



***ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH
SERVICES ATHENS COUNTY***

Basic Financial Statements

**For the Year Ended
December 31, 2021**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY**
Table of Contents
For the Year Ended December 31, 2021

Accountant’s Compilation Report	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2021	5
Notes to the Financial Statements.....	7

Board of Directors
Athens-Hocking-Vinton Board of Alcohol,
Drug Addiction, and Mental Health Services
Athens County
P.O. Box 130
Athens, OH 45701

Management is responsible for the accompanying financial statements of Athens-Hocking-Vinton Board of Alcohol, Drug Addiction, and Mental Health Services (the Board), Athens County, Ohio as of and for the year ended December 31, 2021, and related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

February 1, 2022

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**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021**

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property Taxes	\$4,251,754	\$0	\$0	\$4,251,754
Charges for Services	0	44,980	0	44,980
Intergovernmental	6,585,167	0	0	6,585,167
Interest	0	0	1,951	1,951
Other Grants and Contributions	0	320,000	0	320,000
Miscellaneous	65,117	36,300	0	101,417
<i>Total Cash Receipts</i>	<u>10,902,038</u>	<u>401,280</u>	<u>1,951</u>	<u>11,305,269</u>
<u>Cash Disbursements:</u>				
Salaries	456,650	0	0	456,650
Fringe Benefits	291,733	0	0	291,733
Supplies and Materials	5,844	0	0	5,844
Contract Services	9,009,944	521,369	0	9,531,313
Equipment	695	0	74,260	74,955
Other	434,437	25,464	0	459,901
<i>Total Cash Disbursements</i>	<u>10,199,303</u>	<u>546,833</u>	<u>74,260</u>	<u>10,820,396</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursement</i>	702,735	(145,553)	(72,309)	484,873
<i>Fund Cash Balances - January 1</i>	<u>3,714,166</u>	<u>914,805</u>	<u>292,156</u>	<u>4,921,127</u>
<i>Fund Cash Balances - December 31</i>	<u><u>\$4,416,901</u></u>	<u><u>\$769,252</u></u>	<u><u>\$219,847</u></u>	<u><u>\$5,406,000</u></u>

The notes to the basic financial statements are an integral part of this statement.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY**
*Notes to the Financial Statements
For the Year Ended December 31, 2021*

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County, (the Board) as a body corporate and politic. An eighteen-member Board is the governing body. The Ohio Department of Mental Health and Addiction Services approves eight members, and the legislative authorities of the political subdivisions making up the Board appoint the other Board members. Those subdivisions are Athens County, Hocking County, and Vinton County. Board members are residents of the three subdivisions. 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.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Board's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Basis of Accounting

These financial statements follow the basis of accounting permitted by the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements adequately disclose material matters the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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. The funds of the Board are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported 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.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021**

Note 2 – Summary of Significant Accounting Policies - (continued)

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Board had the following significant Special Revenue Funds:

Osteopathic Heritage Foundation – This fund accounts for receipts from community support initiatives, Capital Support and Fund Matching. Funds are paid out primarily to contracts to associated initiatives throughout the community.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Board had the following significant capital project funds:

317 Board Building Construction Fund – This fund receives revenue from other funds to make capital acquisitions and improvements to Board-owned facilities.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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 and subsequent amendments.

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.

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

A summary of 2021 budgetary activity appears in Note 3.

Fund Balance

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

Nonspendable: The Board classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Board and the nonspendable portion of the corpus in permanent funds.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES**
ATHENS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies - (continued)

Restricted: Fund balance is *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 Board can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes amounts not included 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Capital Assets

The Board records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2021*

Note 3 – Budgetary Activity

The Board’s budgetary activity for the year ending December 31, 2021 was as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$8,598,124	\$10,902,038	\$2,303,914
Special Revenue	248,300	401,280	152,980
Capital Projects	6,860	1,951	(4,909)
<i>Total</i>	\$8,853,284	\$11,305,269	\$2,451,985

2021 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$10,856,569	\$10,199,303	\$657,266
Special Revenue	672,387	546,833	125,554
Capital Projects	120,000	74,260	45,740
<i>Total</i>	\$11,648,956	\$10,820,396	\$828,560

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Athens County Treasurer is custodian for the Board’s deposits. The County’s deposit and investment pool holds the Board’s assets, valued at the Treasurer’s reported carrying amount.

Note 5 – Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays 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.

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

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY**
*Notes to the Financial Statements
For the Year Ended December 31, 2021*

Note 6 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Board pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Workers Compensation;
- Business Owners;
- Inland Marine, and
- Crime

Note 7- Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Board's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes plan benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2021, OPERS members contributed 10 percent of their gross salaries and the Board contributed an amount equaling 14 percent, of participants' gross salaries. The Board has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefits postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement to qualified benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2021*

Note 9 – Construction and Contractual Commitments

<u>Contractor</u>	<u>Contract Term</u>	<u>Total Contract Amount</u>	<u>Total Unpaid Balance at 12/31/21</u>	<u>Fund Code</u>
Athens Photographic	7/01/21 - 6/30/22	\$103,455	\$58,257	2707 530100
Hopewell Health Centers Inc.	7/01/21 - 6/30/22	2,355,657	1,794,759	2707 530100
Health Recovery Services	7/01/21 - 6/30/22	2,457,154	1,819,398	2707 530100
Integrated Services	7/01/21 - 6/30/22	540,964	445,226	2707 530100
TASC of Southeast Ohio	7/01/21 - 6/30/22	645,507	490,607	2707 530100
My Sister's Place	7/01/21 - 6/30/22	249,649	117,464	2707 530100
Vinton County Senior Citizens	7/01/21 - 6/30/22	40,894	20,938	2707 530100
Athens County Family & Children First	7/01/21 - 6/30/22	90,022	45,011	2707 530100
Hocking County Family & Children First	7/01/21 - 6/30/22	57,634	28,818	2707 530100
Vinton County Family & Children First	7/01/21 - 6/30/22	26,134	13,067	2707 530100
John W. Clem Recovery House	7/01/21 - 6/30/22	189,198	144,346	2707 530100
NAMI Athens	7/01/21 - 6/30/22	19,630	5,440	2707 530100
Rural Action	7/01/21 - 6/30/22	9,950	4,975	2707 530100
Vinton County Schools	7/01/21 - 6/30/22	67,500	67,500	2707 530100
Southeastern Ohio Regional Jail	7/01/21 - 6/30/22	25,000	25,000	2707 530100
Serenity Grove	7/01/21 - 6/30/22	132,103	84,646	2707 530100
Scenic Hills Senior Center	7/01/21 - 6/30/22	9,852	2,426	2707 530100
Athens Mental Health	7/01/21 - 6/30/22	241,591	161,686	2707 530100
Sojourners Care Network	7/01/21 - 6/30/22	36,406	26,406	2707 530100
Athens EMS (MC)	7/01/21 - 6/30/22	79,000	79,000	2707 530100
Eastway Corp	7/01/21 - 6/30/22	5,000	5,000	2707 530100
South Community	7/01/21 - 6/30/22	6,000	4,107	2707 530100
		<u>\$7,388,300</u>	<u>\$5,444,077</u>	

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,
DRUG ADDICTION, AND MENTAL HEALTH SERVICES
ATHENS COUNTY**
*Notes to the Financial Statements
For the Year Ended December 31, 2021*

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were zero.

The fund balance of Special Revenue Funds is either restricted or committed. The fund balance of Capital Projects Funds is committed. These restricted and committed amounts in the Special Revenue and Capital Project Funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues.