

FINANCIAL STATEMENTS
OF
**THE RECOVERY POINT
OF HUNTINGTON, INC.**

FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021

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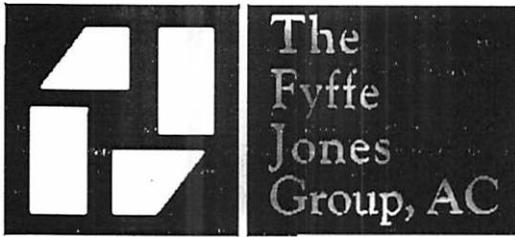
THE RECOVERY POINT OF HUNTINGTON, INC.

FINANCIAL STATEMENTS

June 30, 2022 and 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT -----	1 - 3
STATEMENTS OF FINANCIAL POSITION -----	4
STATEMENTS OF ACTIVITIES -----	5 - 6
STATEMENTS OF FUNCTIONAL EXPENSES -----	7 - 8
STATEMENTS OF CASH FLOWS -----	9
NOTES TO FINANCIAL STATEMENTS -----	10 - 19
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS -----	20
NOTES TO SCHEDULE EXPENDITURES OF FEDERAL AWARDS -----	21
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES -----	22
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS -----	23 - 24
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE -----	25 - 27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -----	28 - 29
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS -----	30
CORRECTIVE ACTION PLAN -----	31



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Recovery Point of Huntington, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Recovery Point of Huntington, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Recovery Point of Huntington, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Recovery Point of Huntington, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state grant receipts and expenditures and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial

statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state grant receipts and expenditures and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2023, on our consideration of The Recovery Point of Huntington, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Recovery Point of Huntington, Inc.'s 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 Recovery Point of Huntington, Inc.'s internal control over financial reporting and compliance.

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC
Huntington, West Virginia
April 24, 2023

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THE RECOVERY POINT OF HUNTINGTON, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 1,355,369	\$ 1,840,920
Cash and cash equivalents - restricted	348,348	342,057
Grants receivable	277,479	400,834
Other receivables	66,818	23,909
Other assets	11,505	20,410
Total Current Assets	<u>2,059,519</u>	<u>2,728,130</u>
Investments	602,435	626,204
Property and Equipment, net	<u>6,880,587</u>	<u>6,125,362</u>
Total Assets	<u>\$ 9,542,541</u>	<u>\$ 9,479,696</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 74,347	\$ 122,168
Refundable advances	326,362	518,701
Accrued wages	27,970	87,636
Accrued expenses	-	1,215
Accrued interest	5,117	2,418
Current portion of long-term debt	84,485	59,263
Total Current Liabilities	<u>518,281</u>	<u>791,399</u>
Notes Payable		
Forgivable loans	1,649,933	1,649,933
Long-term debt	1,483,103	1,287,464
Total Notes Payable	<u>3,113,036</u>	<u>2,937,397</u>
Total Liabilities	<u>3,631,317</u>	<u>3,728,796</u>
Net Assets		
Without donor restrictions	5,482,876	5,408,843
With donor restrictions	428,348	342,057
Total Net Assets	<u>5,911,224</u>	<u>5,750,900</u>
Total Liabilities and Net Assets	<u>\$ 9,542,541</u>	<u>\$ 9,479,696</u>

The accompanying notes are an integral part of these financial statements.

THE RECOVERY POINT OF HUNTINGTON, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Other Revenue			
Federal, state and other grants and contracts	\$ 3,563,912	\$ -	\$ 3,563,912
Contributions	137,772	-	137,772
Event income	54,859	-	54,859
Food program	-	814,115	814,115
Rent income	5,804	-	5,804
Other income	193,252	-	193,252
Investment income, net	(17,354)	-	(17,354)
Net assets released from restrictions	807,824	(807,824)	-
Total Support and Other Revenue	<u>4,746,069</u>	<u>6,291</u>	<u>4,752,360</u>
Expenses			
Program services	4,317,375	-	4,317,375
Supporting services			
Management and general	760,859	-	760,859
Fundraising	77,045	-	77,045
Total Expenses	<u>5,155,279</u>	<u>-</u>	<u>5,155,279</u>
Net Increase (Decrease)	(409,210)	6,291	(402,919)
Gain on disposal of fixed assets	1,280	-	1,280
Capital grant revenue	-	561,963	561,963
Capital grants released from restrictions	481,963	(481,963)	-
Change in Net Assets	74,033	86,291	160,324
Net Assets at Beginning of Year	<u>5,408,843</u>	<u>342,057</u>	<u>5,750,900</u>
Net Assets at End of Year	<u>\$ 5,482,876</u>	<u>\$ 428,348</u>	<u>\$ 5,911,224</u>

The accompanying notes are an integral part of these financial statements.

THE RECOVERY POINT OF HUNTINGTON, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Other Revenue			
Federal, state and other grants and contracts	\$ 3,640,017	\$ -	\$ 3,640,017
Contributions	159,288	-	159,288
Event income	35,784	-	35,784
Food program	-	558,894	558,894
Rent income	1,440	-	1,440
Other income	263,636	-	263,636
Investment income, net	96,752	-	96,752
Net assets released from restrictions	539,105	(539,105)	-
Total Support and Other Revenue	<u>4,736,022</u>	<u>19,789</u>	<u>4,755,811</u>
Expenses			
Program services	3,676,781	-	3,676,781
Supporting services			
Management and general	490,597	-	490,597
Fundraising	65,072	-	65,072
Total Expenses	<u>4,232,450</u>	<u>-</u>	<u>4,232,450</u>
Net Increase (Decrease)	503,572	19,789	523,361
Gain on disposal of fixed assets	1,900	-	1,900
Capital grant revenue	-	97,868	97,868
Capital grants released from restrictions	97,868	(97,868)	-
Change in Net Assets	603,340	19,789	623,129
Net Assets at Beginning of Year	<u>4,805,503</u>	<u>322,288</u>	<u>5,127,771</u>
Net Assets at End of Year	<u>\$ 5,408,843</u>	<u>\$ 342,057</u>	<u>\$ 5,750,900</u>

The accompanying notes are an integral part of these financial statements.

THE RECOVERY POINT OF HUNTINGTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 1,391,779	\$ 497,519	\$ 52,733	\$ 1,942,031
Employee benefits and taxes	193,079	97,361	4,034	294,474
Food	825,078	-	-	825,078
Utilities	352,299	30,212	-	382,511
Professional services	2,328	-	-	2,328
Contract labor	265,589	54,365	-	319,954
Rent	98,590	-	-	98,590
Cleaning supplies	158,829	-	-	158,829
Insurance	100,409	-	-	100,409
Education	51,010	-	-	51,010
Repairs and maintenance supplies	70,541	-	-	70,541
Interest	34,636	12,433	-	47,069
Other	77,406	14,871	-	92,277
Equipment leases	30,409	-	-	30,409
Supplies	11,430	11,649	-	23,079
Fees and permits	15,931	-	-	15,931
Automobile expenses	28,525	-	-	28,525
Dues and subscriptions	15,172	-	-	15,172
Postage	2,230	-	-	2,230
Professional fees	262,111	-	-	262,111
Travel and meals	61,931	15,277	-	77,208
Printing and production	13,949	-	-	13,949
Advertising	11,852	4,080	-	15,932
Fundraising	-	-	20,278	20,278
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	4,075,113	737,767	77,045	4,889,925
Depreciation	242,262	23,092	-	265,354
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Total Expenses	<u>\$ 4,317,375</u>	<u>\$ 760,859</u>	<u>\$ 77,045</u>	<u>\$ 5,155,279</u>

The accompanying notes are an integral part of these financial statements.

THE RECOVERY POINT OF HUNTINGTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 1,427,486	\$ 269,829	\$ 55,732	\$ 1,753,047
Employee benefits and taxes	237,599	88,947	4,263	330,809
Food	561,753	-	-	561,753
Utilities	312,298	28,768	-	341,066
Professional services	-	-	-	-
Contract labor	241,404	-	-	241,404
Rent	95,500	14,300	-	109,800
Cleaning supplies	107,482	-	-	107,482
Insurance	83,004	4,430	-	87,434
Education	78,959	-	-	78,959
Repairs and maintenance supplies	40,513	-	-	40,513
Interest	29,719	14,794	-	44,513
Other	16,230	-	-	16,230
Equipment leases	25,705	-	-	25,705
Supplies	5,724	9,210	-	14,934
Fees and permits	21,085	-	-	21,085
Automobile expenses	13,970	-	-	13,970
Dues and subscriptions	10,922	-	-	10,922
Postage	919	-	-	919
Professional fees	54,409	30,507	-	84,916
Travel and meals	46,573	6,720	-	53,293
Printing and production	15,581	-	-	15,581
Advertising	15,099	-	-	15,099
Fundraising	-	-	5,077	5,077
	<u>3,441,934</u>	<u>487,505</u>	<u>65,072</u>	<u>3,974,511</u>
Total Expenses Before Depreciation				
Depreciation	234,847	23,092	-	257,939
	<u>3,676,781</u>	<u>490,597</u>	<u>65,072</u>	<u>4,232,450</u>
Total Expenses				

The accompanying notes are an integral part of these financial statements.

