



OHIO AUDITOR OF STATE
KEITH FABER



**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY
DECEMBER 31, 2020 AND 2019**

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**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY
DECEMBER 31, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Butler County District Board of Health
Butler County
301 South Third Street
Hamilton, Ohio 45011

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Butler County District Board of Health, Butler County, Ohio (the District), as of and for the years ended December 31, 2020 and December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2020 and 2019, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Food Service Fund and the Sewage Permit Fee Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 11 to the financial statements for 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio
September 8, 2021

Butler County District Board of Health
Statement of Net Position - Cash Basis
December 31, 2020

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,127,950</u>
Net Position:	
Restricted:	
Food Service	\$484,374
Public Health	5,997
Recreational	389
Swimming Pool	47,298
Sewage Permit	76,919
Unrestricted	<u>1,512,973</u>
<i>Total Net Position</i>	<u>\$2,127,950</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	Disbursements	Program Receipts		Net (Disbursements)
		Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Position
				Governmental Activities
Governmental Activities:				
Health:				
Public Health	\$3,120,990	\$0	\$3,215,079	\$94,089
Environmental Health	436,936	248,913	145,353	(42,670)
Food Service	489,718	600,531	0	110,813
Plumbing	320,894	542,280	0	221,386
Nursing	239,824	8,757	52,160	(178,907)
Vital Statistics	332,124	412,558	0	80,434
<i>Total Governmental Activities</i>	<u>\$4,940,486</u>	<u>\$1,813,039</u>	<u>\$3,412,592</u>	<u>285,145</u>
General Receipts:				
Grants and Entitlements not Restricted to Specific Programs				183,257
Miscellaneous				<u>72,199</u>
<i>Total General Revenues</i>				<u>255,456</u>
Change in Net Position				540,601
<i>Net Position at Beginning of Year</i>				<u>1,587,349</u>
<i>Net Position at End of Year</i>				<u><u>\$2,127,950</u></u>

See accompanying notes to the basic financial statements

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Butler County District Board of Health
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2020

	General Fund	Food Service Fund	Sewage Permit Fee Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,512,973	\$484,374	\$76,919
Fund Balances:			
Restricted	\$0	\$484,374	\$76,919
Assigned	593,684	0	0
Unassigned	919,289	0	0
<i>Total Fund Balances</i>	\$1,512,973	\$484,374	\$76,919

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
<u>\$53,684</u>	<u>\$2,127,950</u>
\$53,684	\$614,977
0	593,684
<u>0</u>	<u>919,289</u>
<u>\$53,684</u>	<u>\$2,127,950</u>

Butler County District Board of Health
Statement of Cash Basis Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Sewage Permit Fee Fund</u>
Receipts:			
Charges for Services	\$421,945	\$0	\$0
Licenses and Permits	556,039	600,531	173,003
Intergovernmental	3,504,389	0	91,260
Contributions and Donations	200	0	0
Other	45,599	14,177	5,028
<i>Total Receipts</i>	<u>4,528,172</u>	<u>614,708</u>	<u>269,291</u>
Disbursements:			
Current:			
Health:			
Public Health	3,120,990	0	0
Environmental Health	105,545	0	274,501
Food Service	36,033	453,685	0
Plumbing	320,894	0	0
Nursing	239,824	0	0
Vital Statistics	332,124	0	0
<i>Total Disbursements</i>	<u>4,155,410</u>	<u>453,685</u>	<u>274,501</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>372,762</u>	<u>161,023</u>	<u>(5,210)</u>
Other Financing Sources (Uses):			
Advances In	100,000	0	100,000
Advances Out	(100,000)	0	(100,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	372,762	161,023	(5,210)
<i>Fund Balances at Beginning of Year</i>	<u>1,140,211</u>	<u>323,351</u>	<u>82,129</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,512,973</u></u>	<u><u>\$484,374</u></u>	<u><u>\$76,919</u></u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$421,945
61,521	1,391,094
0	3,595,649
0	200
7,395	72,199
<u>68,916</u>	<u>5,481,087</u>
0	3,120,990
56,890	436,936
0	489,718
0	320,894
0	239,824
0	332,124
<u>56,890</u>	<u>4,940,486</u>
<u>12,026</u>	<u>540,601</u>
0	200,000
0	(200,000)
<u>0</u>	<u>0</u>
12,026	540,601
<u>41,658</u>	<u>1,587,349</u>
<u>\$53,684</u>	<u>\$2,127,950</u>

Butler County District Board of Health
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts:				
Charges for Services	\$595,602	\$410,568	\$421,945	\$11,377
Licenses and Permits	569,500	517,000	556,039	39,039
Intergovernmental	1,211,268	4,187,668	3,504,389	(683,279)
Contributions and Donations	1,000	250	200	(50)
Other	1,398	1,317	45,599	44,282
<i>Total Receipts</i>	<u>2,378,768</u>	<u>5,116,803</u>	<u>4,528,172</u>	<u>(588,631)</u>
Disbursements:				
Current:				
Health:				
Public Health	1,808,804	3,878,808	3,636,480	242,328
Environmental Health	61,637	131,640	109,004	22,636
Food Service	21,575	45,475	38,545	6,930
Plumbing	185,751	398,584	323,406	75,178
Nursing	141,179	300,243	242,336	57,907
Vital Statistics	192,224	412,507	335,168	77,339
<i>Total Disbursements</i>	<u>2,411,170</u>	<u>5,167,257</u>	<u>4,684,939</u>	<u>482,318</u>
Excess of Revenues Over (Under) Disbursements	(32,402)	(50,454)	(156,767)	(106,313)
Other Financing Sources (Uses):				
Advances In	0	0	100,000	100,000
Advances Out	0	0	(100,000)	(100,000)
<i>Total Other Financing Sources (Uses):</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(32,402)	(50,454)	(156,767)	(106,313)
<i>Fund Balance at Beginning of Year</i>	1,123,963	1,123,963	1,123,963	0
<i>Prior Year Encumbrances Appropriated</i>	<u>16,248</u>	<u>16,248</u>	<u>16,248</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,107,809</u>	<u>\$1,089,757</u>	<u>\$983,444</u>	<u>(\$106,313)</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Food Service Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts:				
Licenses and Permits	\$650,000	\$580,000	\$600,531	\$20,531
Other	0	0	14,177	14,177
<i>Total Receipts</i>	<u>650,000</u>	<u>580,000</u>	<u>614,708</u>	<u>34,708</u>
Disbursements:				
Current:				
Health:				
Food Service	<u>672,650</u>	<u>556,773</u>	<u>456,538</u>	<u>100,235</u>
<i>Net Change in Fund Balance</i>	(22,650)	23,227	158,170	134,943
<i>Fund Balance at Beginning of Year</i>	320,501	320,501	320,501	0
<i>Prior Year Encumbrances</i>	<u>2,850</u>	<u>2,850</u>	<u>2,850</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$300,701</u></u>	<u><u>\$346,578</u></u>	<u><u>\$481,521</u></u>	<u><u>\$134,943</u></u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Sewage Permit Fee Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts:				
Licenses and Permits	\$300,000	\$130,000	\$173,003	\$43,003
Intergovernmental	187,500	150,000	91,260	(58,740)
Other	0	0	5,028	5,028
<i>Total Receipts</i>	487,500	280,000	269,291	(10,709)
Disbursements:				
Current:				
Health:				
Environmental Health	450,524	341,629	320,268	21,361
Other Financing Sources (Uses):				
Advances In	0	0	100,000	100,000
Advances Out	0	0	(100,000)	(100,000)
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	36,976	(61,629)	(50,977)	10,652
<i>Fund Balance at Beginning of Year</i>	82,129	82,129	82,129	0
<i>Fund Balance at End of Year</i>	<u>\$119,105</u>	<u>\$20,500</u>	<u>\$31,152</u>	<u>\$10,652</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Butler County District Board of Health, Butler County, Ohio (the “District”) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an eight-member Board. Five members of the Board are appointed to serve three-year terms by the District Advisory Council which consists of the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township in the general District or their alternates selected by their respective governing bodies and the President of the Butler County Commissioners or their designated alternate. The other three members are appointed by the Cities of Oxford (1), Fairfield (1), and Trenton (1) as per contract.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the District are not misleading. The District has no component units.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District’s services include public health preparedness, communicable disease investigations, immunization clinics, inspections, public health nursing services, vital statistics and the issuance of health-related licenses and permits.

Public Entity Risk Pool

The District participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. This organization is presented in Note 5 to the basic financial statements.

The District’s management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District’s accounting policies.

Basis of Presentation

The District’s basic financial statements consist of government-wide financial statements, including a statement of net position - cash basis and a statement of activities - cash basis, and fund financial statements which provide a more detailed level of financial information.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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. All funds of the District are governmental.

Governmental Funds

Governmental funds are those through which the governmental functions of the District are financed. The following are the District's major governmental funds:

- General Fund – The General Fund accounts for all financial resources except those required to be accounted for 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. It includes receipts and disbursements related to vital statistics, nursing services, state subsidy, and taxation fees.
- Food Service Fund – This fund accounts for and reports license fees restricted to the licensing and inspection of restaurants, retail food establishments and vending machines. License fees are established by cost methodology.
- Sewage Permit Fee Fund – This fund accounts for and reports license and permit fees along with intergovernmental receipts restricted to the inspection of and permits for sewage systems in Butler County.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The other governmental funds of the District accounts for and reports grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the District by about June 1 (45 days prior to July 15). The County Auditor cannot allocate property taxes from the municipalities and townships within the District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the District may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represents the final appropriations passed by the District during the year.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Cash and Investments

As required by Ohio Revised Code, the Butler County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount on the basic financial statements as cash and cash equivalents. Deposits and investments disclosures for the County as a whole may be obtained from: Nancy Nix, Butler County Treasurer, Government Services Center, 315 High Street, 10th Floor, Hamilton, Ohio 45011; Telephone: (513) 887-3181; E-mail: nixn@butlercountyohio.org.

Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

Employer Contributions to Cost Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Restricted

Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Health or a Health 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 all spendable amounts not contained 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 Basis of Accounting

The budgetary basis provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) for the General Fund and the Food Service and the Sewage Permit Fee Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The only difference between the budgetary basis fund balance and the cash basis fund balance is current encumbrances of \$529,529, \$2,853 and \$45,767 in the General Fund, Food Service and Sewage Permit Fee Special Revenue Funds, respectively.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Butler 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.

Note 5 – Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees.

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2019, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claim payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2019, and 2018 (the latest information available):

	<u>2019</u>	<u>2018</u>
Assets	\$54,973,597	\$49,921,998
Liabilities	<u>(16,440,940)</u>	<u>(14,676,199)</u>
Net Position	<u>\$38,532,657</u>	<u>\$35,245,799</u>

At December 31, 2019, the liabilities above include approximately \$14.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million of unpaid claims to be billed. The Pool's membership increased to 553 members in 2019. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2019, the District's share of these unpaid claims collectible in future years is approximately \$24,000.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Year</u>	<u>Contributions to PEP</u>
2020	\$36,955
2019	37,912

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 6 – Defined Benefit Pension Plan

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – District employees, other than Board members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2020 Actual Contributions Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$388,041 for the year 2020.

Social Security

The District's eight Board members contribute 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, 2020.

Note 7 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was zero for 2020.

Note 8 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Fund Balances	General Fund	Food Service Fund	Sewage Permit Fee Fund	Nonmajor Governmental Funds	Total
Restricted for:					
Food Service	\$0	\$484,374	\$0	\$0	\$484,374
Public Health	0	0	0	5,997	5,997
Recreational	0	0	0	389	389
Swimming Pool	0	0	0	47,298	47,298
Sewage Permit	0	0	76,919	0	76,919
<i>Total Restricted</i>	<u>0</u>	<u>484,374</u>	<u>76,919</u>	<u>53,684</u>	<u>614,977</u>
Assigned to:					
Subsequent Year Appropriation	64,155	0	0	0	64,155
Purchases on Order	529,529	0	0	0	529,529
<i>Total Assigned</i>	<u>593,684</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>593,684</u>
Unassigned	<u>919,289</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>919,289</u>
<i>Total Fund Balances</i>	<u><u>\$1,512,973</u></u>	<u><u>\$484,374</u></u>	<u><u>\$76,919</u></u>	<u><u>\$53,684</u></u>	<u><u>\$2,127,950</u></u>

Note 9 – Contingent Liabilities

Federal and State Grants

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Litigation

The District is not party to legal proceedings.

Note 10 – Ohio Department of Health Funds

During the year ended December 31, 2020, the District received federal funding passed through the Ohio Department of Health as follows:

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

<u>Grant Name</u>	<u>Funding Source(s)</u>	<u>2020 Federal Expenditures</u>
Public Health Emergency Preparedness	CFDA 93.074	\$241,126
Maternal Child Health Program	CFDA93.994, Am. Sub. H.B.49	21,061
Moms and Babies First	CFDA 93.944	141,664
Ohio Equity Institute	CFDA 93.994, Am. H.B. 49	65,665
Integrated Naloxone Access & Infrastructure	CFDA 93.788	14,880
Tuberculosis Funding Agreement	CFDA 93.116	15,600
Get Vaccinated Ohio	CFDA 93.268	11,203
Drug Overdose Prevention	CFDA 93.136	25,470
Water Pollution Control Loan Fund	CFDA 66.458	71,641
Cribs for Kids	CFDA 93.439, Am. Sub. H.B. 166	11,713
COVID-19 Coronavirus Crisis Response	CFDA 93.354	1,148,529
COVID-19 Contact Tracing	CFDA 21.019	753,670
COVID-19 CARES Act Funding	CFDA 21.019	59,722

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the District received CARES Act funding. Of the amounts received, \$814,779 was sub-granted to other governments. These amounts are reflected as Public Health expenditures in the General Fund on the accompanying financial statements.

The District received \$3,683 in personal protective equipment (PPE) in response to the COVID-19 pandemic.

Butler County District Board of Health
Statement of Net Position - Cash Basis
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,587,349</u>
Net Position	
Restricted:	
Food Service	\$323,351
Recreational	296
Swimming Pool	41,362
Sewage Permit	82,129
Unrestricted	<u>1,140,211</u>
<i>Total Net Position</i>	<u>\$1,587,349</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	<u>Program Receipts</u>			Net (Disbursements) Receipts and Changes in Net Position
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Health:				
Public Health	\$946,837	\$0	\$922,946	(\$23,891)
Environmental Health	736,572	316,352	170,365	(249,855)
Food Service	681,927	620,467	0	(61,460)
Plumbing	374,050	529,536	0	155,486
Nursing	503,618	66,748	275	(436,595)
Vital Statistics	394,511	418,376	0	23,865
<i>Total Governmental Activities</i>	<u>\$3,637,515</u>	<u>\$1,951,479</u>	<u>\$1,093,586</u>	<u>(592,450)</u>
General Receipts				
Grants and Entitlements not Restricted to Specific Programs				226,340
Miscellaneous				42,480
<i>Total General Revenues</i>				<u>268,820</u>
Change in Net Position				(323,630)
<i>Net Position at Beginning of Year</i>				<u>1,910,979</u>
<i>Net Position at End of Year</i>				<u><u>\$1,587,349</u></u>

See accompanying notes to the basic financial statements

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Butler County District Board of Health
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2019

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Sewage Permit Fee Fund</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$1,140,211</u>	<u>\$323,351</u>	<u>\$82,129</u>
Fund Balances			
Restricted	\$0	\$323,351	\$82,129
Assigned	367,388	0	0
Unassigned	<u>772,823</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u>\$1,140,211</u>	<u>\$323,351</u>	<u>\$82,129</u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
<u>\$41,658</u>	<u>\$1,587,349</u>
\$41,658	\$447,138
0	367,388
<u>0</u>	<u>772,823</u>
<u>\$41,658</u>	<u>\$1,587,349</u>

Butler County District Board of Health
Statement of Cash Basis Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Sewage Permit Fee Fund</u>
Receipts			
Charges for Services	\$485,124	\$0	\$0
Licenses and Permits	553,137	620,467	186,279
Fines and Forfeitures	23,083	0	0
Intergovernmental	1,149,286	0	170,365
Contributions and Donations	275	0	0
Other	42,480	0	0
<i>Total Receipts</i>	<u>2,253,385</u>	<u>620,467</u>	<u>356,644</u>
Disbursements			
Current:			
Health:			
Public Health	946,837	0	0
Environmental Health	317,933	0	361,502
Food Service	55,477	626,450	0
Plumbing	374,050	0	0
Nursing	503,618	0	0
Vital Statistics	394,511	0	0
<i>Total Disbursements</i>	<u>2,592,426</u>	<u>626,450</u>	<u>361,502</u>
<i>Net Change in Fund Balances</i>	(339,041)	(5,983)	(4,858)
<i>Fund Balances at Beginning of Year</i>	<u>1,479,252</u>	<u>329,334</u>	<u>86,987</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,140,211</u></u>	<u><u>\$323,351</u></u>	<u><u>\$82,129</u></u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$485,124
83,389	1,443,272
0	23,083
0	1,319,651
0	275
0	42,480
<u>83,389</u>	<u>3,313,885</u>
0	946,837
57,137	736,572
0	681,927
0	374,050
0	503,618
0	394,511
<u>57,137</u>	<u>3,637,515</u>
26,252	(323,630)
<u>15,406</u>	<u>1,910,979</u>
<u>\$41,658</u>	<u>\$1,587,349</u>

Butler County District Board of Health
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts				
Charges for Services	\$448,000	\$495,000	\$485,124	(\$9,876)
Licenses and Permits	564,500	569,500	553,137	(16,363)
Fines and Forfeitures	15,000	55,000	23,083	(31,917)
Intergovernmental	1,227,643	1,114,000	1,149,286	35,286
Contributions and Donations	1,000	275	275	0
Other	0	0	42,480	42,480
<i>Total Receipts</i>	<u>2,256,143</u>	<u>2,233,775</u>	<u>2,253,385</u>	<u>19,610</u>
Disbursements				
Current:				
Health:				
Public Health	949,663	1,018,802	956,895	61,907
Environmental Health	318,057	341,273	318,741	22,532
Food Service	56,873	60,924	56,285	4,639
Plumbing	373,621	400,935	374,858	26,077
Nursing	512,408	549,183	506,577	42,606
Vital Statistics	393,965	422,773	395,318	27,455
<i>Total Disbursements</i>	<u>2,604,587</u>	<u>2,793,890</u>	<u>2,608,674</u>	<u>185,216</u>
<i>Net Change in Fund Balance</i>	(348,444)	(560,115)	(355,289)	204,826
<i>Fund Balance at Beginning of Year</i>	1,452,241	1,452,241	1,452,241	0
<i>Prior Year Encumbrances Appropriated</i>	<u>27,011</u>	<u>27,011</u>	<u>27,011</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,130,808</u>	<u>\$919,137</u>	<u>\$1,123,963</u>	<u>\$204,826</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Food Service Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts				
Licenses and Permits	\$550,000	\$612,000	\$620,467	\$8,467
Disbursements				
Current:				
Health:				
Food Service	713,718	664,118	629,300	34,818
<i>Net Change in Fund Balance</i>	(163,718)	(52,118)	(8,833)	43,285
<i>Fund Balance at Beginning of Year</i>	325,716	325,716	325,716	0
<i>Prior Year Encumbrances</i>	3,618	3,618	3,618	0
<i>Fund Balance at End of Year</i>	<u>\$165,616</u>	<u>\$277,216</u>	<u>\$320,501</u>	<u>\$43,285</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Sewage Permit Fee Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts				
Licenses and Permits	\$246,000	\$180,000	\$186,279	\$6,279
Intergovernmental	220,000	185,000	170,365	(14,635)
<i>Total Receipts</i>	466,000	365,000	356,644	(8,356)
Disbursements				
Current:				
Health:				
Environmental Health	456,678	376,205	361,502	14,703
<i>Net Change in Fund Balance</i>	9,322	(11,205)	(4,858)	6,347
<i>Fund Balance at Beginning of Year</i>	83,882	83,882	83,882	0
<i>Prior Year Encumbrances Appropriated</i>	3,105	3,105	3,105	0
<i>Fund Balance at End of Year</i>	<u>\$96,309</u>	<u>\$75,782</u>	<u>\$82,129</u>	<u>\$6,347</u>

See accompanying notes to the basic financial statements

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Butler County District Board of Health, Butler County, Ohio (the “District”) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an eight-member Board. Five members of the Board are appointed to serve three-year terms by the District Advisory Council which consists of the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township in the general District or their alternates selected by their respective governing bodies and the President of the Butler County Commissioners or their designated alternate. The other three members are appointed by the Cities of Oxford (1), Fairfield (1), and Trenton (1) as per contract.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the District are not misleading. The District has no component units.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District’s services include public health preparedness, communicable disease investigations, immunization clinics, inspections, public health nursing services, vital statistics and the issuance of health-related licenses and permits.

Public Entity Risk Pool

The District participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. This organization is presented in Note 5 to the basic financial statements.

The District’s management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District’s accounting policies.

Basis of Presentation

The District’s basic financial statements consist of government-wide financial statements, including a statement of net position - cash basis and a statement of activities - cash basis, and fund financial statements which provide a more detailed level of financial information.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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. All funds of the District are governmental.

Governmental Funds

Governmental funds are those through which the governmental functions of the District are financed. The following are the District's major governmental funds:

- General Fund – The General Fund accounts for all financial resources except those required to be accounted for 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. It includes receipts and disbursements related to vital statistics, nursing services, state subsidy, and taxation fees.
- Food Service Fund – This fund accounts for and reports license fees restricted to the licensing and inspection of restaurants, retail food establishments and vending machines. License fees are established by cost methodology.
- Sewage Permit Fee Fund – This fund accounts for and reports license and permit fees along with intergovernmental receipts restricted to the inspection of and permits for sewage systems in Butler County.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The other governmental funds of the District accounts for and reports grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the District by about June 1 (45 days prior to July 15). The County Auditor cannot allocate property taxes from the municipalities and townships within the District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Cash and Investments

As required by Ohio Revised Code, the Butler County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount on the basic financial statements as cash and cash equivalents. Deposits and investments disclosures for the County as a whole may be obtained from: Nancy Nix, Butler County Treasurer, Government Services Center, 315 High Street, 10th Floor, Hamilton, Ohio 45011; Telephone: (513) 887-3181; E-mail: nixn@butlercountyohio.org.

Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

Employer Contributions to Cost Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Restricted

Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Health or a Health 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 all spendable amounts not contained 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 Basis of Accounting

The budgetary basis provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) for the General Fund and the Food Service and the Sewage Permit Fee Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The only difference between the budgetary basis fund balance and the cash basis fund balance is current encumbrances of \$16,248 and \$2,850 in the General Fund and Food Service Special Revenue Fund, respectively.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Butler 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.

Note 5 – Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees.

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2018, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claim payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018, and 2017 (the latest information available):

	<u>2018</u>	<u>2017</u>
Assets	\$49,921,998	\$44,452,326
Liabilities	<u>(14,676,199)</u>	<u>(13,004,011)</u>
Net Position	<u>\$35,245,799</u>	<u>\$31,448,315</u>

At December 31, 2018, the liabilities above include approximately \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$11.8 million of unpaid claims to be billed. The Pool's membership increased to 538 members in 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the District's share of these unpaid claims collectible in future years is approximately \$26,000.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Year</u>	<u>Contributions to PEP</u>
2019	\$37,912
2018	40,503

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 6 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – District employees, other than Board members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
FY 2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2018 Actual Contributions Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$364,343 for the year 2019.

Social Security

The District's eight Board members contribute 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, 2019.

Note 7 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, State and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was zero for 2019.

