

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

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

***Zupka & Associates***  
Certified Public Accountants





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Columbus, Ohio 43215  
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800-282-0370

Board Members  
Tri-County Board of Recovery and Mental Health Services  
1280 N. County Road 25A  
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 Zupka & Associates, for the audit period January 1, 2023 through December 31, 2023. 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

August 28, 2024

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**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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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**

#### *Opinions*

We have audited the accompanying cash basis 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, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis 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, 2023, and the respective changes in cash basis financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the cash basis of accounting described in Note 2.

#### *Basis for Opinions*

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

#### *Accounting Basis*

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

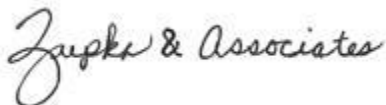
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the basic financial statements or our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the Board'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. The purpose of that report is to describe the scope of our internal control testing over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Zupka & Associates  
Certified Public Accountants

June 18, 2024

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

Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
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, 2023, 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 2023 are as follows:

- Net position increased \$2,150,362.
- General receipts accounted for \$6,002,672 in receipts or 68.3 percent of all receipts. Program specific receipts in the form of operating grants and contributions accounted for \$2,789,544 or 31.7 percent of total receipts of \$8,792,216.
- The Board had \$6,641,854 in disbursements related to governmental activities; only \$2,789,544 of these disbursements was offset by program specific operating grants and contributions. General receipts of \$6,002,672 were adequate to provide for these programs.
- The Board's major fund had \$8,792,216 in receipts and \$6,641,854 in disbursements. The cash fund balance increased \$2,150,362.

**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 2023?" 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, 2023  
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 2023 compared to 2022.

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

	<b>Governmental Activities</b>	
	<u>2023</u>	<u>2022</u>
<b>Cash Basis Assets</b>		
Cash Equivalents	<u>\$10,763,406</u>	<u>\$ 8,613,045</u>
<b>Net Position</b>		
Unrestricted	<u>10,763,406</u>	<u>8,613,045</u>
<b>Total Net Position</b>	<u><u>\$ 10,763,406</u></u>	<u><u>\$ 8,613,045</u></u>

As shown in table 1, the Board’s total position increased by \$2,150,362 from Calendar Year 2022 to Calendar Year 2023. The increase in net position at the end of the year was due to numerous factors, the most impactful being the receipt of capital donations and state capital funds for the construction of a new Administrative & Training Center. Other differences in timing of revenues and expenditures and the timing of Fiscal Year contract payments all have an impact on net position.

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

Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
Unaudited

Table 2 shows a comparative analysis of the changes in net position for the year ended 2023 compared to 2022.

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

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Receipts</b>		
Program Cash Receipts		
Operating Grants and Contributions	\$ 2,789,544	\$ 2,807,267
Total Program Cash Receipts	<u>2,789,544</u>	<u>2,807,267</u>
General Receipts		
Property Taxes	2,227,983	2,173,162
Shared Revenues	2,972,428	3,374,538
Gifts & Donations	761,419	36,735
Other Receipts	40,842	7,103
Total General Receipts	<u>6,002,672</u>	<u>5,591,538</u>
<b>Total Receipts</b>	<u>8,792,216</u>	<u>8,398,805</u>
<b>Disbursements:</b>		
Mental Health and Recovery Operations	<u>6,641,854</u>	<u>10,120,385</u>
<b>Total Disbursements</b>	<u>6,641,854</u>	<u>10,120,385</u>
<b>Change in Net Position</b>	<u>\$ 2,150,362</u>	<u>\$ (1,721,580)</u>

In 2023, 68.3 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 66.6 percent in 2022. Program cash receipts accounted for 31.7 percent of the Board's total receipts in year 2023 compared to 33.4 percent in 2022. 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 2022 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, 2023  
Unaudited

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

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Mental Health and Recovery Operations:				
Current:				
Salaries	\$ 949,365	\$ 1,230,765	\$ 949,365	\$ 1,230,765
Supplies	104,737	145,526	104,737	145,526
Materials	4,151	7,865	4,151	7,865
Equipment	22,596	158,646	22,596	158,646
Contracts – Repair	2,594	6,134	2,594	6,134
Contracts – Services	4,887,320	4,635,991	2,097,776	1,828,724
Rentals	4,774	76,716	4,774	76,716
Advertising and Printing	73,873	58,832	73,873	58,832
Travel	150	250	150	250
Public Employee's Retirement	128,109	171,320	128,109	171,320
Insurance & Medicare	208,972	254,596	208,972	254,596
Property/Improvements	13,223	3,166,288	13,223	3,166,288
Other	241,990	207,459	241,990	207,459
<b>Total Disbursements</b>	<b>\$ 6,641,854</b>	<b>\$10,120,385</b>	<b>\$3,852,310</b>	<b>\$7,313,118</b>

The dependence upon unrestricted state allocations and awards for governmental activities is apparent as 58.0 percent of mental health and recovery costs are supported through unrestricted state allocations and awards and other general receipts in 2023 compared to 72.3 percent in 2022.

