



OHIO AUDITOR OF STATE
KEITH FABER



**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY
DECEMBER 31, 2021**

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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 Audit of the Financial Statements

Opinion

We have audited 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, Ohio (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, Food Service and Sewage Permit Fee Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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. As discussed in Note 11, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the District's basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 21, 2022

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Butler County District Board of Health
Statement of Net Position - Cash Basis
December 31, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,111,018</u>
Net Position:	
Restricted:	
Food Service	\$626,703
Recreational	250
Swimming Pool	65,157
Sewage Permit	137,458
Unrestricted	<u>2,281,450</u>
<i>Total Net Position</i>	<u>\$3,111,018</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, 2021

	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	\$3,615,491	\$0	\$4,086,998	\$471,507
Child and Family Health Services	3,872	0	0	(3,872)
Environmental Health	418,876	305,485	132,646	19,255
Food Service	519,378	608,852	0	89,474
Plumbing	348,420	576,915	0	228,495
Nursing	182,173	725	48,487	(132,961)
Vital Statistics	371,172	469,864	0	98,692
<i>Total Governmental Activities</i>	<u>\$5,459,382</u>	<u>\$1,961,841</u>	<u>\$4,268,131</u>	<u>770,590</u>
General Receipts:				
Grants and Entitlements not Restricted to Specific Programs				183,257
Miscellaneous				<u>29,221</u>
<i>Total General Revenues</i>				<u>212,478</u>
<i>Change in Net Position</i>				983,068
<i>Net Position at Beginning of Year</i>				<u>2,127,950</u>
<i>Net Position at End of Year</i>				<u><u>\$3,111,018</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, 2021

	General Fund	Food Service Fund	Sewage Permit Fee Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,281,450	\$626,703	\$137,458
Fund Balances:			
Restricted	\$0	\$626,703	\$137,458
Assigned	119,501	0	0
Unassigned	2,161,949	0	0
<i>Total Fund Balances</i>	\$2,281,450	\$626,703	\$137,458

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
<u>\$65,407</u>	<u>\$3,111,018</u>
\$65,407	\$829,568
0	119,501
<u>0</u>	<u>2,161,949</u>
<u>\$65,407</u>	<u>\$3,111,018</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, 2021

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Sewage Permit Fee Fund</u>
Receipts:			
Charges for Services	\$471,219	\$0	\$0
Licenses and Permits	597,967	608,852	219,086
Fines and Forfeitures	0	0	0
Intergovernmental	4,321,162	0	129,726
Contributions and Donations	500	0	0
Other	23,728	3,444	1,749
<i>Total Receipts</i>	<u>5,414,576</u>	<u>612,296</u>	<u>350,561</u>
Disbursements:			
Current:			
Health:			
Public Health	3,613,366	0	0
Child and Family Health Services	0	0	0
Environmental Health	81,557	0	290,022
Food Service	49,411	469,967	0
Plumbing	348,420	0	0
Nursing	182,173	0	0
Vital Statistics	371,172	0	0
<i>Total Disbursements</i>	<u>4,646,099</u>	<u>469,967</u>	<u>290,022</u>
<i>Excess of Receipts Over Disbursements</i>	<u>768,477</u>	<u>142,329</u>	<u>60,539</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>	768,477	142,329	60,539
<i>Fund Balances at Beginning of Year</i>	<u>1,512,973</u>	<u>484,374</u>	<u>76,919</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,281,450</u></u>	<u><u>\$626,703</u></u>	<u><u>\$137,458</u></u>

