

MID-OHIO VALLEY BOARD OF HEALTH

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

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
RFP #11-022 (Wood County)

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**MID-OHIO VALLEY BOARD OF HEALTH
BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2013**

Office	Name	Term Ending
Board Members:	Greg Smith	June 30, 2013
	Donna Steigleder	June 30, 2018
	Deanna Lewis	June 30, 2014
	Eleanor Little	June 30, 2015
	Stephen Worden	June 30, 2018
	Herminio Gamponia	June 30, 2018
	Bill Shock	June 30, 2015
	Beth Bumgarner	June 30, 2015
	Richard Newhart	June 30, 2018
	Charlene Sweeney	June 30, 2015
	David Blair Couch	December 31, 2013
	Joyce Faller	June 30, 2014
	Candace Westfall	June 30, 2013
	Morton Frey	June 30, 2018
Medical Director:	Dr. David Avery	
Executive Director:	Richard Wittberg	
Director of Finance:	Sandra Ellenwood	
Environmental Director:	Tim Miller	
WIC Director:	June Rhodes	
Clinical Director:	Tonia Lang	
Health & Wellness Director:	Carrie Brainard	



INDEPENDENT AUDITOR'S REPORT

Members of the Board of
Mid-Ohio Valley Board of Health
Parkersburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Mid-Ohio Valley Board of Health, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Mid-Ohio Valley Board of Health's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Mid-Ohio Valley Board of Health as of June 30, 2013 and 2012, and the respective changes in financial position and cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements for the year ended June 30, 2013, Mid-Ohio Valley Board of Health adopted new accounting guidance, GASB 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mid-Ohio Valley Board of Health's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2014, on our consideration of Mid-Ohio Valley Board of Health's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Ohio Valley Board of Health's internal control over financial reporting and compliance.

Tetnik & Bartlett, PLLC

February 10, 2014

MID-OHIO VALLEY BOARD OF HEALTH MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

This section of the Mid-Ohio Valley Board of Health (**MOVBH**) annual financial report presents an analysis of the Agency's performance over the fiscal year ended June 30, 2013. Please read it in conjunction with the Health Department's financial statements which follow this section.

Financial Highlights

- The Mid-Ohio Valley Board of Health ended Fiscal Year 2012–2013 with an excess of Expense of \$221,376. The Agency budget excess of revenues was \$5,732 for the year.
- Actual operating revenues earned for the year are 71% of the amounts budgeted. Revenues have decreased over the previous year by \$849,222. This change is primarily through Purchased Service Grants and Contracts. Service Fees are decreased also. Actual expenses for the year are at 107% of amounts budgeted and decreased by \$1,522,681 over previous year. Cash and cash equivalents decreased during the year by \$190,025.
- Accounts Receivable has decreased during the year by \$8,688 and is seen primarily in invoiced State of WV Grants.

Overview of the Financial Statements

This annual report consists of three (3) parts; a brief discussion and analysis of the financial statements, condensed financial information comparing fiscal year 2013 and 2012, and an analysis of the Mid-Ohio Valley Board of Health's financial position.

Analysis of MOVHD Funds

The Mid-Ohio Valley Board of Health has one General Fund and One Fund Designated to cover the expense of Fees for IT Services and Employee Increases of Insurance costs.

**MID-OHIO VALLEY BOARD OF HEALTH
MANAGEMENT DISCUSSION AND ANALYSIS (CONTD)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Results of Operation – Revenues and Expenditures

The MOVBH operating revenues and operating expenditures for fiscal years 2013 and 2012 are as follows:

	2013	2012
Assets		
Current assets	\$ 2,860,179	\$ 3,061,105
Net property and equipment	<u>399,807</u>	<u>473,239</u>
Total Assets	\$ <u>3,259,986</u>	\$ <u>3,534,344</u>
Liabilities		
Current liabilities	\$ 2,156,537	\$ 2,208,035
Lease payable - noncurrent	<u>7,417</u>	<u>8,901</u>
Total liabilities	<u>2,163,954</u>	<u>2,216,936</u>
Net assets	<u>1,096,032</u>	<u>1,317,408</u>
Revenues		
Operating revenues	\$ 3,220,818	\$ 4,070,040
Non-operating	<u>1,476,218</u>	<u>1,502,676</u>
Total	4,697,036	5,572,716
Expenses		
Operating expenses	<u>4,918,412</u>	<u>6,441,093</u>
Net (Loss) Income	\$ (<u>221,376</u>)	\$ (<u>868,377</u>)

Operating revenues are generated from fees for service and contract service agreements. Non operating revenue is comprised of interest income and state and local contributions.

**MID-OHIO VALLEY BOARD OF HEALTH
MANAGEMENT DISCUSSION AND ANALYSIS (CONTD)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Fixed Assets

MOVBH classifies capital assets as an item with an original purchase price of over \$5,000 and a life expectancy greater than one year. Capital assets are recorded in an inventory with depreciation taken on a straight line basis.

Life expectancy assigned is based on being reasonable life expectancy established for Health Care Facilities.

One facility is recorded as an asset in the Wirt County location. This is a facility used to provide WIC (Women, Infants and Children Services).

Analysis of MOVHD's Overall Financial Position

MOVBH is required to comply with the requirements of the Governmental Accounting Standards Board (GASB), GASB Statement No. 34 effective June 30, 2004.

1. As of June 30, 2013 and 2012 MOVBH total net assets was \$1,096,032 and \$1,317,408 respectively.
2. Investment in Fixed Assets is recorded at actual cost.

MOVBH As A Whole

In fiscal year 2004 MOVBH acquired a Grant through the US Department of Health and Human Services Public Health Service. This grant was for the purpose of establishing a Medical Reserve Corp as a volunteer network. This volunteer network would be activated in cooperation with implementing the Strategic National Stockpile with Threat Preparedness during public health emergencies. This network of volunteers continues to be maintained for assistance during times of emergencies. Training continues for this group of volunteers. MOVBH routinely seeks grants to assist in providing such trainings.

An additional program implemented during fiscal year 2004 and is ongoing is the Tobacco Prevention Program. This program is funded through WV Bureau of Public Health, Health Promotion Division, with a portion of the funding coming from Tobacco Settlements. The funding provides for a Regional Tobacco Coalition Coordinator with mini grants made available throughout the region to implement programs to reduce tobacco use. Clean Indoor Air Regulations have been initiated through funds from this grant. Enforcement of the regulation continues to be maintained by Environmental Health Staff.

**MID-OHIO VALLEY BOARD OF HEALTH
MANAGEMENT DISCUSSION AND ANALYSIS (CONTD)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Funds available to the Threat Preparedness Program have been decreasing in past years. The grant continues in FY 2013 providing a coordinator position along with portions of salary cost for a staff member to maintain our facility security.

The WIC (Women, Infant and Children) Program continues to serve eligible participants in the six counties served by Mid-Ohio Valley Health Department. In addition to these counties the WIC program also provides services to three additional counties; Gilmer, Jackson and Mason.

Funding for the Healthy Lifestyles DREAM Program has ceased. This was an area that concentrated on self-monitoring of caloric intake and encouraging increased activity levels to provide for improved health, with an expected reduction in obesity and chronic disease. This program is still in operation at a very limited level during 2013. Similar programs are available within the Community Transformation Grant (CTG) and clients may obtain the services from this program.

Funding was approved in the FY2010 from CDC for ARRA Funds. These funds came through WV Department of Health and Human Resources, Office of Healthy Lifestyles. The grant covered a two year period from March 19, 2010 through March 18, 2012. Actual start up of this program began in late May of 2010. Total funding to be available over this two year period exceeds four million dollars. Funds were made available for schools within the region to hire physical education teachers to provide physical education classes for year one of the grant. Additional funds were available to provide expansion of areas for physical activity. Many communities within the MOVBH Region have been able to upgrade areas of activity that will be available to these communities for many years in the future. Additionally funds were made available to provide fresh fruits and vegetables in the school and at other school related activities where concession stands are available. It was the desire to encourage students to make healthier food choices. The intended outcome of this project is to develop policies within communities that help to increase physical activities and make available healthier food choices. This grant ended March 2012. Unfortunately, the grant ended with expenditures greater than funds available to recover. This provided for a significant loss in that program in FY2012.

As an endeavor to continue and expand the community outreach efforts started within the ARRA grant Mid-Ohio Valley Health Department received a Community Transformation Grant (CTG). This also is a grant that provides outreach into the communities. It encourages increased fresh fruits and vegetables in the diet along with increased activity to bring about improved lifestyles. The grant provides for support through group sessions for those interested in making Health the Right Choice. The grant also provides for increased development of clean indoor air regulations.

**MID-OHIO VALLEY BOARD OF HEALTH
MANAGEMENT DISCUSSION AND ANALYSIS (CONTD)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Another area included within the Healthy Lifestyles Office is the Oral Health Program. It has in the past had a focus on education to students. This area is being funded primarily by private agreements with minimal participation from the State of WV. The funding for this area ended in FY 2013. Expansion of this program began during 2011 to include services to the Adult Medicaid population. Funding was made available to assist with development through Sisters of St. Joseph Foundation. A two year grant was also made available through WV Department of Health and Human Resources. This funding from the State of WV is also completed. Billing of services to WV Medicaid has been implemented to sustain the services of this area. The program has experience many problems with obtaining Medicaid reimbursements in this area.

Requests for Information

This financial report is intended to provide an overview of the finances of the Board for those with an interest in this organization. Questions concerning any information within this report may be directed to the Finance Director of the Mid-Ohio Valley Health Department.

**MID-OHIO VALLEY BOARD OF HEALTH
STATEMENTS OF NET POSITION
JUNE 30,**

	2013	2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,255,584	\$ 2,445,609
Accounts receivable:		
Patient – (net of estimated uncollectibles of \$5,538 and \$3,429)	586,718	598,475
Other	4,000	931
Prepaid expenses	<u>13,877</u>	<u>16,090</u>
Total current assets	2,860,179	3,061,105
Capital assets (net)	<u>399,807</u>	<u>473,239</u>
TOTAL ASSETS	\$ <u>3,259,986</u>	\$ <u>3,534,344</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 67,914	\$ 69,803
Accrued payroll and payroll related withholdings	117,118	117,113
Retiree health insurance payable – OPEB	1,404,253	1,381,368
Accrued vacation and sick leave	228,568	203,674
Lease payable - current	2,282	18,536
Deferred revenues	<u>336,402</u>	<u>417,541</u>
Total current liabilities	2,156,537	2,208,035
Lease payable – noncurrent	<u>7,417</u>	<u>8,901</u>
TOTAL LIABILITIES	<u>2,163,954</u>	<u>2,216,936</u>
NET POSITION		
Net investment in capital assets	390,108	445,802
Unrestricted	<u>705,924</u>	<u>871,606</u>
TOTAL NET POSITION	\$ <u>1,096,032</u>	\$ <u>1,317,408</u>

The accompanying independent auditor's report and notes are integral parts of these statements.

**MID-OHIO VALLEY BOARD OF HEALTH
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30,**

	2013	2012
Operating Revenues		
Medicare	\$ 32,633	\$ 34,245
Medicaid	28,616	5,072
Insurance	130,587	115,958
Private pay	1,035,264	1,910,522
State of WV (PSC)	1,835,717	1,837,675
Private Funding Agreement	149,978	160,497
Other revenue	<u>8,023</u>	<u>6,071</u>
Total operating revenues	<u>3,220,818</u>	<u>4,070,040</u>
Operating Expenses		
Salaries and wages	2,418,976	2,292,482
Employee health and welfare	955,535	1,316,195
Contracted services	284,660	603,001
Auto allowance	91,523	124,436
Depreciation	73,432	82,256
Bad debt and contractual adjustments	63,470	77,463
Supplies and other	<u>1,030,816</u>	<u>1,945,260</u>
Total operating expenses	<u>4,918,412</u>	<u>6,441,093</u>
Operating (loss)	<u>(1,697,594)</u>	<u>(2,371,053)</u>
Nonoperating Revenues		
State of WV – state aid	1,264,866	1,299,476
Governmental support – counties	120,700	120,700
Governmental support – municipalities	54,300	43,960
Interest	<u>36,352</u>	<u>38,540</u>
Total nonoperating revenues	<u>1,476,218</u>	<u>1,502,676</u>
Change in Net Position	(221,376)	(868,377)
Net Position - beginning of year - restated	<u>1,317,408</u>	<u>2,185,785</u>
Net Position - end of year	\$ <u>1,096,032</u>	\$ <u>1,317,408</u>

The accompanying independent auditor's report and notes are integral parts of these statements.

**MID-OHIO VALLEY BOARD OF HEALTH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

	2013	2012
Cash Flows From Operating Activities		
Receipts from customers	\$ 3,148,367	\$ 5,129,325
Receipts from other sources	1,476,218	1,502,676
Payments to suppliers	(2,425,680)	(4,634,719)
Payments to employees	(2,371,192)	(1,870,787)
Net cash (used in) provided by operating activities	<u>(172,287)</u>	<u>126,495</u>
Cash Flows from Investing Activities		
Acquisition of property and equipment	<u>-0-</u>	(253,081)
Net cash (used in) investing activities	<u>-0-</u>	<u>(253,081)</u>
Cash Flows from Financing Activities		
Payments on lease payable	(17,738)	(8,875)
Net cash (used in) financing activities	<u>(17,738)</u>	<u>(8,875)</u>
Net (decrease) in cash	(190,025)	(135,461)
Cash and cash equivalents at beginning of year	<u>2,445,609</u>	<u>2,581,070</u>
Cash and cash equivalents at end of year	\$ <u>2,255,584</u>	\$ <u>2,445,609</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (221,376)	\$ (868,377)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	73,432	82,256
Decrease (increase) in:		
Accounts receivable:		
Patient	11,757	934,567
Other	(3,069)	33,875
Prepaid expenses	2,213	4,716
Increase (decrease) in:		
Accounts payable	(1,889)	(574,428)
Accrued payroll and payroll related withholdings	5	15,413
Retiree health insurance payable – OPEB	22,885	384,182
Accrued vacation and sick leave	24,894	23,448
Deferred revenues	(81,139)	90,843
Net cash provided by (used in) operating activities	\$ <u>(172,287)</u>	\$ <u>126,495</u>

The accompanying independent auditor's report and notes are integral parts of these statements.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

1. Significant Accounting Policies

The Mid-Ohio Valley Board of Health (the Board) provides a variety of health related services to the West Virginia counties of Calhoun, Pleasants, Ritchie, Roane, Wirt and Wood. The ultimate mission of the Mid-Ohio Valley Health Department is to improve the overall health and well-being of our residents by providing or assuring the provision of the community based health services.

The accounting policies of the Board conform to generally accepted accounting principles applicable to governmental units. The Board complies with accounting principles generally accepted in the United States of America and applies all relevant Government Accounting Standards Board (GASB) pronouncements. In addition, the Board applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

A. Financial Reporting Entity

The Board complies with GASB Statement No. 14, "*The Financial Reporting Entity*."

This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Board's financial statements.

B. Basis of Presentation

The Board's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

The proprietary fund utilizes an "*economic resources*" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

All Proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Board's enterprise fund are charges for medical services. Operating expenses for the enterprise fund includes the cost of medical services, salaries, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents

For purposes of the cash flow statement, the Board considers cash and certificates of deposit to be cash and cash equivalents.

E. Deposits

Cash on hand and deposits with banking institutions in checking, money market accounts and certificates of deposit are presented as cash and cash equivalents in the accompanying financial statements. Such deposits at June 30, 2013 and 2012 were entirely covered by federal depository insurance or other collateral.

F. Short-Term Investments

Short-term investments are those investments with a maturity of one year or less. Boards of Health are authorized by statute to provide excess funds to either the State Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements.

G. Accounts Receivable

The Board uses the generally accepted method of providing for uncollectible accounts receivable through the use of an allowance for uncollectible accounts.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

H. Credit Concentrations

The Board's revenues are generated from providing a variety of health related services to the residents of Calhoun, Pleasants, Ritchie, Roane, Wirt and Wood counties. Because the Board grants credit without collateral, the ultimate collection of the accounts receivable resulting from the Board's revenues is dependent upon the residents' income and payment ability.

I. Capital Assets

Capital assets are carried at acquisition cost. Assets acquired by gifts or donations are recorded at estimated fair value at the time of acquisition. Depreciation has been computed using the straight-line method based on estimated service lives, which averages from three to forty years.

J. Accrued Vacation

The Board recognizes a liability for vacation rights earned but not yet paid. Accrued vacation costs are reported as a component of current liabilities on the balance sheet.

K. Accrued Sick Leave

Employees, who terminate employment for any reason other than retirement, lose all sick leave accumulated. The Board allows retiring employees to convert sick leave, which has been earned but unused, to extend insurance coverage upon retirement or to acquire additional credited service in the State retirement system.

There is no liability to the Board for those retirees who chose to acquire additional credited service in the State retirement system. However, there is an insurance premium liability if the retiree chooses to use the accrued sick leave to purchase additional months of insurance coverage. The sick leave conversion formula is one month of family coverage premium for every three days of sick leave available or one month of individual coverage premium for every two days of sick leave available.

L. Revenue

The Board recognizes revenue when measurable and available. Grant revenues are considered measurable and available and are recorded simultaneously with the grant expenditures unless such recognition is prohibited by the grant requirements.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

M. Deferred Revenue

Deferred revenue consists primarily of environmental health permit fees received in advance of the period to which the permit applies as well as grant funds received, but not yet expended by June 30 for qualifying expenses.

N. Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position—All other net position that do not meet the definition of "restricted" or "Net Investment in Capital Assets."

O. Risk Management

The Board is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets; professional liability claims and judgments; employee injuries and illnesses; natural disasters; and employee health benefits. Insurance coverage is purchased for claims arising from such matters.

P. Employee Retirement System

All eligible employees are covered under the West Virginia Public Employee Retirement System due to the Board electing to be a participating public employer.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

R. Donated Services

No amounts have been reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such service.

S. Changes in GASB Standards Adopted by the Board

During the year ended June 30, 2013, the Board adopted the following GASB Statement:

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011. The Board does not have any SCAs and therefore the adoption of GASB 60 does not have any impact on the Board's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus* an amendment of GASB Statements No. 14 and No. 34. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012. The Board does not have any component units and therefore the adoption of GASB 61 does not have any impact on the Board's financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 does not have any impact on the Board's financial statements.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The adoption of GASB 63 does not have any financial impact on the Board's financial statements.

In June 2011, the GASB issued Statement 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53. GASB 64 provides clarification on whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The statement is effective for periods beginning after June 15, 2011. The adoption of GASB 64 does not have any impact on the Board's current financial statements.

2. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. It is the Board's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance.

The Board's deposits are categorized to give an indication of the level of risk assumed by the Board at June 30, 2013 and 2012. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

2013

	<u>Bank</u> <u>Balance</u>	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>
Cash on Hand	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 725
Checking and Savings	806,947	259,357	547,590	-0-	802,383
Certificates of Deposit	<u>1,452,476</u>	<u>-0-</u>	<u>1,452,476</u>	<u>-0-</u>	<u>1,452,476</u>
Total Deposits	\$ <u>2,259,423</u>	\$ <u>259,357</u>	\$ <u>2,000,066</u>	\$ <u>-0-</u>	\$ <u>2,255,584</u>

2012

	<u>Bank</u> <u>Balance</u>	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>
Cash on Hand	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 675
Checking and Savings	1,065,675	258,340	807,335	-0-	1,026,604
Certificates of Deposit	<u>1,418,330</u>	<u>-0-</u>	<u>1,418,330</u>	<u>-0-</u>	<u>1,418,330</u>
Total Deposits	\$ <u>2,484,005</u>	\$ <u>258,340</u>	\$ <u>2,225,665</u>	\$ <u>-0-</u>	\$ <u>2,445,609</u>

3. Patient Accounts Receivable and Concentrations of Credit Risk

Patient accounts receivable have been disclosed net of allowances for uncollectibles and contractual adjustments of \$5,538 and \$3,429 as of June 30, 2013 and 2012.

The Board grants credit without collateral to the local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows at June 30,:

	2013	2012
Medicare	\$ 1,282	\$ 3,125
Medicaid	22,891	1,465
Other third-party payors	566,152	594,422
Private-pay	<u>1,931</u>	<u>2,892</u>
Total	<u>592,256</u>	<u>601,904</u>
Allowance for uncollectibles	(5,538)	(3,429)
Patient accounts receivable - net	\$ <u>586,718</u>	\$ <u>598,475</u>

The Board also receives money from federal and state grants as well as small amounts from other sources. Such receipts are billed monthly and have historically been collectible based on grant agreements and other contracts.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

4. Capital Assets

Capital assets activity for the years ended June 30, 2013 and 2012 was as follows:

		2013					
		<u>Balance at</u> <u>7/1/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>6/30/2013</u>		
Capital assets, not being depreciated:							
Land	\$	<u>38,697</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>38,697</u>		
Total capital assets, not being depreciated		<u>38,697</u>	<u>-0-</u>	<u>-0-</u>	<u>38,697</u>		
Capital assets being depreciated:							
Buildings		70,324	-0-	-0-	70,324		
Equipment, furniture, and fixtures		1,053,845	-0-	-0-	1,053,845		
Vehicles		<u>244,774</u>	<u>-0-</u>	<u>-0-</u>	<u>244,774</u>		
Total capital assets, being depreciated		<u>1,368,943</u>	<u>-0-</u>	<u>-0-</u>	<u>1,368,943</u>		
Less: Accumulated Depreciation:							
Buildings		(57,137)	(3,517)	-0-	(60,654)		
Equipment, furniture, and fixtures		(822,706)	(41,512)	-0-	(864,218)		
Vehicles		<u>(54,558)</u>	<u>(28,403)</u>	<u>-0-</u>	<u>(82,961)</u>		
Less accumulated depreciation		<u>(934,401)</u>	<u>(73,432)</u>	<u>-0-</u>	<u>(1,007,833)</u>		
Total capital assets being depreciated, net		<u>434,542</u>	<u>(73,432)</u>	<u>-0-</u>	<u>361,110</u>		
Total capital assets, net	\$	<u>473,239</u>	\$(<u>73,432</u>)	\$ <u>-0-</u>	\$ <u>399,807</u>		
		2012					
		<u>Balance at</u> <u>7/1/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>6/30/2012</u>		
Capital assets, not being depreciated:							
Land	\$	<u>38,697</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>38,697</u>		
Total capital assets, not being depreciated		<u>38,697</u>	<u>-0-</u>	<u>-0-</u>	<u>38,697</u>		
Capital assets being depreciated:							
Buildings		70,324	-0-	-0-	70,324		
Equipment, furniture, and fixtures		1,011,511	51,854	(9,520)	1,053,845		
Vehicles		<u>66,497</u>	<u>203,924</u>	<u>(25,647)</u>	<u>244,774</u>		
Total capital assets, being depreciated		<u>1,148,332</u>	<u>255,778</u>	<u>(35,167)</u>	<u>1,368,943</u>		
Less: Accumulated Depreciation:							
Buildings		(53,621)	(3,516)	-0-	(57,137)		
Equipment, furniture, and fixtures		(764,497)	(65,032)	6,823	(822,706)		
Vehicles		<u>(66,497)</u>	<u>(13,708)</u>	<u>25,647</u>	<u>(54,558)</u>		
Less accumulated depreciation		<u>(884,615)</u>	<u>(82,256)</u>	<u>32,470</u>	<u>(934,401)</u>		
Total capital assets being depreciated, net		<u>263,717</u>	<u>173,522</u>	<u>(2,697)</u>	<u>434,542</u>		
Total capital assets, net	\$	<u>302,414</u>	\$ <u>173,522</u>	\$(<u>2,697</u>)	\$ <u>473,239</u>		

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

5. Capital Leases

The Mid-Ohio Valley Board of Health leases copiers under capital lease agreements. The leases are for 60 months with imputed interest with a combined monthly payment of \$267. The future minimum lease payments due at June 30, 2013 are as follows:

Year End	Lease Payment
June 30, 2014	\$ 2,282
June 30, 2015	2,552
June 30, 2016	2,854
June 30, 2017	<u>2,011</u>
Total future lease payments	\$ <u>9,699</u>

6. Operating Leases

During the years ended June 30, 2013 and 2012, the Board entered into several lease agreements with various parties for facility rental. These lease terms ranged from monthly to usually two years. Total rent expense for 2013 and 2012 was \$42,845 and \$41,930.

7. Employees Retirement System

The Mid-Ohio Valley Board of Health elected to become a participating public employer under the West Virginia Public Employees' Retirement System for the coverage of all eligible employees. The plan is funded through employer contributions of 14.0% and 14.5% of payroll and member contributions of 4.5% and 4.5% of payroll for the years ended June 30, 2013 and 2012, respectively.

The Mid-Ohio Valley Board of Health's contribution to the West Virginia Public Employees Retirement System for the years ended June 30, was:

2013

<u>Percentage of Payroll</u>	<u>Total Wages</u>	<u>Covered Wages</u>	<u>Amount</u>
Employer share - 14.0%	\$ 2,418,976	\$ 2,068,421	\$ 289,579
Employee share - 4.5%	2,418,976	2,068,421	93,079

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

2012

<u>Percentage of Payroll</u>	<u>Total</u> <u>Wages</u>	<u>Covered</u> <u>Wages</u>	<u>Amount</u>
Employer share - 14.5%	\$ 2,292,482	\$ 2,015,371	\$ 292,229
Employee share - 4.5%	2,292,482	2,015,371	90,693

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

Public Employees' Retirement System (PERS)

Eligibility to participate	All Board full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	4.50%
Board's contribution rate	14.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contribution 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 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

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, Building 5, Room 1000, 1900 Kanawha Boulevard East, Charleston, WV 25305

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Retiree Health Plan (RHP)

Plan Description:

The Mid-Ohio Board of Health, West Virginia contributes to the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing, multiple-employer defined benefit post-employment health care plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305-0710.

Authority Establishing the Plan and Fund Policy:

Chapter 5, Article 16D of the West Virginia State Code assigns the authority to establish and amend benefits and provisions to the RHBT. Participating employers are contractually required to contribute at a rate assessed each year by RHBT. The RHBT board sets the employer contribution rate based on the annual required contributions of the plan (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Annual required contribution	\$ 22,885
Adjustment to annual required contribution	<u>-0-</u>
Annual OPEB cost	22,885
Contributions made	<u>-0-</u>
Increase (decrease) in net OPEB obligation	22,885
Net OPEB obligation (asset) beginning of year	<u>1,381,368</u>
Net OPEB obligation (asset) end of year	\$ <u>1,404,253</u>

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Three-Year Trend Information

The Mid-Ohio Valley Board of Health contributed the following amounts:

<u>Year Ending Obligation (Asset)</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB</u>
June 30, 2013	\$ 22,885	.00%	\$ 1,404,253
June 30, 2012	\$ 384,182	.00%	\$ 1,381,368
June 30, 2011	\$ 394,490	.00%	\$ 997,186

8. Deferred Compensation Plan

The Mid-Ohio Valley Board of Health has entered into a deferred compensation plan in accordance with Internal Revenue Service Code 457. This is a Plan by Agency Employees that allows employees to pay into a savings plan through payroll deductions. These payments are exempt from federal taxation at the time they are earned. The tax is deferred to the date when the employee actually receives the funds. The amount of plan assets held at June 30, 2013 and 2012 was \$345,820 and \$352,349 respectively.

9. Contingencies

The Board of Health receives a substantial amount of its support from federal awards. Any significant reduction in the level of support from the federal awards could have a material effect on the Board of Health's activities.

10. Restatement of Beginning Net Position

The net position at the beginning of the year required restatement:

Net position at June 30, 2011, as previously stated	\$ 2,217,738
Total adjustments	(31,953)
Net position at June 30, 2011, restated	\$ <u>2,185,785</u>

The adjustment consisted of the following adjustment to reclassify the amount accrued for benefits in years prior to June 30, 2012. The restatement increased the prior years accrued payroll and payroll related withholding liability on the balance sheet.

The accompanying independent auditor's report is an integral part of these notes.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

11. Subsequent Events

Subsequent events were evaluated through February 10, 2014, which is the date the financial statements were available to be issued.

The accompanying independent auditor's report is an integral part of these notes.



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

Members of the Board of the
Mid-Ohio Valley Board of Health
Parkersburg, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Mid-Ohio Valley Board of Health, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Mid-Ohio Valley Board of Health's basic financial statements and have issued our report thereon dated February 10, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Mid-Ohio Valley Board of Health, in a separate letter dated February 10, 2014.

Purpose of this Report

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

Tetruck & Bartlett, PLLC

February 10, 2014



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY *OMB CIRCULAR A-133***

Members of the Board of the
Mid-Ohio Valley Board of Health
Parkersburg, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Mid-Ohio Valley Board of Health's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mid-Ohio Valley Board of Health's major federal programs for the year ended June 30, 2013. Mid-Ohio Valley Board of Health's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mid-Ohio Valley Board of Health's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-Ohio Valley Board of Health's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Mid-Ohio Valley Board of Health's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Mid-Ohio Valley Board of Health, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Mid-Ohio Valley Board of Health is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mid-Ohio Valley Board of Health's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mid-Ohio Valley Board of Health'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Tetnik & Bartlett, P.C.

February 10, 2014

**MID-OHIO VALLEY BOARD OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. Summary of Audit Results

Financial Statements

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified not considered to be material weaknesses? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weaknesses? yes no

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes no

Identification of major programs:

U.S. Department of Agriculture

Food and Nutrition Service –

Special Supplemental Nutrition Program for Woman, Infants and Children (WIC) CFDA #10.557

U.S. Department of Health and Human Services

Prevention and Public Health Funds 2012 -

Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds CFDA #93.531

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

**MID-OHIO VALLEY BOARD OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2013**

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

**MID-OHIO VALLEY BOARD OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Agriculture			
Pass-through West Virginia Department of Health and Human Services			
<u>Program Title</u>			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	0506	\$ 1,062,965
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	WVU	137,171
Specialty Crop Block Grant Program – Farm Bill	10.170	WVDOA	<u>423</u>
Total U.S. Department of Agriculture			\$ <u>1,200,559</u>
U.S. Department of Health and Human Services			
Pass-through West Virginia Department of Health and Human Services			
<u>Program Title</u>			
Immunization Grants Cluster:			
Immunization Cooperative Agreements	93.268	0506	\$ 36,195
ARRA – Prevention and Wellness – Communities Putting Prevention to Work Funding Opportunities Announcement	93.724	0506	92,963
Public Health Emergency Preparedness	93.069	0506	252,717
HIV Prevention Activities – Health Department Based Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.940	0506	1,951
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements	93.283	0506	100,025
	93.521	0506	65,683

**MID-OHIO VALLEY BOARD OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services (Cont'd)			
PPHF 2012 National Public Health Improvement Initiative	93.507	0506	\$ 58,396
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - Financed Solely by 2012 Prevention and Public Health Funds	93.531	0506	449,367
Medical Reserve Corps Small Grant Program	93.008	N/A	<u>3,963</u>
Total U.S. Department of Health and Human Services			\$ <u>1,061,260</u>
Corporation for National and Community Service			
Pass-through West Virginia Commission for National and Community Service			
<u>Program Title</u>			
ARRA - AmeriCorps	94.006	N/A	\$ <u>76,255</u>
Total Corporation for National and Community Service			\$ <u>76,255</u>
Department of Homeland Security			
Pass-through Volunteer West Virginia			
<u>Program Title</u>			
Homeland Security Grant Program	97.067	N/A	\$ <u>1,339</u>
Total Department of Homeland Security			\$ <u>1,339</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2,339,413</u>

The accompanying notes are an integral part of this schedule.

**MID-OHIO VALLEY BOARD OF HEALTH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the grant activity of the Mid-Ohio Valley Board of Health and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**MID-OHIO VALLEY BOARD OF HEALTH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number:

There were no Findings and Questioned Costs relative to federal awards for the prior audit period of July 1, 2011 to June 30, 2012.