THE RECOVERY POINT OF HUNTINGTON, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 160,324	\$ 623,129
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	265,354	257,939
(Gain) Loss on Investments	20,183	(100,808)
Gain on disposal of assets	(1,280)	(1,900)
(Increase) Decrease in assets		
Grants receivable	123,355	(98,103)
Other receivables	(42,809)	11,498
Other assets	8,905	(10,243)
Increase (Decrease) in liabilities		
Accounts payable	(47,819)	90,324
Refundable advances	(192,339)	410,191
Accrued wages	(59,888)	(39,021)
Taxes withheld and accrued	-	(1,015)
Accrued expenses	(1,215)	(2,444)
Accrued interest	2,699	(2,321)
Total adjustments	75,248	514,095
Net Cash Provided By Operating Activities	<u>235,572</u>	<u>1,137,224</u>
Cash Flows From Investing Activities		
Proceeds from the sale of fixed assets	7,405	6,300
Purchase of fixed assets	(1,026,704)	(126,907)
Change in investments	3,606	4,058
Net Cash Used In Investing Activities	<u>(1,015,693)</u>	<u>(116,551)</u>
Cash Flows From Financing Activities		
Proceeds from loans	259,741	-
Principal payments on notes payable	(58,880)	(552,795)
Net Cash Provided By (Used in) Financing Activities	<u>200,861</u>	<u>(552,795)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(579,260)</u>	<u>467,878</u>
Cash and Cash Equivalents at Beginning of Year	<u>2,282,977</u>	<u>1,815,099</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,703,717</u>	<u>\$ 2,282,977</u>
Supplemental Disclosure of Cash Flows Information:		
Cash:		
Cash and cash equivalents	\$ 1,355,389	\$ 1,940,920
Cash and cash equivalents - restricted	348,348	342,057
Total	<u>\$ 1,703,717</u>	<u>\$ 2,282,977</u>
Cash Paid For:		
Interest	<u>\$ 44,370</u>	<u>\$ 46,834</u>

The accompanying notes are an integral part of these financial statements.

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

1. Summary of significant accounting policies:

A. Organization:

The Recovery Point of Huntington, Inc. (the Organization) provides rehabilitation, training, counseling, education, and employment services for persons who suffer the vicious cycle of addiction to alcohol and drugs. The Organization is supported by contributions and grants.

B. Basis of accounting:

The Organization follows the accrual basis of accounting.

C. Accounting estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

D. Cash and cash equivalents:

The Organization considers all highly liquid investments with a maturity value of three months or less when purchased to be cash equivalents for purposes of the accompanying Statements of Cash Flows.

E. Receivable and credit policies:

The Organization provides food to patients on a third-party reimbursement basis. The Organization bills the various grantor funding sources in accordance with contractual agreements.

The direct charge-off method of accounting for bad debts is used by the Organization. This method does not result in a materially different provision for bad debt expense than would result from the use of the reserve method.

F. Property and equipment:

Property and equipment are stated at cost, or if donated, at the approximate fair value. The Organization observes a policy of capitalizing expenditures in excess of \$5,000 which substantially increase the useful lives of the assets. Maintenance, repairs, and minor renewals are charged to operations when incurred.

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

1. Summary of significant accounting policies (Continued):

G. Depreciation:

Depreciation is recognized on the straight-line basis in amounts adequate to amortize costs over the estimated useful lives of the assets.

H. Net assets:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization currently does not have net assets with restrictions that are perpetual in nature.

I. Net assets with restrictions:

Restricted net assets were released from restrictions by incurring expenses satisfying the purpose specified by grantors.

J. Grants and contributions:

Contributions, including unconditional promises to give (pledges), are initially reported at fair value as revenues in the period received or pledged. Contributions with purpose and/or time restrictions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed restrictions that the corpus be maintained permanent are recognized as increases in net assets with donor restrictions.

Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right of release of promised assets exists. Conditional promises to give are not recognized as revenue until the performance barrier and the right of return or release has been overcome.

Contributions of assets other than cash are recorded at their estimated fair value.

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

1. Summary of significant accounting policies (Continued):

K. Income taxes:

The Organization has qualified under Internal Revenue Code Section 501(c)(3) as a tax-exempt entity. Consequently, the accompanying financial statements do not include any provision for federal and state income taxes.

L. Accounting for uncertain tax positions:

The Organization follows the provisions of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, relating to unrecognized tax benefits. This standard requires an organization to recognize a liability for tax positions when there is a 50% or greater likelihood that the position will not be sustained upon examination. The Organization is liable for taxes to the extent of any unrelated business income as defined by IRS regulations. The Organization believes that it has not engaged in any unrelated business income as defined by IRS regulations and that it is more likely than not that this position would be sustained upon examination. As such, there were no liabilities recorded for uncertain tax positions as of June 30, 2022 and 2021.

M. Advertising costs:

Advertising costs are charged to operations when incurred. Advertising expense charged to operations in the years ended June 30, 2022 and 2021 totaled \$15,932 and \$15,099 respectively.

N. Functional expense and cost allocation:

The costs of providing program and other activities have been listed on a function basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among program, management and general, and fundraising expenses. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Employee benefits and taxes	Time and effort
Utilities	Time and effort
Contract labor	Time and effort
Interest	Time and effort
Other	Time and effort
Supplies	Time and effort
Travel and meals	Time and effort
Advertising	Time and effort
Depreciation	Square footage and usage

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Liquidity and availability:

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the Statements of Financial Position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,355,369	\$ 1,940,920
Cash and cash equivalents - restricted	348,348	342,057
Grants receivable	277,479	400,834
Other receivables	66,818	23,909
Investments	<u>602,435</u>	<u>626,204</u>
	2,650,449	3,333,924
Less financial assets held to meet donor-imposed restrictions:		
Donor-restricted net assets (Note 9)	<u>(428,348)</u>	<u>(342,057)</u>
Amount available for general expenditures within one year	<u>\$ 2,222,101</u>	<u>\$ 2,991,867</u>

Restricted funds consist of funds received for food programs.

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in money market funds, short-term investments, and long-term investments.

3. Cash and cash equivalents - restricted:

Restricted cash at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Food account	<u>\$ 348,348</u>	<u>\$ 342,057</u>

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

4. Investments:

Investments are carried at fair value at June 30, 2022 and 2021 as follows:

<u>June 30, 2022</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Money market Equities	\$ 220,670	\$ 220,670	\$ -
	<u>315,029</u>	<u>381,765</u>	<u>66,736</u>
Total	<u>\$ 535,699</u>	<u>\$ 602,435</u>	<u>\$ 66,736</u>
<u>June 30, 2021</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Money market Equities	\$ 167,622	\$ 167,622	\$ -
	<u>358,963</u>	<u>458,582</u>	<u>99,619</u>
Total	<u>\$ 526,585</u>	<u>\$ 626,204</u>	<u>\$ 99,619</u>

Investment return for the years ended June 30, 2022 and 2021 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Investment income, net	<u>\$ (17,354)</u>	<u>\$ 86,752</u>

5. Fair value measurements:

Fair values of assets measured on a recurring basis at June 30, 2022 and 2021 are as follows:

Fair Value Measurements at Reporting Date Using:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2022</u>				
Equities	<u>\$ 602,435</u>	<u>\$ 602,435</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2021</u>				
Equities	<u>\$ 626,204</u>	<u>\$ 626,204</u>	<u>\$ -</u>	<u>\$ -</u>

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

5. Fair value measurements (Continued):

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based on unobservable inputs. There were no Level 2 or Level 3 inputs for the years ended June 30, 2022 and 2021.

6. Property and equipment, net:

A summary of property and equipment as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 127,908	\$ 127,908
Buildings	2,325,228	2,325,228
Building improvements	4,895,618	4,719,061
Equipment	345,999	303,613
Vehicles	198,989	171,333
Construction in progress	<u>772,607</u>	<u>-</u>
	8,666,349	7,647,143
Less accumulated depreciation	<u>(1,785,762)</u>	<u>(1,521,781)</u>
	<u>\$ 6,880,587</u>	<u>\$ 6,125,362</u>

Depreciation expense charged to operations for the years ended June 30, 2022 and 2021 totaled \$265,354 and \$257,939, respectively.

