



**WHEELING-OHIO COUNTY BOARD OF HEALTH
Ohio County
Regular Audit
For the Year Ended June 30, 2020**

RFP #20-466

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WHEELING-OHIO COUNTY BOARD OF HEALTH

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INDEPENDENT AUDITOR'S REPORT

November 19, 2021

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, 2020, 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, 2020, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board. We did not modify our opinion regarding this matter.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 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

**WHEELING-OHIO COUNTY BOARD OF HEALTH
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	Governmental Activities
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 360,600
Receivables:	
Accounts Receivable	1,988
Intergovernmental Receivable	451,708
Prepaid Expenses	13,268
Total Current Assets	827,564
Capital Assets:	
Land	95,222
Buildings	812,797
Equipment	309,282
Vehicles	271,324
Less: Accumulated Depreciation	(882,953)
Net Capital Assets	605,672
TOTAL ASSETS	1,433,236
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources - OPEB	105,089
Deferred Outflows of Resources - Pensions	65,781
TOTAL DEFERRED OUTFLOWS OF RESOURCES	170,870
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,604,106
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current Liabilities:	
Accounts Payable	1,170
Total Current Liabilities	1,170
Long-Term Liabilities:	
Compensated Absences	57,176
Net OPEB Liability	428,851
Net Pension Liability	91,993
Total Long-Term Liabilities	578,020
Total Liabilities	579,190
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources - OPEB	153,153
Deferred Inflows of Resources - Pensions	76,358
TOTAL DEFERRED INFLOWS OF RESOURCES	229,511
Net Position:	
Investment in Capital Assets	605,672
Unrestricted	189,733
Total Net Position	795,405
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,604,106

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	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	\$ 676,135	\$ -	\$ 759,947
General Health	658,394	160,980	145,585
Threat Preparedness	42,736	-	82,600
Total Governmental Activities	\$ 1,377,265	\$ 160,980	\$ 988,131
General Revenues:			
Intergovernmental:			
State			291,657
Local			105,443
State OPEB Support Revenue			21,412
Miscellaneous			12,060
Total General Revenues			430,572
Change in Net Position			202,418
Net Position - Beginning of Year			592,987
Net Position - End of Year			\$ 795,405

See accompanying notes to the financial statements.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
BALANCE SHEET - GOVERNMENTAL FUND
AS OF JUNE 30, 2020**

	General
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 360,600
Accounts Receivable	1,988
Intergovernmental Receivable	451,708
Prepaid Expenses	13,268
TOTAL ASSETS	\$ 827,564
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 1,170
Total Liabilities	1,170
Fund Balance:	
Nonspendable:	
Not in Spendable Form	13,268
Unassigned	813,126
Total Fund Balance	826,394
TOTAL LIABILITIES AND FUND BALANCE	\$ 827,564

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, 2020**

Total governmental fund balance	\$	826,394
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.		605,672
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		65,781
Deferred inflows of resources related to pension		(76,358)
Deferred outflows of resources related to OPEB		105,089
Deferred inflows of resources related to OPEB		(153,153)
Long-term liabilities are not due in the current period and therefore are not reported in the funds:		
Compensated absences		(57,176)
Net OPEB Liability		(428,851)
Net Pension Liability		(91,993)
		(577,020)
Net position of governmental activities	\$	795,405

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, 2020**

	General
REVENUES:	
Intergovernmental:	
Federal	\$ 851,910
State	291,657
Local	105,443
Charges for Services	163,841
Contributions and Donations	132,911
Miscellaneous Income	12,510
Total Revenues	1,558,272
EXPENDITURES:	
Salaries and Wages	706,426
Payroll Taxes and Benefits	379,505
Contractual and Professional Services	30,368
Advertising	1,596
Office Expenses	24,900
Telephone	23,083
Medical Supplies	37,255
Software Maintenance and Supplies	1,610
Supplies	21,018
Dues and Subscriptions	2,560
Travel and Education	4,767
Maintenance and Rental of Buildings, Vehicle, and Equipment	81,327
Capital Outlay	113,496
Other Expenses	42,341
Total Expenditures	1,470,252
Net Change in Fund Balance	88,020
Fund Balance - Beginning of Year	738,374
Fund Balance - End of Year	\$ 826,394

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, 2020**

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

Net change in fund balance - total governmental fund	\$	88,020
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.		39,966
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		21,412
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.		9,611
Governmental funds report pension contributions as expenditures. However, in the Statement of Activates, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense.		<u>43,409</u>
Change in net position of governmental activities	\$	<u><u>202,418</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, 2020**

	<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	\$ 851,910	\$ 79,761
State	265,707	265,707	424,568	158,861
Local	140,000	140,000	105,443	(34,557)
Charges for Services	170,000	170,000	163,841	(6,159)
Miscellaneous Grants and Income	44,770	44,770	12,510	(32,260)
Total Revenues	<u>1,392,626</u>	<u>1,392,626</u>	<u>1,558,272</u>	<u>165,646</u>
EXPENDITURES:				
Salaries	1,086,098	1,086,098	1,085,931	167
Current Operating Expense	302,521	302,521	384,321	(81,800)
Total Expenditures	<u>1,388,619</u>	<u>1,388,619</u>	<u>1,470,252</u>	<u>(81,633)</u>
Net Change in Fund Balances	4,007	4,007	88,020	84,013
Fund Balances - Beginning of Year	<u>738,374</u>	<u>738,374</u>	<u>738,374</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 742,381</u></u>	<u><u>\$ 742,381</u></u>	<u><u>\$ 826,394</u></u>	<u><u>\$ 84,013</u></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, 2020**

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, 2020 (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 deposits 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, 2020 (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, 2020 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, 2020 (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, 2020 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 2020 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, 2020 (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, 2020 (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, 2020, the Board's bank balances of \$394,513 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, 2020 was \$360,600.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (CONTINUED)**

NOTE 5 – RECEIVABLES

Receivables at June 30, 2020 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	\$ 349,754
Threat Preparedness Grant	48,262
Immunizations Grant	1,942
Municipalities - City of Wheeling	33,500
Ohio County Commission	16,750
Ohio County BOE	1,500
Total Intergovernmental Receivable	<u>\$ 451,708</u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2020 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	157,828	113,496	-	271,324
Total Depreciable Capital Assets	<u>1,279,907</u>	<u>113,496</u>	<u>-</u>	<u>1,393,403</u>
Accumulated Depreciation:				
Buildings and Improvements	(447,972)	(23,811)	-	(471,783)
Equipment	(300,748)	(4,433)	-	(305,181)
Vehicles	(60,703)	(45,286)	-	(105,989)
Total Accumulated Depreciation	<u>(809,423)</u>	<u>(73,530)</u>	<u>-</u>	<u>(882,953)</u>
Total Capital Assets Being Depreciation, Net	<u>\$ 565,706</u>	<u>\$ 39,966</u>	<u>\$ -</u>	<u>\$ 605,672</u>

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (CONTINUED)**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to programs as follows for the year ended June 30, 2020:

	2020
Women, Infants, and Children	\$ 33,036
General Health	39,494
Threat Preparedness	1,000
Total	\$ 73,530

NOTE 7 – LONG-TERM LIABILITIES

The Board's long-term liability requirements as of June 30, 2020 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 66,787	\$ -	\$ (9,611)	\$ 57,176	\$ 57,176
Net OPEB Liability	551,159	-	(122,308)	428,851	-
Net Pension Liability	121,213	-	(29,220)	91,993	-
Total	\$ 739,159	\$ -	\$ (161,139)	\$ 578,020	\$ 57,176

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, 2020 (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 2020

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, 2020 is as follows:

<u>Percentage of Payroll</u>	<u>Total Wages</u>	<u>Coverage Wages</u>	<u>Amount Contributed</u>
Employer Share - 10%	\$ 622,197	\$ 622,197	\$ 62,220
Tier 1 Employee Share - 4.5%	501,352	501,352	22,561
Tier 2 Employee Share - 6%	120,845	120,845	7,251

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (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>
2020	\$ 62,220	100.00%
2019	\$ 62,814	100.00%
2018	\$ 71,135	100.00%

For 2020, the required contribution was \$62,220. 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, 2019 for the Board fiscal year ended June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019 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, 2020, the Board reported the following proportion and increase/decrease from its proportion measured as of June 30, 2019:

Amount for proportionate share of net pension liability	\$ 91,993
Percentage for proportionate share of net pension liability	0.042785%
Increase/(decrease) in % from prior proportion measured	-0.004151%

For the year ended June 30, 2020, the Board recognized the following pension expense:

	<u>PERS</u>
Pension Expense	<u>\$ 26,842</u>

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (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, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 33,251
Net differences between projected and actual experiences	3,561	8,035
Deferred differences in assumptions	-	16,888
Changes in proportion and differences between contributions and proportionate share of contributions	-	18,184
Contributions subsequent to measurement date	62,220	-
Totals	\$ 65,781	\$ 76,358

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, 2021. 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
2021	\$ (19,930)
2022	(54,589)
2023	(7,938)
2024	9,660
Total	\$ (72,797)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019 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, 2020 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

PERS	June 30, 2019
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	3.1-5.3%
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	2.28-45.63%
Nonstate	2.00-35.88%
Disability Rates	0.0005-0.540%
Retirement Rates	12-100%
Date Range in Most Recent Experience Study	2013-2018

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, 2020 (CONTINUED)**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>	<u>PERS Target Asset Allocation</u>
US Equity	5.8%	27.5%
International Equity	7.7%	27.5%
Core Fixed Income	3.3%	15.0%
Real Estate	6.1%	10.0%
Private Equity	8.8%	10.0%
Hedge Funds	4.4%	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	\$ 428,512	\$ 91,993	\$ (192,681)

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, 2020 (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, 2020 (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 2020 were \$168.