See accompanying notes to the basic financial statements

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$0	\$471,219
64,077	1,489,982
640	640
0	4,450,888
0	500
<u>300</u>	<u>29,221</u>
<u>65,017</u>	<u>6,442,450</u>
2,125	3,615,491
3,872	3,872
47,297	418,876
0	519,378
0	348,420
0	182,173
<u>0</u>	<u>371,172</u>
<u>53,294</u>	<u>5,459,382</u>
<u>11,723</u>	<u>983,068</u>
0	200,000
<u>0</u>	<u>(200,000)</u>
<u>0</u>	<u>0</u>
11,723	983,068
<u>53,684</u>	<u>2,127,950</u>
<u>\$65,407</u>	<u>\$3,111,018</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts:				
Charges for Services	\$530,743	\$465,743	\$471,219	\$5,476
Licenses and Permits	572,000	547,000	597,967	50,967
Intergovernmental	1,518,593	4,410,373	4,321,162	(89,211)
Contributions and Donations	1,000	1,000	500	(500)
Other	11,648	25,503	23,728	(1,775)
<i>Total Receipts</i>	<u>2,633,984</u>	<u>5,449,619</u>	<u>5,414,576</u>	<u>(35,043)</u>
Disbursements:				
Current:				
Health:				
Public Health	2,613,888	4,330,191	3,725,785	604,406
Environmental Health	50,823	89,561	83,116	6,445
Food Service	31,207	54,677	50,022	4,655
Plumbing	204,851	370,345	349,726	20,619
Nursing	108,306	194,836	183,166	11,670
Vital Statistics	218,595	394,897	373,785	21,112
<i>Total Disbursements</i>	<u>3,227,670</u>	<u>5,434,507</u>	<u>4,765,600</u>	<u>668,907</u>
Excess of Revenues Over (Under) Disbursements	<u>(593,686)</u>	<u>15,112</u>	<u>648,976</u>	<u>633,864</u>
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>	<u>(593,686)</u>	<u>15,112</u>	<u>648,976</u>	<u>633,864</u>
<i>Fund Balance at Beginning of Year</i>	983,444	983,444	983,444	0
<i>Prior Year Encumbrances Appropriated</i>	<u>529,529</u>	<u>529,529</u>	<u>529,529</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$919,287</u></u>	<u><u>\$1,528,085</u></u>	<u><u>\$2,161,949</u></u>	<u><u>\$633,864</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)
Food Service Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts:				
Licenses and Permits	\$620,000	\$608,273	\$608,852	\$579
Other	0	15,171	3,444	(11,727)
<i>Total Receipts</i>	620,000	623,444	612,296	(11,148)
Disbursements:				
Current:				
Health:				
Food Service	670,321	535,053	470,788	64,265
<i>Net Change in Fund Balance</i>	(50,321)	88,391	141,508	53,117
<i>Fund Balance at Beginning of Year</i>	481,521	481,521	481,521	0
<i>Prior Year Encumbrances Appropriated</i>	2,853	2,853	2,853	0
<i>Fund Balance at End of Year</i>	<u>\$434,053</u>	<u>\$572,765</u>	<u>\$625,882</u>	<u>\$53,117</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Receipts:				
Licenses and Permits	\$225,000	\$185,000	\$219,086	\$34,086
Intergovernmental	150,000	150,000	129,726	(20,274)
Other	0	1,448	1,749	301
<i>Total Receipts</i>	<u>375,000</u>	<u>336,448</u>	<u>350,561</u>	<u>14,113</u>
Disbursements:				
Current:				
Health:				
Environmental Health	433,812	390,867	290,562	100,305
Excess of Revenues Over (Under) Disbursements	<u>(58,812)</u>	<u>(54,419)</u>	<u>59,999</u>	<u>114,418</u>
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>	(58,812)	(54,419)	59,999	114,418
<i>Fund Balance at Beginning of Year</i>	31,152	31,152	31,152	0
<i>Prior Year Encumbrances Appropriated</i>	<u>45,767</u>	<u>45,767</u>	<u>45,767</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$18,107</u></u>	<u><u>\$22,500</u></u>	<u><u>\$136,918</u></u>	<u><u>\$114,418</u></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, 2021

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, 2021

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.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

- 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.

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.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

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.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

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.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 \$119,501, \$822 and \$540 in the General Fund, Food Service and Sewage Permit Fee Special Revenue Funds, respectively.

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.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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, 2020, 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, 2020, and 2019 (the latest information available):

	2020	2019
Assets	\$40,318,971	\$54,973,597
Liabilities	(14,111,510)	(16,440,940)
Net Position	\$26,207,461	\$38,532,657

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.

