

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

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



Dave Yost • Auditor of State

Members of the Board
Tri-County Board of Recovery and Mental Health Services
1100 Wayne Street, Suite 4000
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, 2015 through December 31, 2015. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 21, 2016

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**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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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 Dave Yost
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, 2015, 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, 2015, 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

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 4, 2016, 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, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G.
Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2016.06.16 09:17:04 -04'00'

May 4, 2016

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

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, 2015, 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 2015 are as follows:

- Net position increased \$1,270,328.
- General receipts accounted for \$4,944,272 in receipts or 82.4 percent of all receipts. Program specific receipts in the form of operating grants and contributions accounted for \$1,053,915 or 17.6 percent of total receipts of \$5,998,187.
- The Board had \$4,727,859 in disbursements related to governmental activities; only \$1,053,915 of these disbursements were offset by program specific operating grants and contributions. General receipts of \$4,944,272 were adequate to provide for these programs.
- The Board's major fund had \$5,998,187 in receipts and \$4,727,859 in disbursements. The cash fund balance increased \$1,270,328.

Using this Annual Financial Report

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement Nos. 34 and 54, as applicable to the Board's cash basis of accounting. The 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.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

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 2015?” 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.

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

Reporting the Board’s Fund Financial Statements

Fund Financial Statements

Fund financial statements provide detailed information about the Board. The Board’s activities are reported in the fund financial statements, which focus on how money flows and the balance left at year end available for spending in future periods. These fund financial statements are reported on a cash basis of accounting. The fund 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 2015 compared to 2014.

Table 1
Net Position - Cash Basis

	Governmental Activities	
	2015	2014
Cash Basis Assets		
Cash Equivalents	\$ 6,988,594	\$ 5,718,266
Net Position		
Unrestricted	\$ 6,988,594	\$ 5,718,266
Total Net Position	<u>\$ 6,988,594</u>	<u>\$ 5,718,266</u>

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

As shown in table 1, the Board's total position increased by \$1,270,328 from Fiscal Year 2014 to Fiscal Year 2015. 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, the timing of Fiscal Year contract payments, the full implementation of the Affordable Care Act and Medicaid Expansion and the associated reduction in Board contractual payments, and the delay in implementation of several new and/or expanded projects due to late funding approval.

Table 2 shows a comparative analysis of the changes in net position for the year ended 2015 compared to 2014.

**Table 2
Changes in Net Position**

	Governmental Activities	
	2015	2014
<u>Receipts</u>		
<i>Program Cash Receipts</i>		
Operating Grants and Contributions	\$ 1,053,915	\$ 1,707,662
<i>Total Program Cash Receipts</i>	<u>1,053,915</u>	<u>1,707,662</u>
<i>General Receipts</i>		
Property Taxes	2,168,968	2,161,444
Shared Revenues	2,735,768	2,697,346
Other Receipts	39,536	41,692
<i>Total General Receipts</i>	<u>4,944,272</u>	<u>4,900,482</u>
Total Receipts	<u>5,998,187</u>	<u>6,608,144</u>
<u>Disbursements</u>		
Mental Health and Recovery Operations	4,727,859	5,406,323
Total Disbursements	<u>4,727,859</u>	<u>5,406,323</u>
 <i>Change in Net Position</i>	 <u>\$ 1,270,328</u>	 <u>\$ 1,201,821</u>

In 2015, 82.4 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 74.2 percent in 2014. Program cash receipts accounted for 17.6 percent of the Board's total receipts in year 2015 compared to 25.8 percent in 2014. 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 2014 have been made.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

**Table 3
Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Operations</u>				
Current:				
Salaries	\$ 780,934	\$ 714,386	\$ 780,934	\$ 714,386
Supplies	22,015	16,746	22,015	16,746
Materials	2,325	755	2,325	755
Equipment	6,349	7,258	6,349	7,258
Contracts - Repair	1,655	1,672	1,655	1,672
Contracts - Services	3,295,443	4,187,742	2,241,528	2,480,080
Rentals	174,897	172,060	174,897	172,060
Advertising and Printing	39,041	5,995	39,041	5,995
Travel	4,550	767	4,550	767
Public Employee's Retirement	114,657	99,809	114,657	99,809
Insurance & Medicare	139,619	120,325	139,619	120,325
Property	67,911	0	67,911	0
Other	78,463	78,808	78,463	78,808
<i>Total Disbursements</i>	<u>\$ 4,727,859</u>	<u>\$ 5,406,323</u>	<u>\$ 3,673,944</u>	<u>\$ 3,698,661</u>

The dependence upon unrestricted state allocations and awards for government activities is apparent as 77.7 percent of mental health and recovery costs are supported through unrestricted state allocations and awards and other general receipts in 2015 compared to 68.4 percent in 2014.