The Board's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2020 was \$43,858. 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
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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, 2019 for the Board fiscal year ended June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019 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, 2020, the Board reported the following proportions and increase/decreases from its proportion measured as of June 30, 2019:

Boards's proportionate share of the net OPEB liability	\$ 428,851
States proportional share of the net OPEB liability associated with the Corporation	72,278
Total Portion of the net OPEB liability associated with the Corporation	\$ 501,129

Amount for proportionate share of net OPEB liability	\$ 428,851
Percentage for proportionate share of net OPEB liability	0.025847918%
Increase/(decrease) in % from prior proportion measured	0.000158095%

For the year ended June 30, 2020, the Board recognized the following OPEB expense and support provided by the State:

OPEB Expense Corporation	\$ 35,832
OPEB Expense State support	21,412
Total OPEB Expense	\$ 57,244
State Support Revenue	\$ 21,412

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (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, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 4,625
Differences between projected and actual experiences	-	50,016
Deferred differences in assumptions	-	86,974
Changes in proportion and differences between contributions and proportionate share of contributions	61,231	11,538
Contributions subsequent to measurement date	43,858	-
Totals	\$ 105,089	\$ 153,153

The Board reported deferred outflows of resources in the amount of \$43,858 related to OPEB from contributions subsequent to the measurement date for the year ended June 30, 2020.

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 subsequent year. 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
2021	\$ (27,132)
2022	(27,923)
2023	(28,394)
2024	(8,473)
Total	\$ (91,922)

Certain employers that meet the Plan's opt-out criteria are no longer required to make contributions to the Plan. These opt out employers have no continuing involvement with the Plan. Accordingly, the amounts previously allocated to such employers for the net OPEB liability and related deferred inflows and outflows are reallocated to the remaining employers participating in the cost sharing plan. The Plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation. The Board's proportionate share of these allocations have been reflected in the its balances for the Plan year ended June 30, 2019.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 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, 2020 (CONTINUED)**

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

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

OPEB	June 30, 2019
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Fair value
Amortization Method	Level percentage of payroll, closed
Amortization Period	20 years closed as of June 30, 2018
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	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020.
Mortality Rates	Post-Retirement: RP-2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis; Pre-Retirement: RP-2000 Non-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, 2020 (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. Target asset allocations, capital markets assumptions, and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan's investments advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal return for the Money Market Pool held with the West Virginia Board of Treasury Investments was estimated based on WV-IMB assumed inflation of 2.0% plus a 25 basis point spread. The best estimates of geometric rates of return for each asset class for 2019 is summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Return</u>	<u>Target Asset Allocation</u>
Global Equity	4.8%	49.5%
Core Plus Fixed Income	2.1%	13.5%
Core Real Estate	4.1%	9.0%
Hedge Fund	2.4%	9.0%
Private Equity	6.8%	9.0%
Cash and Cash Equivalents	0.3%	10.0%
Target Allocation		<u>100.0%</u>

Discount Rate

A single discount rate of 7.15% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.15% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.62% as of the beginning of the year and 3.13% as of the end of the year. The projections of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2033, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates. The discount rate used to measure the total OPEB liability did not change for the June 30, 2018 valuation.

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:

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (CONTINUED)**

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

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

Discount Rate (Continued)

	<u>1% Decrease 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Proportionate share of OPEBs			
Net OPEB liability	\$ 511,821	\$ 428,851	\$ 359,419

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 OPEB's			
Net OPEB liability	\$ 345,806	\$ 428,851	\$ 529,626

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.

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.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 (CONTINUED)**

NOTE 10 – RISK MANAGEMENT (CONTINUED)

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, 2020 the Board did not reduce insurance coverage's from coverage levels in place as of June 30, 2019. 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 – COVID 19 PANDEMIC:

The Board evaluated subsequent events and transactions that occurred after the date of the statement of financial position – cash basis up to the date that the financial statements were issued. Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Board's financial position and/or the results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

WHEELING-OHIO COUNTY BOARD OF HEALTH
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2020

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>
Board's proportion of the net pension liability (asset) (percentage)	0.042785%	0.046936%	0.048080%	0.050195%	0.052015%	0.055553%	0.059513%
Board's proportionate share of the net pension liability (asset)	\$ 91,993	\$ 121,213	\$ 207,537	\$ 461,355	\$ 290,454	\$ 205,026	\$ 542,540
Board's covered payroll	\$ 628,139	\$ 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	14.65%	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%	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, 2020