Year	Contributions to PEP
2021	\$43,661
2020	\$36,955

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, 2021

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
Combine d 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	Combine d 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	Combine d 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

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contributions Rates	
Employer:	14.0 %
Pension	
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.

** These pension and employer health care rates are for the traditional and combined plans. The employer contribution for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$427,343 for the year 2021.

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, 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, 2021

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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 2021, 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

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District had no contractually required contributions during 2021.

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:

Fund Balances	General Fund	Food Service Fund	Sewage Permit Fee Fund	Nonmajor Governmental Funds	Total
Restricted For:					
Food Service	\$0	\$626,703	\$0	\$0	\$626,703
Recreational	0	0	0	250	250
Swimming Pool	0	0	0	65,157	65,157
Sewage Permit	0	0	137,458	0	137,458
<i>Total Restricted</i>	<u>0</u>	<u>626,703</u>	<u>137,458</u>	<u>65,407</u>	<u>829,568</u>
Assigned To:					
Purchases on Order	119,501	0	0	0	119,501
Unassigned	<u>2,161,949</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,161,949</u>
<i>Total Fund Balances</i>	<u>\$2,281,450</u>	<u>\$626,703</u>	<u>\$137,458</u>	<u>\$65,407</u>	<u>\$3,111,018</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.

Butler County District Board of Health
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Litigation

The District is not party to legal proceedings.

Note 10 – Ohio Department of Health Funds

During the year ended December 31, 2021, the District received federal funding passed through to the Ohio Department of Health as follows:

Grant Name	Funding Source(s)	2021 Federal Expenditures
Public Health Emergency Preparedness	CFDA 93.069	\$260,076
Maternal Child Health Program	CFDA 93.994	220,937
Integrated Naloxone Access & Infrastructure	CFDA 93.788	39,814
Drug Overdose Prevent	CFDA 93.136	32,837
COVID-19 Contact Tracing/Enhanced Operations	CFDA 93.323	654,053
COVID-19 Vaccine Equity Supplement	CFDA 93.268	145,796
COVID-19 Public Health Workforce	CFDA 93.354	96
COVID-19 Coronavirus Response	CFDA 21.019	1,414,544

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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or State, cannot be estimated.

The 2021 activity includes, \$598,925 which was sub-granted to other governments. These amounts are reflected as Public Health expenditures in the General Fund on the accompanying financial statements.

During 2021, the District received \$1,538 in person protective equipment (PPE).

**BUTLER COUNTY GENERAL HEALTH DISTRICT
BUTLER COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 2021**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed Through From Ohio Department of Health</i>				
COVID-19 Coronavirus Response	AL 21.019	00910012CO0121/00910012CT0120/00910012VN0121	357,959	1,414,544
<i>Passed Through from Butler County Commissioners</i>				
COVID-19 BC CARES	AL 21.019	BCCARES		198,956
Total U.S. Department of the Treasury			357,959	1,613,500
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through From Ohio Department of Health</i>				
Public Health Emergency Preparedness FY21/FY22	AL 93.069	00910012PH1221/00910012PH1322		260,076
Maternal Child Health FY21/FY22	AL 93.994	00910011MP0521/MP0622/MB0321/OE0321/CK0321		220,937
Integrated Naloxone Access FY2022/FY2023	AL 93.788	00910014IN0322/IN0423		39,814
Drug Overdose Prevention FY2021/FY2022	AL 93.136	00910014DR0221/DR0322		32,837
COVID-19 Contact Tracing FY21/Enhanced Operations EO21	AL 93.323	00910012CT0121/EO0121	144,051	654,053
COVID-19 Vaccine Equity Supplement FY21	AL 93.268	00910012VE0121	96,915	145,796
COVID-19 Public Health Workforce FY22	AL 93.354	00910012WF0122		96
Total U.S. Department of Health and Human Services			240,966	1,353,609
U.S. DEPARTMENT OF JUSTICE				
<i>Passed through From Butler County Mental Health Addiction Recovery Board</i>				
COSSAP - Harm Reduction	AL 16.838	2020-AR-BX-0132		52,950
Total U.S. Department of Justice				52,950
THE ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through From Ohio Environmental Protection Agency</i>				
Water Pollution Control Loan Fund	AL 66.458			119,251
Total U.S. Department of Environmental Protection Agency				119,251
Total Expenditures of Federal Awards			\$598,925	\$3,139,310

The accompanying notes are an integral part of this schedule.