The Board's Fund Financial Statements

The Board's fund financial statements are accounted for using the cash basis of accounting. The fund financial statements had total receipts of \$5,998,187 and disbursements of \$4,727,859. The financial statements had an increase in the cash balance of \$1,270,328.

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.

Economic Factors

In 2014 the Affordable Care Act and Medicaid Expansion was implemented, expanding healthcare coverage for eligible individuals. The impact on the payer mix in the service system in 2015 has been significant. The Board has seen a significant shift during the year in eligibility for payment subsidy and is implementing plans to utilize the funding for expanded services. Many of these expanded services are aimed at the addressing the needs of addicted individuals as well as broadening the array of supportive services in the system such as housing and peer support.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

The Board contracts with 10 contract agencies to deliver mental health and substance abuse services to the residents of Miami, Darke, and Shelby Counties. The economic environment has been and will continue to be difficult due to ongoing uncertainty about future funding. The Board, along with its provider agencies, has worked to reduce costs while trying to maintain adequate levels of service and balanced budgets. In these efforts, the Board must continue to closely monitor the current revenues and expenditures to help preserve the Mental Health and Alcohol and Drug Addiction 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 2011. 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 Terri Becker, Associate Director and Chief Financial Officer, at Tri-County Board of Recovery and Mental Health Services, 1100 Wayne Street, Suite 4000, Troy, Ohio 45373.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
STATEMENT OF NET POSITION – CASH BASIS
DECEMBER 31, 2015**

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash Equivalents	\$ 6,988,594
Total Assets	<u>\$ 6,988,594</u>
<u>Net Position</u>	
Unrestricted Assets	\$ 6,988,594
Total Net Position	<u>\$ 6,988,594</u>

See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
STATEMENT OF CASH BASIS ASSETS AND CASH BASIS FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash Basis Assets

Cash Equivalents	\$ 6,988,594
Total Cash Basis Assets	<u>\$ 6,988,594</u>

Cash Basis Fund Balance

Restricted	\$ 819,606
Committed	2,325,324
Assigned	31,157
Unassigned (Deficit)	<u>3,812,507</u>
Total Cash Basis Fund Balance	<u>\$ 6,988,594</u>

See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash Receipts

Taxes	\$ 2,168,968
Intergovernmental	3,354,146
Rental/Lease Income	90,842
Contract Services	344,695
Total Cash Receipts	5,958,651

Cash Disbursements

Current:	
Salaries	780,934
Supplies	22,015
Materials	2,325
Equipment	6,349
Contracts - Repair	1,655
Contracts - Services	3,295,443
Rentals	174,897
Advertising and Printing	39,041
Travel	4,550
Public Employee's Retirement	114,657
Insurance & Medicare	139,619
Property	67,911
Other	78,463
Total Disbursements	4,727,859
Total Receipts Over/(Under) Disbursements	1,230,792

Other Financing Receipts/(Disbursements)

Refunds	16,276
Reimbursements	23,260
Total Other Financing Receipts/(Disbursements)	39,536

Excess of Cash Receipts and Other Financing Receipts Over/ (Under) Cash Disbursements and Other Financing Disbursements	1,270,328
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Cash Basis Fund Balances, January 1	5,718,266
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Cash Basis Fund Balances, December 31	\$ 6,988,594
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See accompanying notes to the basic financial statements

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
CASH BASIS FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Taxes	\$ 1,946,784	\$ 1,946,785	\$ 2,168,968	\$ 222,183
Intergovernmental	3,633,115	4,133,115	3,354,146	(778,969)
Rental/Lease Income	110,853	110,853	90,842	(20,011)
Contract Services	363,173	363,173	344,695	(18,478)
Total Cash Receipts	6,053,925	6,553,926	5,958,651	(595,275)
<u>Disbursements</u>				
Current:				
Salaries	728,210	790,935	780,934	10,001
Supplies	55,083	55,583	25,017	30,566
Materials	2,075	3,075	2,425	650
Equipment	20,625	20,625	6,349	14,276
Contracts - Repair	5,000	5,000	2,155	2,845
Contracts - Services	6,492,431	6,378,439	4,225,732	2,152,707
Rentals	182,128	182,128	174,897	7,231
Advertising and Printing	21,559	44,134	44,101	33
Travel	5,280	6,780	5,500	1,280
Public Employee's Retirement	101,949	114,731	114,657	74
Insurance & Medicare	146,610	152,520	139,619	12,901
Property	80,000	70,000	67,911	2,089
Other Expenses	99,850	116,850	94,345	22,505
Total Cash Disbursements	7,940,800	7,940,800	5,683,642	2,257,158
Excess of Cash Receipts Over/(Under) Disbursements	(1,886,875)	(1,386,874)	275,009	1,661,883
<u>Other Financing Receipts/(Disbursements)</u>				
Refunds	2,500	2,500	16,276	13,776
Reimbursements	13,600	13,600	23,260	9,660
Total Other Financing Receipts/(Disbursements)	16,100	16,100	39,536	23,436
Excess of Cash Receipts and Other Financing Receipts Over/ (Under) Cash Disbursements and Other Financing Disbursements	(1,870,775)	(1,370,774)	314,545	1,685,319
Cash Basis Fund Balances, January 1	5,293,513	5,293,513	5,293,513	0
Prior Year Encumbrances Appropriated	424,752	424,752	424,752	0
Cash Basis Fund Balances, December 31	\$ 3,847,490	\$ 4,347,491	\$ 6,032,810	\$ 1,685,319

See accompanying notes to the basic financial statements

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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. Board members are appointed by the Ohio Department of Mental Health and Addiction Services. The Board includes members from those appointing authorities who are citizens of the Board area. Those subdivisions are Darke County, Miami County, and Shelby County. The Board provides alcohol, drug addiction and mental health services and programs to citizens of these counties. 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.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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.

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.

Fund Financial Statements: Fund financial statements report more detailed information about the Board. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column.

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.

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. The Board values investments and cash equivalents at cost.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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.

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. Property, Plant, and Equipment

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

H. 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 basis of accounting.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

I. 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 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. 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.

K. 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 amount. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorizations to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

K. **Fund Balance** (Continued)

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 governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board 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. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

NOTE 3: **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.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

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 expenditures (budget basis) rather than as a reservation of fund balance (cash basis). Outstanding year end encumbrances for 2015 were \$955,784.

NOTE 5: **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 \$6,988,594.

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 6: **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.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 7: **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.

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):

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
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
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	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
Public Safety	Public Safety	Public Safety
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula:	Formula:	Formula:
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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.

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

	State		Public		Law	
	and Local		Safety		Enforcement	
2015 Statutory Maximum Contribution Rates						
Employer	14.0	%	18.1	%	18.1	%
Employee	10.0	%	*		**	
2015 Actual Contribution Rates						
Employer:						
Pension	12.0	%	16.1	%	16.1	%
Post-employment Health Care Benefits	2.0		2.0		2.0	
Total Employer	14.0	%	18.1	%	18.1	%
Employee	10.0	%	12.0	%	13.0	%
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.						
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.						

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was \$114,657 for year 2015.

NOTE 8: **POST-EMPLOYMENT BENEFITS**

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 two cost-sharing, multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans, including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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 in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy of visiting www.opers.org/investments/cafr.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 post-retirement health care coverage 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 2015, state and local 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and the Combined Plan was 2.00 percent during calendar year 2015. As recommended by the OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.00 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits 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 to the VEBA participants in the Member-Directed Plan for 2015 was 4.50 percent.

The Board’s actual employer contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$16,373, \$14,253, and \$6,159 respectively; 100 percent has been contributed for 2015, 2014, and 2013.

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES
MIAMI COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 9: **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, 2015.

B. **Liabilities**

The Board assumed the obligations for several renovation grants from Miami County and Shelby County and a capital grant from the Ohio Department of Mental Health on properties purchased from Eastway Corporation in November 2003. 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 maturity of the remaining obligation from this transaction is September 1, 2041.

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 maturity dates of these obligations are November 1, 2043 and June 1, 2044, respectively.

NOTE 10: **FUND BALANCES**

Fund balance is classified as 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 the government funds. 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, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

NOTE 10: **FUND BALANCES** (Continued)

Fund Balance	Total
Restricted for:	
Contracts - Services	\$ 819,606
Total Restricted	819,606
 Committed to:	
Contracts - Services	100,021
Other	5,000
Campaign Levy	70,000
Capital Reserve	2,150,303
Total Committed	2,325,324
 Assigned to:	
Supplies	3,002
Materials	100
Contracts - Repair	500
Contracts - Services	10,663
Advertising and Printing	5,060
Travel	950
Other	10,882
Total Assigned	31,157
 Unassigned (Deficits)	 3,812,507
 Total Fund Balances	 \$ 6,988,594

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Ohio Society of Certified Public Accountants

**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 Dave Yost
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, 2015, 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 4, 2016, 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, President

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2016.06.16 09:17:25 -04'00'

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

May 4, 2016

**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, 2015**

The prior audit report, as of December 31, 2014, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



Dave Yost • Auditor of State

TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 2, 2016**