

**OHIO AUDITOR OF STATE  
KEITH FABER**



**Butler County District  
Board of Health  
Butler County, Ohio**

**General Purpose External Financial Statements  
Cash Basis  
For the Year Ended December 31, 2021**

**Local Government Services Section**

**Butler County District Board of Health**  
General Purpose External Financial Statements  
Cash Basis  
For the Year Ended December 31, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



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Butler County District Board of Health  
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## Accountant's Compilation Report

Management is responsible for the accompanying basic financial statements of the Butler County District Board of Health as of and for the year ended December 31, 2021, in accordance with the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34, and for determining that the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34 is an acceptable financial reporting framework. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

KEITH FABER  
Auditor of State

A handwritten signature in blue ink that reads "David B. Thompson".

David B. Thompson  
Chief of Local Government Services  
Columbus, Ohio

February 25, 2022

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

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	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,111,018</u>
<b>Net Position:</b>	
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

	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>			
Health:			
Public Health	\$3,615,491	\$0	\$4,086,998
Child and Family Health Services	3,872	0	0
Environmental Health	418,876	305,485	132,646
Food Service	519,378	608,852	0
Plumbing	348,420	576,915	0
Nursing	182,173	725	48,487
Vital Statistics	371,172	469,864	0
	<u>\$5,459,382</u>	<u>\$1,961,841</u>	<u>\$4,268,131</u>
<i>Total Governmental Activities</i>			<u>770,590</u>
<b>General Receipts:</b>			
Grants and Entitlements not Restricted to Specific Programs			183,257
Miscellaneous			29,221
			<u>212,478</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>\$3,111,018</u>

See accompanying notes to the basic financial statements

**Butler County District Board of Health**  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2021

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	General Fund	Food Service Fund	Sewage Permit Fee Fund
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,281,450	\$626,703	\$137,458
<b>Fund Balances:</b>			
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>
<b>Receipts:</b>			
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>
<b>Disbursements:</b>			
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>
<b>Other Financing Sources (Uses):</b>			
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



Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$471,219
64,077	1,489,982
640	640
0	4,450,888
0	500
300	29,221
<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
0	371,172
<u>53,294</u>	<u>5,459,382</u>
<u>11,723</u>	<u>983,068</u>
0	200,000
0	(200,000)
<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		
<b>Receipts:</b>				
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>
<b>Disbursements:</b>				
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>
<b>Other Financing Sources (Uses):</b>				
Advances In	0	0	100,000	100,000
Advances Out	<u>0</u>	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>
<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>	(593,686)	15,112	648,976	633,864
<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>\$919,287</u>	<u>\$1,528,085</u>	<u>\$2,161,949</u>	<u>\$633,864</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		
<b>Receipts:</b>				
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)
<b>Disbursements:</b>				
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		
<b>Receipts:</b>				
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>
<b>Disbursements:</b>				
Current:				
Health:				
Environmental Health	<u>433,812</u>	<u>390,867</u>	<u>290,562</u>	<u>100,305</u>
Excess of Revenues Over (Under) Disbursements	<u>(58,812)</u>	<u>(54,419)</u>	<u>59,999</u>	<u>114,418</u>
<b>Other Financing Sources (Uses):</b>				
Advances In	0	0	100,000	100,000
Advances Out	<u>0</u>	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>
<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>(58,812)</u>	<u>(54,419)</u>	<u>59,999</u>	<u>114,418</u>
<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

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**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

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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, 2021

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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 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, 2021

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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, 10<sup>th</sup> 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.

Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities 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.



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

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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.

*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.

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

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**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, 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, \$821 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 District 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, 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):

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	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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 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 on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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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
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2021 Actual Contributions Rates</b>	
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.

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate 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.

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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.

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.

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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 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
<b>Restricted For:</b>					
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>
<b>Assigned To:</b>					
Purchases on Order	119,501	0	0	0	119,501
<b>Unassigned</b>	<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><u>\$2,281,450</u></u>	<u><u>\$626,703</u></u>	<u><u>\$137,458</u></u>	<u><u>\$65,407</u></u>	<u><u>\$3,111,018</u></u>

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**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, 2021, the District received federal funding passed through the Ohio Department of Health as follows:

<u>Grant Name</u>	<u>Funding Source(s)</u>	<u>2021 Federal Expenditures</u>
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 Prevention	CFDA 93.136	32,837
COVID-19 Contract Tracing/Enhanced Operations	CFDA 93.323	686,909
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	1,395,391

**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 personal protective equipment (PPE).