



OHIO AUDITOR OF STATE
KEITH FABER



**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY
DECEMBER 31, 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Mental Health and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
1200 North State Route 53
Tiffin, Ohio 44883-9799

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, Ohio (the Board), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support 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, each major fund, and the aggregate remaining fund information of the Board, as of December 31, 2020, and the respective changes in cash financial position and the respective budgetary comparisons for the General and State Per Capita funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

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

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

Other Information

We applied no procedures to 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 December 9, 2021, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 9, 2021

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED**

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

Financial Highlights

Key financial highlights for the year 2020 are as follows:

- Net position increased \$453,056 which represents a 7.77% increase from 2019.
- General receipts accounted for \$3,944,537, or 60.80% of all receipts. Program specific receipts, in the form of charges for services and sales and operating grants and contributions, accounted for \$2,543,506, or 39.20% of total revenues of \$6,488,043.
- The Board had \$6,034,987 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$2,543,506 of these disbursements. The Board's disbursements increased \$202,745 from the prior year. This increase primarily related to a \$422,733, increase in State Per Capita disbursements.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Board's cash basis of accounting.

Report Components

The statement of net position - cash basis and the statement of activities - cash basis provide information about the cash activities of the Board as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Board as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Board has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the Board's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses, are not recorded in these financial statements.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED
(Continued)

Reporting the Board as a Whole

The statement of net position - cash basis and the statement of activities - cash basis reflect how the Board performed financially during 2020, within the limitations of the cash basis of accounting. The statement of net position - cash basis presents the cash balances of the governmental activities of the Board at year-end. The statement of activities - cash basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Board's general receipts.

These statements report the Board's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, these changes are one way to measure the Board's financial health. Over time, increases or decreases in the Board's cash position is an indicator of whether the Board's financial health is improving or deteriorating. When evaluating the Board's financial condition, considerations include other non-financial factors as well, such as the Board's property tax base, the condition of the Board's capital assets, the reliance on non-local financial resources for operations, and the need for continued growth.

The statement of net position - cash basis and the statement of activities - cash basis present governmental activities, which include all the Board's services. The Board has no business-type activities.

Reporting the Board's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Board's major funds - not the Board as a whole. The Board establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Board are governmental.

Governmental Funds - The Board's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Board's governmental operations and the mental health and alcohol and drug addiction services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Board's mental health and alcohol and drug addiction programs. The Board's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Board's major governmental funds are the General fund and the State Per Capita fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Reporting the Board's Fiduciary Responsibilities

The Board is the trustee, or fiduciary, for its trust agreement. This activity is presented as a private-purpose trust fund. The Board also serves as fiscal agent for the Seneca County Health Alliance (the Alliance). Records for the Alliance are maintained in a custodial fund. The Board's fiduciary activities are reported in separate statements of fiduciary net position - cash basis and changes in fiduciary net position - cash basis. These activities are excluded from the Board's other financial statements because the assets cannot be utilized by the Board to finance its operations.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED
(Continued)

The Board as a Whole

Table 1 provides a summary of the Board's net position at December 31, 2020 and December 31, 2019 on a cash basis:

**Table 1
Net Position**

	Governmental Activities	
	2020	2019
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 6,282,752	\$ 5,829,696
<u>Net position:</u>		
Restricted	\$ 1,471,478	\$ 1,252,056
Unrestricted	4,811,274	4,577,640
Total net position	\$ 6,282,752	\$ 5,829,696

The Board's cash balance and net position at December 31, 2020 amounted to \$6,282,752. Of this amount, \$1,471,478 is restricted as to use.

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED
(Continued)

Table 2 reflects the change in net position in 2020 and provides a comparison to 2019:

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2020	2019
Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 15,271	\$ 7,603
Operating grants and contributions	2,528,235	2,370,643
Total program cash receipts	<u>2,543,506</u>	<u>2,378,246</u>
General receipts:		
Property taxes	2,131,877	2,105,607
Grants and entitlements not restricted by specific program	1,721,544	1,543,534
Donations	2,981	2,458
Miscellaneous	88,135	75,869
Total general receipts	<u>3,944,537</u>	<u>3,727,468</u>
Total receipts	<u>6,488,043</u>	<u>6,105,714</u>
Disbursements:		
Mental health services:		
Title XX	84,271	110,961
Medication assisted treatment	122,819	176,000
Mental health block grant	281,907	303,610
Forensic services	41,434	6,044
Alcohol and drug addition services:		
USDA grant	24,669	-
State per capita	835,348	412,615
Treatment alternative street crime	270,198	306,313
Federal ADAMHS	420,138	414,724
Preventive state incentive	51,631	114,955
Federal opioid specific grants	170,046	234,313
Ohio traffic safety	-	14,613
Lotus recovery house	12,308	173,409
HRSA grant	90,899	33,010
Substance abuse mental health services:		
Administration	<u>3,629,319</u>	<u>3,531,675</u>
Total disbursements	<u>6,034,987</u>	<u>5,832,242</u>
Change in net position	453,056	273,472
Net position at beginning of year	<u>5,829,696</u>	<u>5,556,224</u>
Net position at end of year	<u>\$ 6,282,752</u>	<u>\$ 5,829,696</u>

In 2020, 60.80% of the Board's total receipts were from general receipts, consisting mainly of State grants and entitlements not restricted by specific programs, property taxes levied for general purposes, donations, and miscellaneous receipts. Charges for services and operating grant and contribution program receipts accounted for 39.20% of the Board's total receipts during 2020. These receipts consist primarily of operating grants from the State of Ohio and from the federal government.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED
(Continued)

During 2020, operating grant and contribution program receipts increased 6.65% due primarily to increased state per capita funding and forensic services receipts. Charges for services program receipts increased \$7,668 from the prior year due to an increase of local reimbursements.

The Board recognized total governmental activities disbursements of \$6,034,987 during 2020. The largest portion of these disbursements related to administration, totaling \$3,629,319. These costs represent the costs to administer all programs not supported by special receipts and disbursements for services provided from the property taxes for mental health and alcohol and drug addiction services from Seneca, Sandusky, and Wyandot Counties. Disbursements also increased due to larger administration costs.

Governmental Activities

The disbursements of the Board's governmental activities are supported directly through program-specific receipts, which consist primarily of funds designated by grantors for specific purposes. The net cost of the Board's services, or the amount by which disbursements relied on general receipts of the Board, was \$3,491,481 for 2020, or 57.85% of total governmental activities disbursements.

A comparison between the total cost of services and the net cost for both 2020 and 2019 is presented in Table 3.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Program disbursements:				
Mental health services:				
Title XX	\$ 84,271	\$ (19,606)	\$ 110,961	\$ 25,885
Medication assisted treatment	122,819	-	176,000	-
Mental health block grant	281,907	10,957	303,610	3,447
Forensic services	41,434	(38,867)	6,044	-
Alcohol and drug addition services:				
USDA grant	24,669	7,517	-	-
State per capita	835,348	(63,465)	412,615	(127,186)
Court referred driver	-	(242)	-	(328)
Treatment alternative street crime	270,198	-	306,313	-
Federal ADAMHS	420,138	(21,814)	414,724	(27,228)
Preventive state incentive	51,631	(20,369)	114,955	(45)
Federal opioid specific grants	170,046	3,873	234,313	346
Ohio traffic safety	-	-	14,613	(1,714)
Lotus recovery house	12,308	(2,721)	173,409	46,134
HRSA grant	90,899	6,899	33,010	3,010
Substance abuse mental health services:				
Administration	3,629,319	3,629,319	3,531,675	3,531,675
Totals	<u>\$ 6,034,987</u>	<u>\$ 3,491,481</u>	<u>\$ 5,832,242</u>	<u>\$ 3,453,996</u>

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED
(Continued)

The Board's Funds

The General fund had receipts of \$3,937,953 and disbursements and other financing uses of \$3,704,319. Intergovernmental receipts increased \$178,010 while administration expenses increased \$97,644. The General fund transferred \$75,000 to other funds during 2020. In total, the cash fund balance of the General fund increased \$233,634, from a cash balance of \$4,577,640 to \$4,811,274.

The State Per Capita fund recognized receipts of \$898,813 and disbursements of \$835,348 during 2020. In total, the State Per Capita fund's cash fund balance increased \$63,465 from \$396,201 to a balance of \$459,666.

General Fund 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. The most significant budgeted fund is the General fund.

During the course of 2020, the Board amended its General fund budget numerous times. For the General fund, final budgeted receipts were \$3,928,586, which is \$309,659 more than original budgeted receipts of \$3,618,927. Actual receipts for fiscal year 2020 were \$3,937,953; this represents a \$9,367 increase from final budgeted receipts.

General fund final budgeted disbursements and other financing uses were \$5,286,637, which were lower than original budgeted disbursements of \$5,401,432. Actual budget-basis disbursements and other financing uses for fiscal year 2020 totaled \$5,074,594 and were \$212,043 lower than in the final budget.

Capital Assets

The Board does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Current Issues

The Board's mission is to establish high-quality, innovative, cost-effective and culturally-sensitive mental health and addiction services. By doing so, the Board must ensure timely access to quality services, remain fiscally accountable, and implement services that produce positive outcomes for the residents of the Board's District.

The Board mostly relies on allocations and grants through the Ohio Department of Mental Health and Addiction Services (OhioMHAS) and is diligent in searching for new funding sources that are closely related to its mission to enhance community services. Approximately 32.86% of the Board's funding is made up of local levy funds.

Ohio's behavioral health system continues to change and adapt at a fast pace to keep up with society's challenges. It is not foreign to Ohio's residents that the opioid epidemic has drastically changed addiction prevention, treatment and recovery support practices across Ohio. The rapid spike in overdose deaths required Ohio's behavioral health system to implement fast practices. Services that less than ten years ago were limited and hard to access, such as withdrawal management, residential treatment, and medication assisted treatment, are now readily available across Ohio. In addition to the opioid epidemic, suicide deaths in Ohio continue to increase year after year, especially among women and children. Mental health promotion efforts, including stigma reduction and suicide prevention, need to be the top priority of the behavioral health system.

Lastly, due to the severity of behavioral needs experienced at the local level (schools, criminal justice system, children services, etc.), it is vital that public agencies work together to provide effective care for the most in-need individuals, including children. In rural Ohio, local partnership is vital to be able to combine resources to implement a service that can be sustained financially.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED
(Continued)

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Board's finances and to reflect the Board's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mircea Handru, Executive Director, 1200 North State Route 53, Tiffin, Ohio 44883-9799.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 6,282,752
Net position:	
Restricted for:	
Mental health services	\$ 528,924
Alcohol and drug addiction services	942,554
Unrestricted	4,811,274
Total net position	\$ 6,282,752

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

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

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions
			Governmental Activities
Governmental activities:			
Mental health services:			
Title XX	\$ 84,271	\$ -	\$ 103,877
Medication assisted treatment	122,819	-	122,819
Mental health block grant	281,907	-	270,950
Forensic services	41,434	-	80,301
Alcohol and drug addiction services:			
USDA grant	24,669	-	17,152
State per capita	835,348	-	898,813
Court referred driver	-	242	-
Treatment alternative street crime	270,198	-	270,198
Federal ADAMHS	420,138	-	441,952
Preventive state incentive	51,631	-	72,000
Federal opioid specific grants	170,046	-	166,173
Lotus recovery house	12,308	15,029	-
HRSA grant	90,899	-	84,000
Substance abuse mental health services:			
Administration	3,629,319	-	-
Total governmental activities	<u>\$ 6,034,987</u>	<u>\$ 15,271</u>	<u>\$ 2,528,235</u>
General receipts:			
Property taxes levied for:			
General purposes			2,131,877
Grants and entitlements not restricted to specific programs			1,721,544
Donations			2,981
Miscellaneous			88,135
Total general receipts			<u>3,944,537</u>
Change in net position			453,056
Net position at beginning of year			<u>5,829,696</u>
Net position at end of year			<u>\$ 6,282,752</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	State Per Capita	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,811,274	\$ 459,666	\$ 1,011,812	\$ 6,282,752
Fund balances:				
Restricted:				
Mental health services	\$ -	\$ -	\$ 528,924	\$ 528,924
Alcohol and drug addiction services	-	459,666	482,888	942,554
Assigned:				
Administration	1,370,275	-	-	1,370,275
Subsequent year appropriation	162,154	-	-	162,154
Unassigned	3,278,845	-	-	3,278,845
Total fund balances	\$ 4,811,274	\$ 459,666	\$ 1,011,812	\$ 6,282,752

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>State Per Capita</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:				
Property and other local taxes	\$ 2,131,877	\$ -	\$ -	\$ 2,131,877
Intergovernmental	1,721,544	898,813	1,629,422	4,249,779
Donations	2,981	-	-	2,981
Charges for services	-	-	15,271	15,271
Miscellaneous	81,551	-	6,584	88,135
Total receipts	<u>3,937,953</u>	<u>898,813</u>	<u>1,651,277</u>	<u>6,488,043</u>
Disbursements:				
Current:				
Mental health services:				
Title XX	-	-	84,271	84,271
Medication assisted treatment	-	-	122,819	122,819
Mental health block grant	-	-	281,907	281,907
Forensic services	-	-	41,434	41,434
Alcohol and drug addiction services:				
USDA grant	-	-	24,669	24,669
State per capita	-	835,348	-	835,348
Treatment alternative street crime	-	-	270,198	270,198
Federal ADAMHS	-	-	420,138	420,138
Preventive state incentive	-	-	51,631	51,631
Federal opioid specific grants	-	-	170,046	170,046
Lotus recovery house	-	-	12,308	12,308
HRSA grant	-	-	90,899	90,899
Substance abuse mental health services:				
Administration	3,629,319	-	-	3,629,319
Total disbursements	<u>3,629,319</u>	<u>835,348</u>	<u>1,570,320</u>	<u>6,034,987</u>
Excess of receipts over disbursements	<u>308,634</u>	<u>63,465</u>	<u>80,957</u>	<u>453,056</u>
Other financing sources (uses):				
Transfers in	-	-	75,000	75,000
Transfers (out)	(75,000)	-	-	(75,000)
Total other financing sources (uses)	<u>(75,000)</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	233,634	63,465	155,957	453,056
Fund balances at beginning of year	4,577,640	396,201	855,855	5,829,696
Fund balances at end of year	<u>\$ 4,811,274</u>	<u>\$ 459,666</u>	<u>\$ 1,011,812</u>	<u>\$ 6,282,752</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and other local taxes	\$ 1,920,600	\$ 2,131,877	\$ 2,131,877	\$ -
Intergovernmental	1,617,327	1,714,044	1,721,544	7,500
Donations	5,000	2,981	2,981	-
Miscellaneous	76,000	79,684	81,551	1,867
Total receipts	<u>3,618,927</u>	<u>3,928,586</u>	<u>3,937,953</u>	<u>9,367</u>
Disbursements:				
Current:				
Substance abuse mental health services:				
Administration	5,401,432	5,211,637	4,999,594	212,043
Excess of disbursements over receipts	<u>(1,782,505)</u>	<u>(1,283,051)</u>	<u>(1,061,641)</u>	<u>221,410</u>
Other financing (uses):				
Transfer out	-	(75,000)	(75,000)	-
Net change in fund balance	(1,782,505)	(1,358,051)	(1,136,641)	221,410
Fund balance at beginning of year	3,022,755	3,022,755	3,022,755	-
Prior year encumbrances appropriated	1,554,885	1,554,885	1,554,885	-
Fund balance at end of year	<u>\$ 2,795,135</u>	<u>\$ 3,219,589</u>	<u>\$ 3,440,999</u>	<u>\$ 221,410</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
STATE PER CAPITA FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 652,648	\$ 898,813	\$ 898,813	\$ -
Disbursements:				
Current:				
Alcohol and drug addiction services:				
State per capita	910,100	1,050,337	1,014,150	36,187
Net change in fund balance	(257,452)	(151,524)	(115,337)	36,187
Fund balance at beginning of year	159,795	159,795	159,795	-
Prior year encumbrances appropriated	236,406	236,406	236,406	-
Fund balance at end of year	<u>\$ 138,749</u>	<u>\$ 244,677</u>	<u>\$ 280,864</u>	<u>\$ 36,187</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
DECEMBER 31, 2020

	<u>Custodial</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 27,301
Net position:	
Restricted for:	
Seneca County Health Alliance	\$ 27,301

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
DECEMBER 31, 2020

	<u>Custodial</u>
Additions:	
Other	\$ 16,167
Deductions:	
Distributions as fiscal agent	<u>12,105</u>
Net change in fiduciary net position	4,062
Net position at beginning of year	23,239
Net position at end of year	<u>\$ 27,301</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, Ohio (the Board) as a body corporate and politic. A fourteen-member Board is the governing body. Eight members of the Board are appointed by the Board of County Commissioners from the respective counties of which members are residents, and six members are appointed by the State of Ohio, Department of Mental Health and Addiction Services. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

A. Primary Government

The Board plans for, contracts for, monitors, and evaluates services to and is a joint venture of Seneca, Sandusky, and Wyandot Counties. The counties share in the equity of the Board based on the percentage of the population within the three counties. The population in each of the joint venture participants is: Seneca County 55,178 (40.73%), Sandusky County 58,518 (43.20%), and Wyandot County 21,772 (16.07%).

The Seneca County Auditor acts as fiscal agent for the Board and the Seneca County Treasurer acts as custodian of all funds.

The Board's management believes these financial statements present all activities for which the Board is financially accountable.

B. Component Units

Component units are legally separate organizations for which the Board is financially accountable. The Board is financially accountable for an organization if the Board appoints a voting majority of the organization's governing board and (1) the Board is able to significantly influence the programs or services performed or provided by the organization; or (2) the Board is legally entitled to or can otherwise access the organization's resources; or (3) the Board is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Board, are accessible to the Board, and are significant in amount to the Board and organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the Board's basic financial statements to be misleading or incomplete. The Board has no component units.

C. Related Organization

Seneca County Health Alliance

On February 1, 2013, the Board assumed fiscal responsibilities for the Seneca County Health Alliance (the Alliance). The Alliance is composed of community partners including hospitals, mental health providers, the Family and Children First Council, the Department of Job and Family Services, the YMCA, the Board of Developmental Disabilities, the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, and other local companies and organizations and was formed for the purposes of conducting local health assessments and developing a comprehensive strategic plan based on the assessment findings. Accounting records for the Alliance are maintained in a custodial fund of the Board. Financial information for the Alliance may be obtained by contacting the Executive Director of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, 1200 North State Route 53, Tiffin, Ohio 44883-9799.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 1 - REPORTING ENTITY - (Continued)

D. Public Entity Risk Pool

The Board participates in the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. Note 8 provides additional information for this entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Board's accounting policies.

A. Basis of Presentation

The Board's basic financial statements consist of government-wide financial statements, including a statement of net position - cash basis and a statement of activities - cash basis, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the primary government. The statements show those activities of the Board that are governmental. Governmental activities generally are financed through intergovernmental receipts or other nonexchange transactions.

The statement of net position - cash basis presents the cash balance of the governmental activities of the Board at year-end. The statement of activities - cash basis compares disbursements and program receipts for each program or function of the Board's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Board is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Board, with certain, limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Board.

Fund Financial Statements

During the year, the Board segregates transactions related to certain Board functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Board at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting

The Board uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

Governmental funds are those through which most governmental functions of the Board are financed. The following are the Board's major governmental funds:

General Fund - The General fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The General fund balance is available to the Board for any purpose provided it is expended or transferred according to the general laws of Ohio.

State Per Capita Fund - The State Per Capita fund is used to account for state grants that are restricted for gambling addiction prevention and treatment.

The other governmental funds of the Board are used to account for and report grants and other resources, the use of which is restricted for a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The Board's only fiduciary fund is a custodial fund which accounts for funds of the Seneca County Health Alliance, for which the Board serves as fiscal agent.

C. Basis of Accounting

The Board's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Board's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when incurred.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

D. Budgetary Process

All funds, except custodial funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund and object level for all funds.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Board. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriations passed by the Board during the year.

E. Cash and Investments

In accordance with the Ohio Revised Code, the Board's cash is held and invested by the Seneca County Treasurer, who acts as custodian for the Board's monies. The Board's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through Board records.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Board had no restricted assets at December 31, 2020.

G. Accumulated Leave

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

H. 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 9 and 10, the employer contributions include portions for pension benefits and for other postretirement benefits (OPEB).

I. Net Position

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes monies held in the private-purpose trust fund for mental health assistance.

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

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. 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:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The Board had no nonspendable fund balance at December 31, 2020.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. 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. The Board had no committed fund balance at December 31, 2020.

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 include those approved through the Board's formal purchasing procedure and those required for subsequent year appropriations.

Unassigned - Unassigned fund balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Board applies restricted resources first when disbursements are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

K. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2020, the Board has implemented GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended December 31, 2020. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed. The following pronouncement is postponed by one year and the Board has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the Board has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

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 basis presented for the General fund and the State Per Capita fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements on a budgetary basis but are not on the cash basis of accounting. The encumbrances outstanding at year end (budgetary basis) amounted to \$1,370,275 for the General fund and \$178,802 for the State Per Capita fund.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility located in the Board. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 5 - PROPERTY TAXES - (Continued)

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The full tax rate for all Board operations for the year ended December 31, 2020 was \$0.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

Real property	\$ 1,064,664,700	72.53%
Public utility personal property	403,282,560	27.47%
Total assessed valuation	\$ 1,467,947,260	100.00%

NOTE 6 - INTERFUND TRANSACTIONS

Transfers

Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported on the fund statements:

<u>Transfers from the General fund to:</u>	
Nonmajor special revenue	\$ 75,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 7 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Board contracted with County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. The CORSA program has a \$2,500 deductible. Coverage provided by CORSA is as follows:

	<u>Limits of Coverage</u>
General Liability	\$1,000,000
Employee Benefit Liability	1,000,000
Law Enforcement Professional Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Automobile Liability	1,000,000
Uninsured Motorist Liability	250,000
Ohio Stop Gap	1,000,000
Building and Contents	Replacement Cost
Flood and Earthquake	100,000,000
Crime Insurance	1,000,000

The Board issues against injuries to employees through the Ohio Bureau of Workers' Compensation.

Settled claims have not exceeded coverage in any of the last three years. There has been no significant reduction in insurance coverage from last year.

NOTE 8 – PUBLIC ENTITY RISK POOL

The Board is a member of the County Risk Sharing Authority (CORSA), which is a public entity risk sharing pool of thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Board employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, 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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 9 - DEFINED BENEFIT PENSION PLAN – (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 9 - DEFINED BENEFIT PENSION PLAN – (Continued)

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits *****	0.0 %
Total Employer	14.0 %
Employee	10.0 %
* This rate is determined by OPERS' Board and has no maximum rate es	
***** This employer health care rate is for the traditional and combined plan contribution for the member-directed plan is 4.00%.	

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

The Board's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$59,856 for 2020.

NOTE 10 - DEFINED BENEFIT OPEB PLAN

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. 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 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 10 - DEFINED BENEFIT OPEB PLAN – (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

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

For 2020, OPERS did not allocate any employer contributions to post-employment health care.

NOTE 11 - CONTINGENCIES AND GRANTS

The Board receives significant financial assistance from numerous Federal, State, and local agencies in the form of grants. The disbursement of funds received under these programs 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 Board; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Board.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

NOTE 12 - COMMITMENTS

The Board utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Board’s commitments for encumbrances in the governmental funds were as follows:

General fund	\$ 1,370,275
State Per Capita fund	178,802
Nonmajor governmental funds	<u>207,777</u>
Total	<u>\$ 1,756,854</u>

NOTE 13 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Enterprise Zone Agreements (EZAs) and the Ohio Community Reinvestment Area (CRA) program with the taxing districts of the Board. The EZAs and CRA program are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the Board, the City of Tiffin, the City of Fostoria, the City of Clyde, the City of Fremont, the City of Bellevue, Ballville Township, Hopewell Township, Madison Township and Gibsonburg Village have entered into such agreements. Under these agreements, the Board’s property taxes were reduced by \$22,672. The Board is not receiving any amounts from these other governments in association with the forgone property tax revenue. Wyandot County’s reduced property taxes were not material.

NOTE 14 - 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board. The Board’s investment portfolio and the pension and other employee benefits plan in which the Board participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 15 – SUBSEQUENT EVENT

The Ohio Department of Mental Health and Addiction Services as well as the County Commissioners in Seneca, Sandusky, and Wyandot Counties approved Ottawa County to join the Board effective October 1, 2021. Therefore, the Board will be moving from a three-county board to a four-county board. The Board’s official name will change to the Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky and Wyandot Counties. The Seneca County Auditor will remain the fiscal agent and the Board’s office location will remain in Seneca County. They received the first part of the Ottawa County levy and donations on October 28, 2021 in the amount of \$1,680,000. It is planned that they will receive another lump sum of funds in early 2022. The property levy tax to be collected from Ottawa County, is projected to be approximately \$2,052,842 per year. This will result in a significant increase in the Board’s budget for revenues and expenditures, but it will depend on the Ottawa County voters in the near future if the levy will continue or not.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Great Lakes Community Action Partnership</i>				
Rural Community Development Initiative	10.446	84 FR 11493-11502	_____	\$ 24,669
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through Sandusky County Combined General Health District</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	6H79SP081382-01M003 5H79SP081382-02	\$ 8,000	34,873 3,759
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2000450 2000514	112,354	122,819 13,000
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			120,354	174,451
Social Services Block Grant	93.667	SSBG G-2001OHSOSR	79,971	84,271
Opioid STR	93.788	1900797 2000405 2100460	100,000	195 154,259 12,463
Total Opioid STR			100,000	166,917
Block Grants for Community Mental Health Services	93.958	3A90	127,441	133,790
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2000190 2100195 3G40 336618 3G40 336618	184,569 85,629 327,757 68,613	184,569 85,629 349,846 70,292
Total Block Grants for Prevention and Treatment of Substance Abuse			666,568	690,336
<i>Passed through Pacific Institute for Research and Evaluation</i>				
Telehealth Programs	93.211	GA1RH33532	14,062	90,899
Total U.S. Department of Health and Human Services			1,108,396	1,340,664
Total Expenditures of Federal Awards			\$ 1,108,396	\$ 1,365,333

The accompanying notes are an integral part of this schedule.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, Ohio (the Board's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, or changes in net position of the Board.

NOTE B – 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The Board passes certain federal awards received from the Ohio Department of Mental Health and Addiction Services, Sandusky County Combined General Health District, and Pacific Institute for Research and Evaluation to other governments or not-for-profit agencies (subrecipients). As Note B 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, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

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



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Mental Health and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
1200 North State Route 53
Tiffin, Ohio 44883-9799

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, Ohio (the Board) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 9, 2021, wherein we noted the Board uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Board.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Board's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Board's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 9, 2021

OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mental Health and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
1200 North State Route 53
Tiffin, Ohio 44883-9799

To the Members of the Board:

Report on Compliance for the Major Federal Program

We have audited the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, Ohio's (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties' major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Board's major federal program.

Management's Responsibility

The Board's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Board's compliance for the Board's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Board's major program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on the Major Federal Program

In our opinion, the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Board's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 9, 2021

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES
SENECA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Block Grants for Prevention and Treatment of Substance Abuse – CFDA #93.959
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF SENECA, SANDUSKY AND WYANDOT
COUNTIES**

SENECA 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 12/21/2021

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