Note 8 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Fund Balances	General Fund	Food Service Fund	Sewage Permit Fee Fund	Nonmajor Governmental Funds	Total
Restricted for:					
Food Service	\$0	\$323,351	\$0	\$0	\$323,351
Recreational	0	0	0	296	296
Swimming Pool	0	0	0	41,362	41,362
Sewage Permit	0	0	82,129	0	82,129
<i>Total Restricted</i>	<u>0</u>	<u>323,351</u>	<u>82,129</u>	<u>41,658</u>	<u>447,138</u>
Assigned to:					
Subsequent Year Appropriation	351,140	0	0	0	351,140
Purchases on Order	16,248	0	0	0	16,248
<i>Total Assigned</i>	<u>367,388</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>367,388</u>
Unassigned	<u>772,823</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>772,823</u>
<i>Total Fund Balances</i>	<u>\$1,140,211</u>	<u>\$323,351</u>	<u>\$82,129</u>	<u>\$41,658</u>	<u>\$1,587,349</u>

Note 9 – Contingent Liabilities

Federal and State Grants

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Litigation

The District is not party to legal proceedings.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Ohio Department of Health Funds

During the year ended December 31, 2019, the District received federal funding passed the Ohio Department of Health as follows:

<u>Grant Name</u>	<u>Funding Source(s)</u>	<u>2019 Federal Expenditures</u>
Public Health Emergency Preparedness	CFDA 93.074	\$284,687
Maternal Child Health Program	CFDA93.994, Am. Sub. H.B.49	27,527
Moms and Babies First	CFDA 93.944	118,926
Ohio Equity Institute	CFDA 93.994, Am. H.B. 49	60,505
Integrated Naloxone Access & Infrastructure	CFDA 93.788	6,758
Tuberculosis Funding Agreement	CFDA 93.116	15,600
Get Vaccinated Ohio	CFDA 93.268	5,139
Drug Overdose Prevention	CFDA 93.136	13,991
Water Pollution Control Loan Fund	CFDA 66.458	141,572
Cribs for Kids	CFDA 93.439, Am. Sub. H.B. 166	1,774

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed Through Ohio Department of Health</i>				
COVID-19 Coronavirus Crisis Response FY2021	CFDA 21.019	00910012CO0121	466,447	679,288
COVID-19 Contact Tracing FY2020	CFDA 21.019	00910012CT0120	173,873	720,814
COVID-19 CARES ACT FUNDING (from BC Commissioners)	CFDA 21.019			59,722
Total CFDA Number 21.019			<u>640,320</u>	<u>1,459,824</u>
Total U.S. Department of the Treasury			<u>640,320</u>	<u>1,459,824</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health</i>				
Public Health Emergency Preparedness FY20	CFDA 93.074	00910012PH1120		149,454
Public Health Emergency Preparedness FY21	CFDA 93.074	00910012PH1221		91,672
Total CFDA Number 93.074				<u>241,126</u>
Get Vaccinated Ohio FY2020	CFDA 93.268	00910012GV0120		10,894
Get Vaccinated Ohio FY2021	CFDA 93.268	00910012GV0221		309
Total CFDA Number 93.268				<u>11,203</u>
Maternal Child Health FY2020	CFDA 93.994	00910011MP0420		16,718
Maternal Child Health FY2021	CFDA 93.994	00910011MP0521		4,343
Moms & Babies First FY2020	CFDA 93.994	00910011MB0220		111,258
Moms & Babies First FY2021	CFDA 93.994	00910011MB0321		30,406
Ohio Equity Institute FY2020	CFDA 93.994	00910011OE0220		49,412
Ohio Equity Institute FY2021	CFDA 93.994	00910011OE0321		16,253
Total CFDA Number 93.994				<u>228,390</u>
Cribs for Kids FY2020	CFDA 93.439	00910011CK0220		11,258
Cribs for Kids FY2021	CFDA 93.439	00910011CK0321		455
Total CFDA Number 93.439				<u>11,713</u>
Integrated Naloxone Access FY2021	CFDA 93.788	00910014IN0221		7,228
Integrated Naloxone Access FY2022	CFDA 93.788	00910014IN0322		7,652
Total CFDA Number 93.788				<u>14,880</u>
Drug Overdose Prevention FY2020	CFDA 93.136	00910014DR0120		16,875
Drug Overdose Prevention FY2021	CFDA 93.136	00910014DR0221		8,595
Total CFDA Number 93.136				<u>25,470</u>
Tuberculosis Funding Agreement	CFDA 93.116	NU52PS004703		15,600
COVID-19 Coronavirus Crisis Response FY2020	CFDA 93.354	00910012CO0120	141,603	469,241
COVID-19 Contact Tracing FY2021	CFDA 93.323	00910012CT0121	32,856	32,856
COVID-19 HHS Stimulus CARES ACT RELIEF Payment	CFDA 93.498	HHS-48657535019		18,373
Total U.S. Department of Health and Human Services			<u>174,459</u>	<u>1,068,852</u>
THE ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through Ohio Environmental Protection Agency</i>				
Water Pollution Control Loan Fund	CFDA 66.458			71,641
Total U.S. Department of Environmental Protection Agency			<u>0</u>	<u>71,641</u>
Total Expenditures of Federal Awards			<u>\$814,779</u>	<u>\$2,600,317</u>