**BUTLER COUNTY GENERAL HEALTH DISTRICT
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 2021**

Notes

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Butler County General Health District (the District) under programs of the federal government for the year ended December 31, 2021. 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 assets, or cash flows of the District.

2 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

3 Indirect Cost Rate

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

4 Matching Requirements

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to Support the Federally-funded programs.

5 Error in Schedule of Expenditures of Federal Awards (SEFA for the Year Ended December 31, 2020)

In the Schedule of Expenditures of Federal Awards (SEFA) for the year ended December 31, 2020, the Board of Health (the Board) reported expenditures of \$18,373 for the US Department of Health and Human Services Provider Relief Fund AL93.498 (COVID-19 HHS Stimulus CARES ACT Relief Payment AL 93.498). Subsequent to the 2020 audit it was discovered that this funding was received by the Board in error and the funding belonged to the Butler County Commissioners Care Facility. The error did not affect the determination of major federal programs for 2020 and was not material to the SEFA for the year ended December 31, 2020. The funding in the amount of \$18,373 was transferred from the Board to the Butler County Commissioners Care Facility at the end of 2021.

6 Ohio Department of Health Requirements - Error in Schedule of Expenditures of Federal Awards (SEFA) for the Year Ended December 31, 2020

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 ending on December 31, 2020 but were omitted from the SEFA for the year ending December 31, 2020.

U.S. DEPARTMENT OF THE TREASURY

Passed Through Ohio Department of Health

	AL#	Project Number	Receipts
COVID-19 Vaccine Needs Assessment FY21	AL 21.019	00910012VN0121	60,000

7 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

	AL #	Project Number	Receipts
COVID-19 Coronavirus Crisis Response FY2021	AL 21.019	00910012CO0121	941,934
COVID-19 Contact Tracing FY2020	AL 21.019	00910012CT0120	612,841

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed Through Ohio Department of Health

	AL #	Project Number	Receipts
Public Health Emergency Preparedness FY21	AL 93.069	00910012PH1221	127,240
Public Health Emergency Preparedness FY22	AL 93.069	00910012PH1322	105,187
Maternal Child Health FY2021	AL 93.994	00910011MP0521	22,870
Moms & Babies First FY2021	AL 93.994	00910011MB0321	124,308
Ohio Equity Institute FY2021	AL 93.994	00910011OE0321	81,891
Cribs for Kids FY2021	AL 93.994	00910011CK0321	1,655
Integrated Naloxone Access FY2022	AL 93.788	00910014IN0322	54,500
Drug Overdose Prevention FY2021	AL 93.136	00910014DR0221	69,083
Drug Overdose Prevention FY2022	AL 93.136	00910014DR0322	15,500
COVID-19 Contact Tracing FY21	AL 93.323	00910012CT0121	216,304
COVID-19 Enhanced Operations FY21	AL 93.323	00910012EO0121	388,251
COVID-19 Vaccine Equity Supplement FY21	AL 93.268	00910012VE0121	331,154

Total Federal Receipts from Ohio Department of Health **3,092,718**

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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 of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 ended December 31, 2021, 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 21, 2022, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio
September 21, 2022

OHIO AUDITOR OF STATE KEITH FABER



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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

Opinion on the Major Federal Program

We have audited Butler County District Board of Health, Butler County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Butler County District Board of Health's major federal program for the year ended December 31, 2021. Butler County District Board of Health's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Butler County District Board of Health complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
September 21, 2022

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

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 – 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 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 9/27/2022

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