



**WOOD COUNTY
DISTRICT BOARD OF HEALTH
WOOD COUNTY
Single Audit
For the Year Ended December 31, 2018**

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OHIO AUDITOR OF STATE
KEITH FABER



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Board Members
Wood County District Board of Health
1840 East Gypsy Lane Road
Bowling Green, Ohio 43402

We have reviewed the *Independent Auditor's Report* of the Wood County District Board of Health, Wood County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Wood County District Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 31, 2019

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**WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY**

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INDEPENDENT AUDITOR'S REPORT

June 21, 2019

Wood County District Board of Health
Wood County
1840 East Gypsy Lane Road
Bowling Green, Ohio 43402

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Wood County District Board of Health**, Wood County, Ohio (the District), as of and for the year ended December 31, 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements 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 District'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 District's internal control. Accordingly, we express no 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 have obtained is sufficient and appropriate to support our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2018, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances receipts and disbursements by fund type and related notes of the Wood County District Board of Health, Wood County as of December 31, 2018, and for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Matters

Supplemental Information

Our audit was conducted to opine on the 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 management's responsibility 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, and 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019 on our consideration of the District'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 District's internal control over financial reporting and compliance.



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

WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Levies	\$ -	\$ 1,296,268	\$ 1,296,268
Charges for Services	196,127	1,202,387	1,398,514
Fines, Licenses, and Permits	11,594	508,871	520,465
Intergovernmental:			
Federal	-	2,429,293	2,429,293
State	30,945	356,749	387,694
Local	146,250	17,672	163,922
Contracts	62,500	77,401	139,901
Miscellaneous	-	28,956	28,956
Total Cash Receipts	447,416	5,917,597	6,365,013
Cash Disbursements			
Current:			
Health:			
Salaries	138,734	2,349,470	2,488,204
Supplies	11,450	325,242	336,692
Contract Services	21,838	437,543	459,381
Travel	3,273	38,272	41,545
Advertising and Printing	6,343	16,732	23,075
Capital Projects	-	621,890	621,890
Equipment	-	24,605	24,605
Medicare	1,938	32,819	34,757
FICA	-	600	600
Other Expenses	8,700	160,829	169,529
PERS	19,268	323,989	343,257
Remit to State	113,462	37,068	150,530
Building	-	145,269	145,269
Worker's Compensation	903	23,610	24,513
Employee Insurance	29,923	498,712	528,635
Total Cash Disbursements	355,832	5,036,650	5,392,482
Excess of Receipts Over (Under) Disbursements	91,584	880,947	972,531
Other Financing Receipts (Disbursements)			
Transfers In	-	306,000	306,000
Transfers Out	-	(306,000)	(306,000)
Total Other Financing Receipts (Disbursements)	-	-	-
Net Change in Fund Cash Balances	91,584	880,947	972,531
Fund Cash Balances, January 1	329,199	1,514,088	1,843,287
Fund Cash Balances, December 31			
Restricted	-	2,395,037	2,395,037
Assigned	220,717	-	220,717
Unassigned	200,066	-	200,066
Fund Cash Balances, December 31	\$ 420,783	\$ 2,395,037	\$ 2,815,820

See accompanying notes to the basic financial statements.

WOOD COUNTY DISTRICT BOARD OF HEALTH

Wood County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Wood County District Board of Health, Wood County, Ohio (the District) as a body corporate and politic. A ten-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. Note 7 to the financial statements provides additional information for this entity. The District's management believes these financial statements present all activities for which the District is financially accountable.

At the July 13, 2017 Board meeting, the District Board approved the agreement to establish a Regional Council of Governments (the Council) for Boards of Health in Ohio, along with the counties of Williams, Henry, Fulton, Defiance, Putnam, and Paulding. This Council will be known as the Public Health Services Council of Ohio, and commenced on August 1, 2017. The Council is made up of these seven member counties and is considered a joint venture.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Levy Fund – This fund receives tax receipts to be used for health activities.

Federally Qualified Health Center (FQHC) Fund This fund receives Medicare, Medicaid, insurance, self-pay, and other Health & Wellness Center fees, in addition to state and federal revenue for primary care services and family planning services.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

WOOD COUNTY DISTRICT BOARD OF HEALTH

Wood County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

WOOD COUNTY DISTRICT BOARD OF HEALTH

Wood County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District 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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 469,340	\$ 447,416	\$ (21,924)
Special Revenue	6,559,073	6,223,597	(335,476)
Total	<u>\$ 7,028,413</u>	<u>\$ 6,671,013</u>	<u>\$ (357,400)</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 418,860	\$ 355,832	\$ 63,028
Special Revenue	5,740,926	5,342,650	398,276
Total	<u>\$ 6,159,786</u>	<u>\$ 5,698,482</u>	<u>\$ 461,304</u>

While reporting financial position, results of operations, and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The major difference between the budget basis and the cash basis is that some funds are included in the general fund (cash basis), but have separate legally adopted budgets (budget basis).

The registrar fund is legally budgeted as a separate special revenue fund; however, this fund is considered part of the general fund for financial reporting purposes.

Note 4 - Deposits and Investments

As required by the Ohio Revised Code, the Wood County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

WOOD COUNTY DISTRICT BOARD OF HEALTH

Wood County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

Note 5 – Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$1,296,268 in 2018. The financial statements present these amounts as levy receipts.

Note 6 – Interfund Balances

Transfers

During 2018, the Levy Fund made transfers in the amount of \$306,000 respectively, to other governmental funds totaling \$306,000, to subsidize activities in those funds.

Note 7 – Risk Management

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2018

Cash and investments \$ 35,381,789

Actuarial liabilities \$12,965,015

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

WOOD COUNTY DISTRICT BOARD OF HEALTH

Wood County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

Note 8 – Defined Benefit Pension Plans (Continued)

Social Security

The District's board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

Note 9 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of the employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 10 – Agreement with Wood County

The Wood County District Board of Health has a commitment to the Wood County Commissioners. The payments to the Wood County Commissioners are to be used toward the retirement of debt issued by the Wood County Commissioners for the construction of the District's building. The roof on the building was repaired/replaced in late 2013, at a total cost of \$157,283; this amount will be paid back to the Wood County Commissioners over a 7 year period beginning in 2013 and ending in 2019. Additionally, the boiler and air conditioning replacement projects were started in 2016 and completed in 2017, at a cost of \$268,438; this amount will be paid pack to the Wood County Commissioners over a 10 year period beginning in 2016 and ending in 2026. Amounts due under the agreements, including interest, are as follows:

<u>Year</u>	<u>Building</u>	<u>Roof</u>	<u>Boiler & A/C</u>	<u>Total</u>
2019	\$ 97,910	\$ 22,469	\$ 26,456	\$ 146,835
2020	99,085	-	26,329	125,414
2021	-	-	26,387	26,387
2022	-	-	26,424	26,424
2023	-	-	26,340	26,340
2024-2027	-	-	79,121	79,121
	<u>\$ 196,995</u>	<u>\$ 22,469</u>	<u>\$ 211,057</u>	<u>\$ 430,521</u>

WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	87-1-001-1-WA-1118 87-1-001-1-WA-1219		\$ 301,368 <u>65,350</u>
Total CFDA # 10.557				<u>366,718</u>
Total U.S. Department of Agriculture				<u>366,718</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Direct Assistance</i>				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	5 H80CS26578-05-00 6 H80CS26578-04-04 6 H80CS26578-04-04 6 H80CS26578-04-04 6 H80CS265780-4-03 6 H80CS26578-05-10 3 H80CS26578-04-05		834,610 6,003 16,506 10,261 3,100 11,806 <u>108,004</u> 990,290
Total CFDA # 93.224				<u>990,290</u>
Health Infrastructure Investment Program	93.526	2 C8DCS29633-01-00		626,773
<i>Passed Through Ohio Department of Health</i>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	87-1-001-2-PH-0918 87-1-001-2-PH-1019		104,732 <u>60,138</u> 164,870
Total CFDA # 93.074				<u>164,870</u>
Maternal and Child Health Services Block Grant to the States	93.994	87-1-001-1-MP-0218		<u>34,534</u>
Family Planning Services	93.217	87-1-001-1-RH-0718 87-1-001-1-RH-0819		70,408 <u>1,829</u> 72,237
Total CFDA # 93.217				<u>72,237</u>
Immunization Cooperative Agreements	93.268 93.268	87-1-001-2-IM-1017 87-1-001-2-GV-0119	7,680	25,097 20,413 <u>45,510</u>
Total U.S. Department of Health and Human Services				<u>1,934,214</u>
Total Federal Awards Expenditures				<u>\$ 2,300,932</u>