Public Employees Retirement System

	<u>2020</u>	<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>
Contractually required contribution	\$ 62,220	\$ 62,814	\$ 71,335	\$ 79,624	\$ 92,760	\$ 120,506	\$ 107,867	\$ 111,516	\$ 118,139	\$ 99,485
Contributions in relation to contractually required contribution	<u>(62,220)</u>	<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>
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	\$ 622,197	\$ 628,139	\$ 648,496	\$ 663,531	\$ 687,112	\$ 831,076	\$ 730,395	\$ 769,076	\$ 814,749	\$ 795,882
Contributions as a percentage of covered payroll	10.00%	10.00%	11.00%	12.00%	13.50%	14.50%	14.77%	14.50%	14.50%	12.50%

***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, 2020

Retiree Health Benefit Trust

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Board's proportion of the net OPEB liability (asset) (percentage)	0.025847918%	0.025689823%	0.022009914%	0.021376254%
Board's proportionate share of the net OPEB liability (asset)	\$ 428,851	\$ 551,159	\$ 541,221	\$ 530,842
State's proportionate share of the net OPEB liability (asset) associated with the Board	<u>72,278</u>	<u>113,884</u>	<u>163,874</u>	<u>-</u>
Total	<u>\$ 501,129</u>	<u>\$ 665,043</u>	<u>\$ 705,095</u>	<u>\$ 530,842</u>
Board's covered-employee payroll	\$ 628,139	\$ 649,496	\$ 663,531	\$ 687,112
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	68.27%	84.86%	81.57%	77.26%
Plan fiduciary net position as a percentage of the total OPEB liability	30.98%	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, 2020**

Retiree Health Benefit Trust

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 43,858	\$ 36,783	\$ 52,485	\$ 45,208	\$ 36,568
Contributions in relation to contractually required contribution	<u>(43,858)</u>	<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>	<u>\$ -</u>
Board's covered-employee payroll	\$ 593,794	\$ 628,139	\$ 649,496	\$ 663,531	\$ 687,112
Contributions as a percentage of covered-employee payroll	7.39%	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, 2020**

Note 1 - Changes in Assumptions PERS

Changes in the assumptions between the 2019 and 2018 valuations:

Projected salary increases went from 3-6% in 2018 to 3.1-6.5% in 2019; the inflation rate remained at 3% in 2019 from 2018; mortality rates changed due to changing from the RP-2000 model to the Pub-2010 model; withdrawal rates went from 1.75-35.88% in 2018 to 2.28-35.88% in 2019; disability rates went from 0-.675% in 2018 to 0-.54% in 2019. The range of the experience study was 2004-2009 in 2018 and 2013-2018 in 2019. These changes in assumptions lead to deferred inflows of \$55,650,000 in 2019.

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.

Note 2 – Changes in Assumptions OPEB

Changes in the assumptions between the 2019 and 2018 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 per capita claims costs for Pre-Medicare and Medicare decreased the liability by approximately \$12 million and a capped subsidy costs implemented in December 2019 decreased the liability by approximately \$224 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

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.

**WHEELING-OHIO COUNTY BOARD OF HEALTH
OHIO COUNTY, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Note 2 – Changes in Assumptions OPEB (Continued)

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.



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

November 19, 2021

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, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated November 19, 2021, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) as a basis for designing 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 certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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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 financial statements. 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

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

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2020-001

Material Weakness - Posting Receipts

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

During 2020, 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.

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.

Management’s Response: We did not receive a response from management on this finding.

FINDING NUMBER 2020-002

Material Weakness – Bank Reconciliation

Cash is the asset most susceptible to theft and misappropriation. Monthly reconciliations between the bank and the books provide reasonable assurance that all receipts and expenditures have been correctly posted on the Board's books and have been correctly posted by the bank. Additionally, reconciliations provide the Board with an accounting of its financial position at month-end. The Board members have an obligation to be cognizant of the Board's financial standing and financial activity to be able to make informed decisions for the Board.

To assist in maintaining accurate accounting records, an entity should periodically investigate and eliminate old outstanding checks and deposits in transit from the monthly bank-to-book reconciliations.

At June 30, 2020, the bank balance exceeded the book balance by \$2,544, along with carrying old outstanding checks and deposits in transit on their bank reconciliation. The Board was unable to identify the source(s) of this difference.

The Board should implement procedures to verify that monthly reconciliations between the bank and book balances are performed over all accounts and are presented to the Board members for review and approval. Failure to do so could result in management using the incorrect cash balance as a basis for their decisions and bank errors going unnoticed. Further, the Board should investigate the source(s) of the difference between the reconciled cash balance and the financial statements and take appropriate action to eliminate the difference.

Management’s Response: We did not receive a response from management on this finding.

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

SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEARS ENDED JUNE 30, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Posting Receipts	Not Corrected	Repeated as Finding 2020-001