately resulted in the financial statements requiring a reclassification. The accompanying financial statements reflect the reclassification.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2019**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2019-001 (Continued)

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

3. FINDINGS FOR FEDERAL AWARDS

None

Wheeling – Ohio County Health Department

City County Building – Room 106

William C. Mercer, M.D.
Health Officer

1500 Chapline St.
Wheeling, WV 26003

Howard P. Gamble, MPH
Administrator

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c)

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	To properly classify receipts to proper line items on the financial statements.	June 30, 2020	Howard Gamble, Administrator