The accompanying notes are an integral part of this schedule.

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**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Butler County District Board of Health (the District) under programs of the federal government for the year ended December 31, 2020. 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, changes in net position, or cash flows 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 the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - 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.

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 E - 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.

NOTE F – OHIO DEPARTMENT OF HEALTH REQUIREMENTS

Ohio Department of Health Grants Administration Policies and Procedures (OGAPP) Manual required the receipts of all federal awards to be reported in addition to the reporting of the federal expenditures. The following federal funds were received from the Ohio Department of Health during the Audit Period.

U.S. DEPARTMENT OF THE TREASURY

Passed Through Ohio Department of Health

	CFDA #	Project Number	Receipts
COVID-19 Coronavirus Crisis Response FY2021	CFDA 21.019	00910012CO0121	720,363
COVID-19 Contact Tracing FY2020	CFDA 21.019	00910012CT0120	480,377

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed Through Ohio Department of Health

	CFDA #	Project Number	Receipts
Public Health Emergency Preparedness FY20	CFDA 93.074	00910012PH1120	187,542
Public Health Emergency Preparedness FY21	CFDA 93.074	00910012PH1221	141,450
Get Vaccinated Ohio FY2020	CFDA 93.268	00910012GV0120	14,512
Maternal Child Health FY2020	CFDA 93.994	00910011MP0420	34,253
Moms & Babies First FY2020	CFDA 93.994	00910011MB0220	118,149
Moms & Babies First FY2021	CFDA 93.994	00910011MB0321	18,878
Ohio Equity Institute FY2020	CFDA 93.994	00910011OE0220	61,936
Cribs for Kids FY2020	CFDA 93.439	00910011CK0220	12,366
Integrated Naloxone Access FY2021	CFDA 93.788	00910014IN0221	48,500
Drug Overdose Prevention FY2020	CFDA 93.136	00910014DR0120	73,750
Drug Overdose Prevention FY2021	CFDA 93.136	00910014DR0221	10,917
Tuberculosis Funding Agreement	CFDA 93.116	NU52PS004703	15,600
COVID-19 Coronavirus Crisis Response FY2020	CFDA 93.354	00910012CO0120	469,241

Total Federal Receipts from Ohio Department of Health			<u>2,407,834</u>
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OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
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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

Butler County District Board of Health
Butler County
301 South Third Street
Hamilton, Ohio 45011

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Butler County District Board of Health, Butler County, (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 8, 2021 wherein we noted the District uses a special purpose framework other than generally accepted accounting principals. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Government'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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
September 8, 2021

OHIO AUDITOR OF STATE KEITH FABER



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Blue Ash, Ohio 45242-1817
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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

Butler County District Board of Health
Butler County
301 South Third Street
Hamilton, Ohio 45011

To the Members of the Board:

Report on Compliance for the Major Federal Program

We have audited the Butler County District Board of Health, Butler County, Ohio (the District's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Butler County District Board of Health's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with 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.

Opinion on the Major Federal Program

In our opinion, the Butler County District Board of Health 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, 2020.

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 Districts 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 Districts 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated September 8, 2021 wherein we noted the District followed the special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio
September 8, 2021

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**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Coronavirus Relief Fund - CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



BUTLER COUNTY DISTRICT BOARD OF HEALTH

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/23/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov