

**TRI-COUNTY BOARD OF RECOVERY  
AND MENTAL HEALTH SERVICES  
MIAMI COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





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Board Members  
Tri-County Board of Recovery and Mental Health Services  
1100 Wayne Street  
Troy, Ohio 45373

We have reviewed the *Independent Auditor's Report* of the Tri-County Board of Recovery and Mental Health Services, Miami County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

June 11, 2021

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**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**  
**MIAMI COUNTY, OHIO**  
**AUDIT REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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# **JAMES G. ZUPKA, C.P.A., INC.**

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*Garfield Hts., Ohio 44125*

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## **INDEPENDENT AUDITOR'S REPORT**

To Members of the Board  
Tri-County Board of Recovery  
and Mental Health Services  
Troy, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Tri-County Board of Recovery and Mental Health Services, Miami County, Ohio (the Board), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the 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.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and the General Fund of the Tri-County Board of Recovery and Mental Health Services, Ohio, as of December 31, 2020, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the basis of accounting described in Note 2.

## ***Accounting Basis***

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

## ***Other Matters***

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

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

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 financial statements taken as a whole.

### ***Other Information***

We applied no procedures to the Management's Discussion and Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the Tri-County Board of Recovery and Mental Health Services, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tri-County Board of Recovery and Mental Health Services, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, Inc.  
Certified Public Accountants

May 11, 2021

# **Tri-County Board of Recovery and Mental Health Services**

## **Miami County**

### **Management's Discussion and Analysis For the Year Ended December 31, 2020 Unaudited**

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This discussion and analysis of Tri-County Board of Recovery and Mental Health Services', Miami County, (the Board) financial performance provides an overall review of the Board's financial activities for the year ended December 31, 2020, within the limitations of the Board's cash basis of accounting. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Board's financial performance.

#### **Financial Highlights**

Key financial highlights for 2020 are as follows:

- Net position increased \$1,810,332.
- General receipts accounted for \$5,546,418 in receipts or 67.6 percent of all receipts. Program specific receipts in the form of operating grants and contributions accounted for \$2,663,061 or 32.4 percent of total receipts of \$8,209,479.
- The Board had \$6,399,147 in disbursements related to governmental activities; only \$2,663,061 of these disbursements was offset by program specific operating grants and contributions. General receipts of \$5,546,418 were adequate to provide for these programs.
- The Board's major fund had \$8,209,479 in receipts and \$6,399,147 in disbursements. The cash fund balance increased \$1,810,332.

#### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Tri-County Board of Recovery and Mental Health Services as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Board, presenting both an aggregate view of the Board's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as what remains for future spending.

#### ***Reporting the Board as a Whole***

##### **Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis**

While this document contains information used by the Board to provide programs and services for its service area, the view of the Board as a whole looks at all financial transactions and asks the question, "How did we do financially during calendar year 2020?" The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis answer this question. The two statements report the Board's net position and changes in position. This change in net position is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

In the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis, all of the Board's activities are considered to be Governmental Activities.

# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Management's Discussion and Analysis For the Year Ended December 31, 2020 Unaudited

- Governmental Activities – The Board's only program and associated services are reported here.

#### Reporting the Board's Governmental Financial Statements

##### *Governmental Financial Statements*

Governmental financial statements provide detailed information about the Board. The Board's activities are reported in the governmental financial statements, which focus on how money flows and the balance left at year end available for spending in future periods. These governmental financial statements are reported on a cash basis of accounting. The governmental financial statements provide a detailed short-term view of the Board's mental health and recovery operations and the services they provide. Governmental information will help you determine whether there are more/fewer financial resources available that can be spent in the near future to finance mental health and recovery programs.

#### The Board as a Whole

The Statement of Net Position – Cash Basis provides the perspective of the Board as a whole and Table 1 provides a summary of the Board's net position for 2020 compared to 2019.

**Table 1**  
**Net Position - Cash Basis**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash Basis Assets</b>		
Cash Equivalents	\$ 9,809,074	\$ 7,998,742
<b>Net Position</b>		
Unrestricted	9,809,074	7,998,742
<b>Total Net Position</b>	<u>\$ 9,809,074</u>	<u>\$ 7,998,742</u>

As shown in table 1, the Board's total position increased by \$1,810,332 from Calendar Year 2019 to Calendar Year 2020. The increase in net position at the end of the year was due to numerous factors, the most impactful being the differences in timing of revenues and expenditures and the timing of Fiscal Year contract payments. In addition, the Board received certain Fiscal Year 2020 funds in full at the beginning of the year.



# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Management's Discussion and Analysis For the Year Ended December 31, 2020 Unaudited

Table 2 shows a comparative analysis of the changes in net position for the year ended 2020 compared to 2019.

**Table 2**  
**Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Receipts</b>		
Program Cash Receipts		
Operating Grants and Contributions	\$ 2,663,061	\$ 1,921,258
Total Program Cash Receipts	2,663,061	1,921,258
General Receipts		
Property Taxes	2,111,699	2,100,886
Shared Revenues	3,410,547	3,465,272
Gifts & Donations	13,700	33,137
Other Receipts	10,472	10,541
Total General Receipts	5,546,418	5,609,836
<b>Total Receipts</b>	<b>8,209,479</b>	<b>7,531,094</b>
<b>Disbursements:</b>		
Mental Health and Recovery Operations	6,399,147	7,311,836
<b>Total Disbursements</b>	<b>6,399,147</b>	<b>7,311,836</b>
<b>Change in Net Position</b>	<b>\$ 1,810,332</b>	<b>\$ 219,258</b>

In 2020, 67.6 percent of the Board's total receipts were from general receipts which consist mainly of property taxes and unrestricted state allocations and awards compared to 74.5 percent in 2019. Program cash receipts accounted for 32.4 percent of the Board's total receipts in year 2020 compared to 25.5 percent in 2019. Federal operating grants, and state funds awarded for specific programs or purposes primarily make up these receipts.

The Statement of Activities – Cash Basis shows the cost of program services and the operating grants and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. This "net cost" amount represents the cost of those services supported by property tax receipts and unrestricted state allocations and awards. Comparisons to 2019 have been made.

# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Management's Discussion and Analysis For the Year Ended December 31, 2020 Unaudited

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Mental Health and Recovery Operations:				
Current:				
Salaries	\$ 1,248,630	\$ 1,206,889	\$ 1,248,630	\$ 1,206,889
Supplies	98,313	191,827	98,313	191,827
Materials	1,103	779	1,103	779
Equipment	3,482	7,798	3,482	7,798
Contracts – Repair	4,161	4,780	4,161	4,780
Contracts – Services	4,373,244	4,831,225	1,710,183	2,909,967
Rentals	93,050	176,605	93,050	176,605
Advertising and Printing	62,799	46,234	62,799	46,234
Travel	0	2,334	0	2,334
Public Employee's Retirement	167,169	159,692	167,169	159,692
Insurance & Medicare	230,346	221,789	230,346	221,789
Property/Improvements	31,644	363,905	31,644	363,905
Other	85,206	97,979	85,206	97,979
<b>Total Disbursements</b>	<b>\$6,399,147</b>	<b>\$7,311,836</b>	<b>\$3,736,086</b>	<b>\$5,390,578</b>

The dependence upon unrestricted state allocations and awards for government activities is apparent as 58.4 percent of mental health and recovery costs are supported through unrestricted state allocations and awards and other general receipts in 2020 compared to 73.7 percent in 2019.

#### The Board's Governmental Financial Statements

The Board's governmental financial statements are accounted for using the cash basis of accounting. The governmental financial statements had total receipts of \$8,209,479 and disbursements of \$6,399,147. The financial statements had an increase in the cash balance of \$1,810,332.

#### Budgeting Highlights

The Board's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2020, the Board amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts.



## **Tri-County Board of Recovery and Mental Health Services**

### **Miami County**

#### **Management's Discussion and Analysis For the Year Ended December 31, 2020 Unaudited**

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##### **Economic Factors**

The Board contracts with 13 contract agencies to deliver mental health and substance abuse services to the residents of Miami, Darke and Shelby Counties. The challenge to maintain adequate services to Non-Medicaid consumers in the Board's catchment area, despite level funded specific allocations, for state funds, will remain an issue for provider agencies. The Board must continue to closely monitor the current revenues and expenditures to help preserve the Mental Health and Substance Use Disorder services at an adequate level for the citizens of Miami, Darke and Shelby Counties.

The Board passed a renewal of its operating levy in November of 2016. The ongoing support of the communities served in the difficult economic environment is invaluable and crucial to the ongoing preservation of the service system.

##### **Contacting the Board's Financial Management**

This financial report is designed to provide citizens, taxpayers, and providers with a general overview of the Board's finances and the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Steve McEldowney, Director of Finance and Administration, at Tri-County Board of Recovery and Mental Health Services, 1100 Wayne Street, Suite 4000, Troy, Ohio 45373.

TRI-COUNTY BOARD OF RECOVERY & MENTAL HEALTH SERVICES  
MIAMI COUNTY

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2020

	Governmental Activities
<b><u>Assets</u></b>	
Cash Equivalents	\$9,809,074
<b>Total Assets</b>	<b>\$9,809,074</b>
<b><u>Net Position</u></b>	
Unrestricted	\$9,809,074
<b>Total Net Position</b>	<b>\$9,809,074</b>

See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY & MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Mental Health and Recovery</b>			
<b>Operations:</b>			
Salaries	\$1,248,630		(\$1,248,630)
Supplies	\$98,313		(\$98,313)
Materials	\$1,103		(\$1,103)
Equipment	\$3,482		(\$3,482)
Contracts - Repairs	\$4,161		(\$4,161)
Contracts - Services	\$4,373,244	\$2,663,061	(\$1,710,183)
Rentals	\$93,050		(\$93,050)
Advertising and Printing	\$62,799		(\$62,799)
Travel and Expenses	\$0		\$0
Public Employee's Retirement	\$167,169		(\$167,169)
Insurance & Medicare	\$230,346		(\$230,346)
Property/Improvements	\$31,644		(\$31,644)
Other Expenses	\$85,206		(\$85,206)
<i>Total Governmental Activities</i>	<u>\$6,399,147</u>	<u>\$2,663,061</u>	<u>(\$3,736,086)</u>
<b>General Receipts</b>			
Property Taxes			\$2,111,699
Shared Revenues			\$3,410,547
Gifts & Donations			\$13,700
Other Receipts			\$10,472
<b>Total General Receipts</b>			<u>\$5,546,418</u>
Change in Net Position			\$1,810,332
<i>Net Position Beginning of Year</i>			<u>\$7,998,742</u>
<i>Net Position End of Year</i>			<u>\$9,809,074</u>

See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY & MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUND  
DECEMBER 31, 2020**

**Cash Basis Assets**

Cash Equivalents	\$9,809,074
<b>Total Assets</b>	<u><u>\$9,809,074</u></u>

**Cash Basis Fund Balance**

Nonspendable	\$0
Restricted	\$637,643
Committed	\$3,638,982
Assigned	\$22,664
Unassigned (Deficit)	<u>\$5,509,785</u>
<b>Total Cash Basis Fund Balance</b>	<u><u>\$9,809,074</u></u>

See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY & MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Cash Receipts:**

Taxes	\$2,111,699
Intergovernmental	\$5,078,932
Rental/Lease Income	\$51,880
Gifts & Donations	\$13,700
Contract Services	\$942,796
<b>Total Cash Receipts</b>	<u>\$8,199,007</u>

**Cash Disbursements:**

Current:	
Salaries	\$1,248,630
Supplies	\$98,313
Materials	\$1,103
Equipment	\$3,482
Contracts - Repair	\$4,161
Contracts - Services	\$4,373,244
Rentals	\$93,050
Advertising and Printing	\$62,799
Public Employee's Retirement	\$167,169
Insurance & Medicare	\$230,346
Property/Improvements	\$31,644
Other Expenses	\$85,206
<b>Total Disbursements</b>	<u>\$6,399,147</u>
Total Receipts Over/(Under) Disbursements	<u>\$1,799,860</u>

**Other Financing Receipts/(Disbursements):**

Refunds	\$256
Reimbursements	\$10,216
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>\$10,472</u>

Excess of Cash Receipts and Other Financing Receipts Over/ (Under) Cash Disbursements and Other Financing Disbursements	\$1,810,332
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Cash Basis Fund Balance, January 1	<u>\$7,998,742</u>
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<b>Cash Basis Fund Balance, December 31</b>	<u><u>\$9,809,074</u></u>
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See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY & MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Taxes	\$2,090,123	\$2,090,123	\$2,111,699	\$21,576
Intergovernmental	\$4,134,497	\$4,134,497	\$5,078,932	\$944,435
Rental/Lease Income	\$137,770	\$137,770	\$51,880	(\$85,890)
Gifts & Donations	\$310,000	\$310,000	\$13,700	(\$296,300)
Contract Services	\$963,250	\$963,250	\$942,796	(\$20,454)
<b>Total Cash Receipts</b>	<u>\$7,635,640</u>	<u>\$7,635,640</u>	<u>\$8,199,007</u>	<u>\$563,367</u>
<b>Disbursements:</b>				
Current:				
Salaries	\$1,397,264	\$1,397,264	\$1,248,630	\$148,634
Supplies	\$308,604	\$313,004	\$130,243	\$182,761
Materials	\$4,053	\$4,053	\$1,643	\$2,410
Equipment	\$13,839	\$16,339	\$3,482	\$12,857
Contracts - Repair	\$6,750	\$6,750	\$4,161	\$2,589
Contracts - Services	\$5,856,674	\$5,845,524	\$5,046,029	\$799,495
Rentals	\$177,364	\$149,864	\$93,050	\$56,814
Advertising and Printing	\$54,049	\$84,049	\$72,176	\$11,873
Travel	\$3,000	\$4,500	\$605	\$3,895
Public Employee's Retirement	\$195,197	\$195,197	\$167,169	\$28,028
Insurance & Medicare	\$330,571	\$330,571	\$230,346	\$100,225
Property/Improvements	\$763,295	\$763,295	\$31,644	\$731,651
Other Expenses	\$125,632	\$125,632	\$86,455	\$39,177
<b>Total Cash Disbursements</b>	<u>\$9,236,292</u>	<u>\$9,236,042</u>	<u>\$7,115,633</u>	<u>\$2,120,409</u>
Excess of Cash Receipts Over/(Under) Disbursements	<u>(\$1,600,652)</u>	<u>(\$1,600,402)</u>	<u>\$1,083,374</u>	<u>\$2,683,776</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Refunds	\$2,000	\$2,000	\$256	(\$1,744)
Reimbursements	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$10,216</u>	<u>\$4,716</u>
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>\$7,500</u>	<u>\$7,500</u>	<u>\$10,472</u>	<u>\$2,972</u>
<b>Net Change in Fund Balance</b>	<u>(\$1,593,152)</u>	<u>(\$1,592,902)</u>	<u>\$1,093,846</u>	<u>\$2,686,748</u>
Unencumbered Fund Balance, January 1	\$7,441,146	\$7,441,146	\$7,441,146	\$0
Prior Year Encumbrances Appropriated	<u>\$557,596</u>	<u>\$557,596</u>	<u>\$557,596</u>	<u>\$0</u>
<b>Unencumbered Fund Balance, December 31</b>	<u><u>\$6,405,590</u></u>	<u><u>\$6,405,840</u></u>	<u><u>\$9,092,588</u></u>	<u><u>\$2,686,748</u></u>

See accompanying notes to the basic financial statements



# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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#### **Note 1 – Description of the Reporting Entity**

The Tri-County Board of Recovery and Mental Health Services Board, Miami-Darke-Shelby (the Board), 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 Board is directed by an eighteen-member Board of Directors. Members shall be residents of the Board's three-county area. The Director of the Ohio Department of Mental Health and Addiction Services shall appoint eight members, and the remaining ten shall be appointed by the County Commissioners of Miami, Darke and Shelby Counties proportionate to population. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board area. These services are provided primarily through contracts with private and public agencies.

#### **Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the Board consists of all funds, departments, boards and agencies that are not legally separate from the Board.

Component units are legally separate organizations for which the Board is financially accountable. Component units may also include organizations that are fiscally dependent on the Board in that the Board approves their budget, the issuance of their debt or the levying of their taxes. The Board has no component units.

#### **Note 2 – Summary of Significant Accounting Policies**

These financial statements and notes are presented on a cash basis of accounting. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity wide statements versus budgetary expenditures are due to encumbrances outstanding at the beginning and end of the year.

#### **A. Fund Accounting**

The Board uses fund accounting to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Board classifies its funds into the following type:

**General Fund:** The General Fund is the general operating fund. It is used to account for all financial resources.

#### **B. Basis of Presentation**

The Board's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and Governmental Fund financial statements providing more detailed financial information.

# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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**Government-wide Financial Statements:** The statement of Net Position presents the financial condition of the governmental activities of the Board at year-end. The Statement of Activities compares the disbursements with program receipts for each function or program of the Board. 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 Board is responsible. The Board only has one function, Mental Health and Recovery with associated objects. Program receipts include grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of disbursements with program receipts identifies the extent to which the function is self-financing on the cash basis or draws from the Board's general receipts.

**Governmental Fund Financial Statements:** Governmental fund financial statements are intended to report more detailed information about the Board. While the focus of governmental fund financial statements is on major funds, the Board only utilizes one fund, resulting in the governmental fund financial statements reporting that is similar to that of the government-wide financial statements.

#### ***C. Basis of Accounting***

The Government-wide Statement of Net Position and Statement of Activities and the Fund Financial Statements are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, receipts, and disbursement when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the cash basis of accounting, certain assets and their related receipts and certain liabilities and their disbursements are not recorded in these financial statements. If the Board utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting.

#### ***D. Cash, Cash Equivalents and Investments***

As required by Ohio Revised Code, the Miami County Treasurer is custodian for the Board's cash. The Board's cash is held in the County's cash and investment pool, and is valued at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. The Miami County Treasurer's office is located in the Miami County Safety Building at 201 W. Main St., First Floor, Troy, Ohio 45373. The phone number is (937) 440-6045.

#### ***E. Fund Balance Reserves***

The Board reserves those portions of fund balance which are legally segregated for a specific future use or which are not available for appropriation or expenditure. Fund reserves have been established for encumbrances.

In addition, the Board sets aside a capital reserve for future capital expense and has also set aside levy campaign reserves for future levy campaigns.

#### ***F. Budgetary Data***

Ohio law requires all funds, other than agency funds, to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations and the certificate of estimated resources, which use the budgetary basis of accounting.



## Tri-County Board of Recovery and Mental Health Services

### Miami County

#### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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**Appropriations:** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures. The County Budget Commission must also approve the annual appropriation measure. Appropriations may be amended throughout the year within the restriction that appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year end.

**Estimated Resources:** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources. The certificate of estimated resources may be amended during the year if the Board fiscal officer projects increases or decreases in receipts.

**Encumbrances:** The Ohio Revised Code requires the Board to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

#### **G. Fund Balance**

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

**Non-spendable** – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are 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 formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board 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 Board for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board official delegated that authority by resolution, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications.

The Board 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.

# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

#### **H. Capital Assets**

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

#### **I. Accumulated Leave**

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

#### **J. Employer Contributions to Cost-Sharing Pension Plans**

The Board recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

#### **K. Net Position**

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

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

There are no amounts restricted by enabling legislation.

#### **Note 3 – Fund Balances**

Fund balance is classified as non-spendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in its fund. At December 31, 2020, \$637,643 of the fund balance was classified as restricted, \$3,638,982 of the fund balance was classified as committed, \$22,664 of the fund balance was classified as assigned and the remaining \$5,509,785 was presented as unassigned. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<b>Fund Balances</b>	<b>Total</b>
<b>Restricted for:</b>	
Supplies	\$28,907
Contracts – Services	<u>608,736</u>
Total Restricted	<u>637,643</u>
<b>Committed to:</b>	
Contracts – Services	56,179
Campaign Levy	7,500
Capital Reserve	<u>3,575,303</u>
Total Committed	<u>3,638,982</u>
<b>Assigned to:</b>	
Supplies	3,023
Materials	540
Contracts – Services	8,475
Advertising and Printing	9,377



## Tri-County Board of Recovery and Mental Health Services

### Miami County

#### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

Other	<u>1,249</u>
Total Assigned	<u>22,664</u>
<b>Unassigned (deficits):</b>	<u>5,509,785</u>
<b>Total Fund Balances:</b>	<u>\$9,809,074</u>

#### Note 4 – Budgetary Basis of Accounting

The budgetary basis as 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) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budget basis) rather than as restricted, committed or assigned fund balance (cash basis). The General Fund encumbrances outstanding a year end (budgetary basis) amounted to \$716,486.

#### Note 5 – Property Taxes

The Board receives taxes from its tax levy which is collected in Darke, Miami and Shelby Counties.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Board.

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Board.

#### Tax Abatements

The Board previously implemented Governmental Accounting Standards Board (GASB) Statement No. 77, "Tax Abatement Disclosures". The definition of a tax abatement is: A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Several local jurisdictions have entered into such agreements. The breakdown of these abatements for 2020 can be summarized as follows:

Tax Incremental Financing Agreements (TIFF)	\$ 327
Community Reinvestment Area (CRA)	\$25,485
Enterprise Zone Agreement	<u>\$ 1,469</u>
Total Abatements	<u>\$27,281</u>

# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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#### **Note 6 – Deposits and Investments**

**Deposits** The Miami County Auditor serves as the fiscal agent for the Board. The Miami County Treasurer invests all County funds, as well as funds of those entities for which the County Auditor serves as fiscal agent. The Board maintains no control over the investment of its cash. At year-end, the Carrying amount of the Board's deposits was \$9,809,074.

The Board's deposits maintained by the Miami County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered collateralized by securities held by the pledging institutions' trust departments in Miami County's name and all State statutory requirements for the deposit of money had been followed.

#### **Note 7 – Risk Management**

##### **Commercial Insurance**

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Fidelity

##### **Self Insurance**

The Board's employees are covered under the Miami County Health Plan which is a self-funded plan. Miami County also carries stop-loss coverage to cover catastrophic illness. The financial risk for any such catastrophic illness lies with Miami County.

#### **Note 8 - Defined Benefit Pension Plans**

##### ***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – The Board participates 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members may elect the member-directed plan and the combined plan, most employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. 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.



# Tri-County Board of Recovery and Mental Health Services

## Miami County

### Notes to the Basic Financial Statements For the Year Ended December 31, 2020

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple

annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

## Miami County

[illegible]

The Board's contractually required contribution was \$167,169 for year 2020.

#### A. Ohio Public Employees Retirement System

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

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.



## Tri-County Board of Recovery and Mental Health Services

### Miami County

#### Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local government employers contributed at a rate of 14.00 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 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2020, OPERS did not allocate any employer contributions to post-employment health care.

#### **Note 10 – Contingencies**

##### ***A. Grants***

The Board receives financial assistance from federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund. However, in the opinion of management, any such disallowed claims would not have a material adverse effect on the overall financial position of the Board at December 31, 2020.

##### ***B. Liabilities***

The Board assumed the obligations from the Ohio Department of Mental Health on properties purchased from Eastway Corporation in November 2003 and from Shelby County Counseling Center in August 2016. There is no liability to the Board for these obligations as long as these properties continue to be used for their intended purpose and are not sold prior to maturity of the obligations. The maturities of the remaining obligation from these transactions are 9/1/2041 and 8/18/50 respectively.

The Board has also received Capital funding in the form of two grants directly from the Ohio Department of Mental Health for property purchases in the Tri-County area. There is, similarly, no liability to the Board for these obligations as long as these properties continue to be used for their intended purpose and are not sold prior to maturity of the obligations. The maturities of these obligations are 11/1/2043 and 6/1/2044 respectively.

## Tri-County Board of Recovery and Mental Health Services

Miami County

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

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### **Note 11 – COVID-19**

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



**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**  
**MIAMI COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor</b> <i>Pass Through Grantor/ Program Title</i>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of the Treasury</u></b>				
<i>Passed through Ohio Department of Mental Health and Addiction Services</i>				
Coronavirus Relief Fund	N/A	21.019	\$ 0	\$ 26,250
<b>Total U.S. Department of the Treasury</b>			<u>0</u>	<u>26,250</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
<i>Passed through Mental Health and Recovery Services Board of Lucas County</i>				
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	N/A	93.665	<u>12,395</u>	<u>12,395</u>
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	2000454	93.243	36,434	150,406
Substance Abuse and Mental Health Services Projects of Regional and National Significance	2100472	93.243	<u>2,313</u>	<u>2,313</u>
<i>Total CFDA #93.243</i>			<u>38,747</u>	<u>152,719</u>
Social Services Block Grant	N/A	93.667	<u>125,129</u>	<u>125,129</u>
Block Grants for Community Mental Health Services:				
Special Project - Forensic	N/A	93.958	2,200	2,200
Special Project - Children and Adolescent	N/A	93.958	29,405	29,405
Special Project - Crisis Center	N/A	93.958	<u>101,319</u>	<u>101,319</u>
<i>Total CFDA #93.958</i>			<u>132,924</u>	<u>132,924</u>
Block Grants for Prevention and Treatment of Substance Abuse:				
Youth Led Prevention	N/A	93.959	3,433	3,433
Women's Block Grant	2000060	93.959	56,936	56,936
Women's Block Grant	2100034	93.959	51,936	51,936
Alcohol, Drug, and Mental Health Block Grant	N/A	93.959	<u>497,329</u>	<u>536,370</u>
<i>Total CFDA #93.959</i>			<u>609,634</u>	<u>648,675</u>
Opioid State Targeted Response	2000427	93.788	251,393	251,393
Opioid State Targeted Response	2100452	93.788	49,104	49,104
Opioid State Targeted Response	2100781	93.788	<u>28,893</u>	<u>28,893</u>
<i>Total CFDA #93.778</i>			<u>329,390</u>	<u>329,390</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>1,248,219</u>	<u>1,401,232</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,248,219</u>	<u>\$ 1,427,482</u>

See the accompanying Notes to the Schedule of Expenditures of Federal Awards.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**  
**MIAMI COUNTY, OHIO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Tri-County Board of Recovery and Mental Health Services under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented 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 Tri-County Board of Recovery and Mental Health Services, it is not intended to and does not present the financial position or changes in net position, of the Tri-County Board of Recovery and Mental Health Services.

**NOTE 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3: INDIRECT COST RATE**

The Tri-County Board of Recovery and Mental Health Services has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: SUBRECIPIENTS**

The Board passes certain federal awards received from Ohio Department of Mental Health and Addiction Services and the Mental Health and Recovery Services Board of Lucas County to not-for-profit agencies (sub-recipients). As Note 2 describes, the Board reports expenditures of federal awards to subrecipients when paid in cash.

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

**NOTE 5: MATCHING REQUIREMENTS**

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

# **JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants (216) 475 - 6136

Ohio Society of Certified Public Accountants

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

To Members of the Board  
Tri-County Board of Recovery  
and Mental Health Services  
Troy, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, the financial statements of the governmental activities and the General Fund of the Tri-County Board of Recovery and Mental Health Services, Miami County, Ohio, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Tri-County Board of Recovery and Mental Health Services, Ohio's basic financial statements, and have issued our report thereon dated May 11, 2021, wherein we noted that the Tri-County Board of Recovery and Mental Health Services, Ohio, uses a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tri-County Board of Recovery and Mental Health Services, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tri-County Board of Recovery and Mental Health Services, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tri-County Board of Recovery and Mental Health Services, Ohio'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **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 Tri-County Board of Recovery and Mental Health Services, Ohio'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 Tri-County Board of Recovery and Mental Health Services, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka, CPA, Inc.  
Certified Public Accountants

May 11, 2021

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE**

To the Members of the Board  
Tri-County Board of Recovery  
and Mental Health Services  
Troy, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

***Report on Compliance for Each Major Federal Program***

We have audited the Tri-County Board of Recovery and Mental Health Services, Miami County, Ohio's (the Board) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Tri-County Board of Recovery and Mental Health Services, Ohio's major federal program for the year ended December 31, 2020. The Tri-County Board of Recovery and Mental Health Services, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Tri-County Board of Recovery and Mental Health Services, Ohio's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Tri-County Board of Recovery and Mental Health Services, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

### ***Report on Internal Control over Compliance***

Management of the Tri-County Board of Recovery and Mental Health Services, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Tri-County Board of Recovery and Mental Health Services, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Tri-County Board of Recovery and Mental Health Services, Ohio's internal control over compliance.

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

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

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

James G. Zupka, CPA, Inc.  
Certified Public Accountants

May 11, 2021

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**  
**MIAMI COUNTY, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

2020(i) Type of Financial Statement Opinion	Unmodified
2020(ii) Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2020(ii) Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2020(iii) Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2020(iv) Were there any material internal control weaknesses reported for major federal programs?	No
2020(iv) Were there any significant deficiencies in internal control reported for major federal programs?	No
2020(v) Type of Major Programs' Compliance Opinion	Unmodified
2020(vi) Are there any reportable findings under 2 CFR 200.516(a)?	No
2020(vii) Major Programs (list):	
Block Grants for Prevention and Treatment of Substance Abuse - CFDA #93.959	
2020(viii) Dollar Threshold: Type A\B Programs	Type A: \$750,000 or more Type B: All Others
2020(ix) Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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The prior audit report, as of December 31, 2019, included no citations, instances of noncompliance or management letter recommendations.



# OHIO AUDITOR OF STATE KEITH FABER



**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**

**MIAMI 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 6/24/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)