The accompanying notes are an integral part of this schedule.

**WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Wood County District Board of Health, Wood County, Ohio (the District) under programs of the federal government for the year ended December 31, 2018. 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 District, it is not intended to and does not present the financial position or changes in net position, of the District.

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, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Health to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash. The following amount was passed through to the District's subrecipient:

Program Title	CFDA #	Amount Provided to Subrecipient
Immunization Cooperative Agreements	93.268	\$ 7,680

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



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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**

June 21, 2019

Wood County District Board of Health
Wood County
1840 East Gypsy Lane Road
Bowling Green, Ohio 43402

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 cash balances, receipts, and disbursements by fund type of the **Wood County District Board of Health**, Wood County, (the District) as of and for the year ended December 31, 2018, and the related notes to the financial statements and have issued our report thereon dated June 21, 2019, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District'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 District'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 District'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 2018-001 to be a material weakness.

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Compliance and Other Matters

As part of reasonably assuring whether the District'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*.

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not subject the District's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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



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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**

June 21, 2019

Wood County District Board of Health
Wood County
1840 East Gypsy Lane Road
Bowling Green, Ohio 43402

To the Board of Health:

Report on Compliance for the Major Federal Program

We have audited the **Wood County District Board of Health's** (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Wood County District Board of Health's major federal program for the year ended December 31, 2018. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the District's major federal program.

Management's Responsibility

The District'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 District's compliance for the District'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 District'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 District's major program. However, our audit does not provide a legal determination of the District's compliance.

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Opinion on the Major Federal Program

In our opinion, the District 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 December 31, 2018.

Report on Internal Control Over Compliance

The District'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 District'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 District'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 over 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

**WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY**

**Schedule of Audit Findings
2 CFR § 200.515
For the Year Ended December 31, 2018**

1. SUMMARY OF AUDIT 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):	Health Center Program Cluster: CFDA # 93.224 – Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)
<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?	No

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

FINDING 2018-001

Fund Balance Classifications

Fund Balances should be properly classified based on Governmental Account Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54).

**WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY**

**Schedule of Audit Findings (Continued)
2 CFR § 200.515
For the Year Ended December 31, 2018**

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

FINDING 2018-001 (Continued)

Fund Balance Classifications (Continued)

During 2018, the District did not properly classify special revenue fund balances at year end between Unassigned and Restricted. Reclassifications were made to the financial statements to properly present these fund balances.

We recommend the District become familiar with the requirements of GASB 54 and properly present fund balances on the year-end financial statements.

Management's Response: See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None

**WOOD COUNTY DISTRICT BOARD OF HEALTH
WOOD COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	At the beginning of 2018, it was determined that a full-time Staff Accountant was needed to assist the Finance Director with more complex accounting job duties and assisting with the overall work load. The Board of Health approved this position in June of 2018, but due to the resignation of two full-time Account Clerks, the hiring of the Staff Accountant position had to be placed on hold. Once the Account Clerk position was filled, the Staff Accountant position was posted and filled. The new Staff Accountant will begin working on 7-22-19. The Staff Accountant will work directly under the Finance Director. This individual will have the qualifications and experience that is needed in order for proper time and review to be dedicated to completing tasks thoroughly and accurately.	July 22, 2019	Tracy Henderly, Finance Director.

OHIO AUDITOR OF STATE
KEITH FABER



WOOD COUNTY DISTRICT BOARD OF HEALTH

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 13, 2019**