**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 \$8,792,216 and disbursements of \$6,641,854. The financial statements had an increase in the cash balance of \$2,150,362.

**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 2023, 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, 2023  
Unaudited

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**Economic Factors**

The Board contracts with 15 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.

Inflation and workforce shortages are also affecting service availability. Agencies are having difficulties recruiting and retaining qualified staff. This can lead to decreased access to care and longer wait times for individuals in need of services as well as high burnout rates.

The Board passed a renewal of its operating levy in November of 2021. 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, Chief Financial Officer, at Tri-County Board of Recovery and Mental Health Services, 1280 N. County Road 25A, Suite #1, Troy, Ohio 45373.

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

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Cash Equivalents	\$10,763,406
<b>Total Assets</b>	<u>\$10,763,406</u>
<b><u>Net Position</u></b>	
Unrestricted	\$10,763,406
<b>Total Net Position</b>	<u><u>\$10,763,406</u></u>

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, 2023**

	<u>Cash</u>	<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Mental Health and Recovery Operations:</b>			
Salaries	\$949,365		(\$949,365)
Supplies	\$104,737		(\$104,737)
Materials	\$4,151		(\$4,151)
Equipment	\$22,596		(\$22,596)
Contracts - Repairs	\$2,594		(\$2,594)
Contracts - Services	\$4,887,320	\$2,789,544	(\$2,097,776)
Rentals	\$4,774		(\$4,774)
Advertising and Printing	\$73,873		(\$73,873)
Travel and Expenses	\$150		(\$150)
Public Employee's Retirement	\$128,109		(\$128,109)
Insurance & Medicare	\$208,972		(\$208,972)
Property/Improvements	\$13,223		(\$13,223)
Other Expenses	\$241,990		(\$241,990)
<i>Total Governmental Activities</i>	<u>\$6,641,854</u>	<u>\$2,789,544</u>	<u>(\$3,852,310)</u>
<b>General Receipts</b>			
Property Taxes			\$2,227,983
Shared Revenues			\$2,972,428
Gifts & Donations			\$761,419
Other Receipts			\$40,842
<b>Total General Receipts</b>			<u>\$6,002,672</u>
Change in Net Position			\$2,150,362
<i>Net Position Beginning of Year</i>			<u>\$8,613,044</u>
<i>Net Position End of Year</i>			<u>\$10,763,406</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, 2023**

**Cash Basis Assets**

Cash Equivalents	\$10,763,406
<b>Total Assets</b>	<u><u>\$10,763,406</u></u>

**Cash Basis Fund Balance**

Nonspendable	\$0
Restricted	\$471,361
Committed	\$3,862,071
Assigned	\$20,525
Unassigned (Deficit)	<u>\$6,409,449</u>
<b>Total Cash Basis Fund Balance</b>	<u><u>\$10,763,406</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, 2023**

**Cash Receipts:**

Taxes	\$2,227,983
Intergovernmental	\$5,191,760
Rental/Lease Income	\$60,000
Gifts & Donations	\$761,419
Contract Services	\$509,247
<b>Total Cash Receipts</b>	<b>\$8,750,409</b>

**Cash Disbursements:**

Current:	
Salaries	\$949,365
Supplies	\$104,737
Materials	\$4,151
Equipment	\$22,596
Contracts - Repair	\$2,594
Contracts - Services	\$4,887,320
Rentals	\$4,774
Advertising and Printing	\$73,873
Travel	\$150
Public Employee's Retirement	\$128,109
Insurance & Medicare	\$208,972
Property/Improvements	\$13,223
Other Expenses	\$241,990
<b>Total Disbursements</b>	<b>\$6,641,854</b>
Total Receipts Over/(Under) Disbursements	<b>\$2,108,555</b>

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

Refunds	\$19,540
Reimbursements	\$15,891
Other Financing	\$6,376
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>\$41,807</b>

Excess of Cash Receipts and Other Financing Receipts Over/ (Under) Cash Disbursements and Other Financing Disbursements	\$2,150,362
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Cash Basis Fund Balance, January 1	\$8,613,044
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<b>Cash Basis Fund Balance, December 31</b>	<b>\$10,763,406</b>
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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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Taxes	\$2,191,354	\$2,191,354	\$2,227,983	\$36,629
Intergovernmental	\$4,869,798	\$4,869,798	\$5,191,760	\$321,962
Rental/Lease Income	\$33,900	\$33,900	\$60,000	\$26,100
Gifts & Donations	\$8,000	\$8,000	\$761,419	\$753,419
Contract Services	\$1,090,185	\$1,090,185	\$509,247	(\$580,938)
<b>Total Cash Receipts</b>	<u>\$8,193,237</u>	<u>\$8,193,237</u>	<u>\$8,750,409</u>	<u>\$557,172</u>
<b>Disbursements:</b>				
Current:				
Salaries	\$1,385,500	\$1,083,168	\$949,365	\$133,803
Supplies	\$244,218	\$268,118	\$112,602	\$155,516
Materials	\$6,857	\$6,857	\$4,401	\$2,456
Equipment	\$82,371	\$85,871	\$22,596	\$63,275
Contracts - Repair	\$16,500	\$16,500	\$2,594	\$13,906
Contracts - Services	\$6,032,119	\$6,143,803	\$5,415,808	\$727,995
Rentals	\$4,028	\$8,028	\$4,774	\$3,254
Advertising and Printing	\$81,221	\$85,221	\$77,918	\$7,303
Travel	\$5,950	\$5,950	\$150	\$5,800
Public Employee's Retirement	\$189,119	\$189,119	\$128,109	\$61,010
Insurance & Medicare	\$307,898	\$310,230	\$208,972	\$101,258
Property/Improvements	\$493,712	\$493,712	\$213,223	\$280,489
Other Expenses	\$126,280	\$279,196	\$244,996	\$34,200
<b>Total Cash Disbursements</b>	<u>\$8,975,773</u>	<u>\$8,975,773</u>	<u>\$7,385,508</u>	<u>\$1,590,265</u>
Excess of Cash Receipts Over/(Under) Disbursements	<u>(\$782,536)</u>	<u>(\$782,536)</u>	<u>\$1,364,901</u>	<u>\$2,147,437</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Refunds	\$500	\$500	\$19,540	\$19,040
Reimbursements	\$13,500	\$13,500	\$15,891	\$2,391
Other Financing	\$0	\$0	\$6,376	\$6,376
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>\$14,000</u>	<u>\$14,000</u>	<u>\$41,807</u>	<u>\$27,807</u>
Net Change in Fund Balance	(\$768,536)	(\$768,536)	\$1,406,708	\$2,175,244
Unencumbered Fund Balance, January 1	\$7,405,276	\$7,405,276	\$7,405,276	\$0
Prior Year Encumbrances Appropriated	\$1,207,768	\$1,207,768	\$1,207,768	\$0
<b>Unencumbered Fund Balance, December 31</b>	<u>\$7,844,508</u>	<u>\$7,844,508</u>	<u>\$10,019,752</u>	<u>\$2,175,244</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, 2023

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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. Private and public agencies are the primary service providers, through Board contracts.

***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, 2023

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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, 2023

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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**  
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Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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***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. Leases and SBITAS***

For 2023, GASB Statement No. 96, Subscription-Based Technology Arrangements, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Board is the lessor/lessee in various leases (as defined by GASB 87) related to buildings under noncancelable leases. Lease revenue/disbursements are recognized when received/paid.

The Board has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for various other software. Subscription assets/liabilities are not reflected under the Board's cash basis of accounting. Subscription disbursements are recognized when they are paid.

***K. 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.

***L. 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, 2023, \$471,361 of the fund balance was classified as restricted, \$3,862,071 of the fund balance was classified as committed, \$20,525 of the fund balance was classified as assigned and the remaining \$6,409,449 was presented as unassigned. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:



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

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

<u>Fund Balances</u>	<u>Total</u>
<b>Restricted for:</b>	
Supplies	\$6,536
Contracts – Services	<u>464,825</u>
Total Restricted	<u>471,361</u>
<b>Committed to:</b>	
Contracts – Services	51,768
Property	200,000
Campaign Levy	35,000
Capital Reserve	<u>3,575,303</u>
Total Committed	<u>3,862,071</u>
<b>Assigned to:</b>	
Supplies	1,329
Materials	250
Contracts – Services	11,895
Advertising and Printing	4,045
Other	<u>3,006</u>
Total Assigned	<u>20,525</u>
<b>Unassigned (deficits):</b>	<u>6,409,449</u>
<b>Total Fund Balances:</b>	<u>\$ 10,763,406</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 at year end (budgetary basis) amounted to \$743,654.

**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

**Tri-County Board of Recovery and Mental Health Services**  
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Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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 2023 can be summarized as follows:

Tax Incremental Financing Agreements (TIFF)	\$ 1,106
Community Reinvestment Area (CRA)	\$40,474
Enterprise Zone Agreement	<u>\$ 4,229</u>
Total Abatements	\$45,809

**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 \$10,763,406.

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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state,

**Tri-County Board of Recovery and Mental Health Services**  
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For the Year Ended December 31, 2023

local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional 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):

<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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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,

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

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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 and will continue to be administered by OPERS), 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.

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

	State and Local																		
<b>2023 Statutory Maximum Contribution Rates</b>																			
Employer	14.0	%																	
Employee	10.0	%																	
<b>2023 Actual Contribution Rates</b>																			
Employer:																			
Pension	14.0	%																	
Post-employment Health Care Benefits	0.0																		
Total Employer	14.0	%																	
Employee	10.0	%																	

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Board’s contractually required contribution was \$128,109 for year 2023.

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

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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**Note 9 – Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit

**Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:

**Group A** 30 years of qualifying service credit at any age;

**Group B** 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

**Group C** 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

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

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the 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 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

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

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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**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, 2023.

***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.

**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 ended in April 2023. During 2023, the Board received COVID-19 funding. The Board will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**  
**MIAMI COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor <i>Pass Through Grantor/ Program Title</i>	Pass Through Entity Number	Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>				
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>				
Social Services Block Grant	N/A	93.667	\$ 120,057	120,057
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	28,359	28,359
Special Project - Crisis Center	N/A	93.958	96,438	96,438
<i>Total ALN #93.958</i>			<u>126,997</u>	<u>126,997</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	2300140	93.959	74,510	74,510
Women's Block Grant	2400239	93.959	21,498	21,498
SAPT COVID-19 AUD	N/A	93.959	9,164	134,164
SAPT COVID-19 Crisis Infrastructure	N/A	93.959	50,000	50,000
Substance Abuse Prevention and Treatment Block Grant	N/A	93.959	595,237	595,237
<i>Total ALN #93.959</i>			<u>753,842</u>	<u>878,842</u>
Medicaid Cluster:				
Substance Abuse and Mental Health Services Opioid State Targeted Response	2300658	93.788	296,164	296,164
Substance Abuse and Mental Health Services Opioid State Targeted Response	2400693	93.788	89,045	89,045
Substance Abuse and Mental Health Services Opioid State Targeted Response	2300335	93.788	0	20,000
Total Medicaid Cluster			<u>385,209</u>	<u>405,209</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>1,386,105</u>	<u>1,531,105</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,386,105</u>	<u>\$ 1,531,105</u>

See Notes to the Schedule of Expenditures of Federal Awards.

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, 2023**

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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, 2023. 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 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.

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

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 (the Board), as of and for the year ended December 31, 2023, 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 June 18, 2024, 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.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board’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 Board’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Board’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.

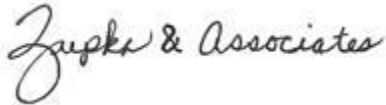
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board'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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Zupka & Associates  
Certified Public Accountants

June 18, 2024

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL 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**

***Opinion on 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 identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended December 31, 2023. The Board's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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


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

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

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

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

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

A handwritten signature in cursive script that reads "Zupka & Associates".

Zupka & Associates  
Certified Public Accountants

June 18, 2024

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2023**

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

2023(i)	Type of Financial Statement Opinion	Unmodified
2023(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2023(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2023(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2023(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2023(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2023(v)	Type of Major Programs' Compliance Opinion	Unmodified
2023(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2023(vii)	Major Programs (list):  Block Grants for Prevention and Treatment of Substance Abuse - ALN #93.959	
2023(viii)	Dollar Threshold: Type A\B Programs	Type A: \$750,000 or more Type B: All Others
2023(ix)	Low Risk Auditee?	No

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

None.

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

None.

**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, 2023**

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The prior audit report, as of December 31, 2022, 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 9/10/2024**

65 East State 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)