7. Line of credit:

The Organization opened a line of credit dated April 14, 2017 with a total authorization of \$500,000, interest-only per month at 4%. The outstanding line of credit balance at June 30, 2022 and 2021 was \$-0-.

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

8. Notes payable:

A summary of long-term debt at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Note payable to a financial institution, \$2,204 per month at a variable rate of 5.75%, with a renewed maturity date of August 2035. Secured by real property.	\$ 284,344	\$ 298,382
Note payable to a financial institution, \$3,565 per month at a variable rate of 5.75%, with a maturity date of October 2031. Secured by real property.	345,249	371,470
Note payable to West Virginia Housing Development Fund, interest at 0%, loan forgivable in its full amount on October 1, 2022. Proceeds used to partially fund the renovation of property.	125,000	125,000
Note payable to West Virginia Housing Development Fund, interest at 0%, loan forgivable in its full amount October 2026. Proceeds used to partially fund the renovation of Charleston property.	125,000	125,000
Note payable to FHL Bank Pittsburgh, interest at 0%, loan forgivable in its full amount September 2029. Proceeds used to partially fund the renovation of the property.	250,000	250,000
Note payable to FHL Bank Pittsburgh, interest at 0%, loan forgivable in its full amount October 2031. Proceeds used to partially fund the renovation of the Charleston property.	499,933	499,933

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

8. Notes payable (Continued):

	<u>2022</u>	<u>2021</u>
Note payable to FHL Bank Pittsburgh, interest at 0%, loan forgivable in its full amount October 2032. Proceeds used to partially fund the renovation of the Parkersburg property.	\$ 650,000	\$ 650,000
Note payable to a financial institution, \$2,588 per month at a variable rate of 2%, with a maturity date of February 2050. Secured by real property.	658,254	676,875
Note payable to a financial institution, \$3,309 per month at a variable rate of 4.25%, with a maturity date of November 2027. Interest only for six months. Secured by real property.	<u>259,741</u>	<u>-</u>
	\$ 3,197,521	\$ 2,996,660
Less current maturities	<u>(84,485)</u>	<u>(59,263)</u>
	<u>\$ 3,113,036</u>	<u>\$ 2,937,397</u>

Scheduled principal payments are as follows:

2023	84,485
2024	88,311
2025	92,332
2026	96,553
2027	100,988
Thereafter	<u>2,734,852</u>
	<u>\$ 3,197,521</u>

Paycheck Protection Program note payable:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Securities (CARES) Act was signed into law. The CARES Act stimulus package included a new forgivable loan product offered through the Small Business Administration. The Paycheck Protection Program (PPP) was designed to assist employers with employee retention and the continuation of payroll during the COVID-19 pandemic. On April 17, 2020, the Organization received a PPP loan from the bank in the amount of \$494,000. This loan was forgiven on June 3, 2021. A second PPP loan was received in February 2021 and forgiven on June 14, 2021.

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

9. Net assets with donor restrictions:

Net assets with restrictions at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Restricted for food program	\$ 348,348	\$ 342,057
Restricted for renovations	<u>80,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 428,348</u>	<u>\$ 342,057</u>

10. Operating lease obligations:

The Organization leases facilities and various equipment under operating leases with various terms. Rental expense under these various leases was \$98,590 and \$109,800 for the years ended June 30, 2022 and 2021, respectively.

Future minimum rental commitments under the leases are as follows:

2023	\$ 55,200
2024	19,375
2025	-
2026	-
2027	-
Thereafter	-

11. Concentration of credit risk:

Grants receivable have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up as the amount is not considered material.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in the financial institutions. Cash and cash equivalents exceeding federally insured limits totaled \$334,943 at June 30, 2022.

12. Related parties:

Various investment advice and other professional services are performed for the Organization by entities that have close relationships with various members of the board of directors.

A member of the board of directors has a direct material relationship as an owner and an employee of an organization that provides medical and behavioral health services to individuals under the care of the Organization. The board member abstains from all voting matters that impact the Organization's relationship with the board member's company and the Organization does not pay the board member's company for services.

THE RECOVERY POINT OF HUNTINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

12. Related parties (Continued):

The Organization and an affiliated organization, Recovery Point West Virginia Behavioral Health, Inc., have the same individual as their Executive Director. Also, both organizations have the same executive leadership staff and participate in certain general and administrative expenses. These salaries and other general and administrative expenses are allocated to the organizations either on a percentage basis or based on actual usage.

13. Reclassifications:

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

14. Subsequent events:

Subsequent events have been evaluated through April 24, 2023 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE RECOVERY POINT OF HUNTINGTON, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures Paid</u>
U.S. Department of Justice			
Passed Through West Virginia Department of Homeland Security Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	21-COSAP-14	\$ <u>53,710</u>
Total U.S. Department of Justice			<u>53,710</u>
U.S. Department of Health and Human Services			
Direct Awards:			
Awards Under Assistance Listing Number (ALN) 93.243:			
Substance Abuse and Mental Health Services Administration: Projects of Regional and National Significance	93.243	N/A	393,684
Substance Abuse and Mental Health Services Administration: Promote Recovery	93.243	N/A	<u>58,263</u>
Total Awards Under ALN 93.243			<u>451,947</u>
Passed Through West Virginia Department of Health and Human Resources			
Awards Under ALN 93.788:			
State Opioid Response	93.788	G200876	159,753
Mobile Integrated Care	93.788	G220507	184,601
Mosaic Model Peer Recovery Support Specialists in Emergency Departments	93.788	G220555	<u>15,630</u>
Total Awards Under ALN 93.788			<u>359,984</u>
Total U.S. Department of Health and Human Services			<u>811,931</u>
Total Federal Financial Assistance Expended			<u>\$ <u>865,641</u></u>

See Notes to Schedule of Expenditures of Federal Awards

THE RECOVERY POINT OF HUNTINGTON, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal award activity of The Recovery Point of Huntington, Inc. under programs of the federal government for the year ended June 30, 2022 and is presented on the accrual basis of accounting. 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 Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

Note 2 - Indirect Cost Rate:

The Recovery Point of Huntington, Inc. elected to use the 10% de minimis indirect cost rate for its federal programs.

Note 3 - Subrecipients:

The Recovery Point of Huntington, Inc. did not have subrecipients during the 2022 fiscal year.

Note 4 - Forgivable Loans:

The Recovery Point of Huntington, Inc. has three federally-backed forgivable loans. The beginning and ending balances for the 2022 fiscal year, interest rates, and terms of those forgivable loans are disclosed in Note 6 to the financial statements.

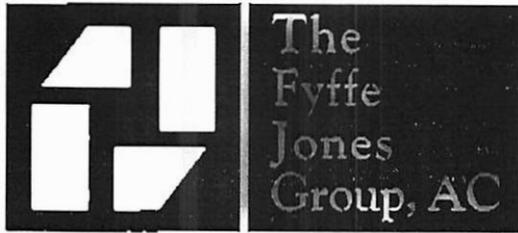
THE RECOVERY POINT OF HUNTINGTON, INC.

SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES

For the year ended June 30, 2022

<u>State Grantor</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Expenditure Amount</u>	<u>Unexpended Funds</u>
West Virginia Bureau for Behavioral Health and Health Facilities:				
Per Diem bed counts for facilities (10/1/2020 - 9/30/2021)	G210669	\$1,535,475	\$ 387,285	\$ 163,200
Funding for two peer coaches in Huntington (10/1/2020 - 9/30/2021)	G210849	70,000	19,827	7,216
Per Diem bed counts for facilities (10/1/2021 - 9/30/2022)	G220754	1,535,475	1,104,262	431,213
Huntington PEER (10/1/2021 - 9/30/2022)	G220738	70,000	59,757	10,243
Mobile Integrated Care Unit (Federal Pass-Through) (9/30/2021 - 9/29/2022)	G220507	600,000	184,801	415,399
PointApts - Expanding recovery housing in Huntington (10/1/2021 - 9/30/2022)	G210974	684,837	391,963	292,874
Recovery Point expansion - Parkersburg renovations (10/1/2020 - 9/30/2021)	G210965	50,000	50,000	-
Mosaic PRSS (Federal Pass-Through) (9/30/2021 - 9/29/2022)	G220555	70,000	15,630	54,370
West Virginia Division of Justice and Community Services:				
Victims of Crime Act Grant - peer support and training funding (10/1/2019 - 9/30/2021)	19-SPCIP-12	215,000	13,872	10,105
Justice Reinvestment Initiative (JRI) - Per Diem bed counts (7/1/2021 - 6/30/2022)	22-JRI-12	914,850	800,645	114,205
COSAP Peer Recovery (12/1/2021 - 9/30/2023)	21-COSAP-14	<u>150,000</u>	<u>53,710</u>	<u>96,290</u>
Total Expenditures of State Awards		<u>\$5,885,637</u>	<u>\$ 3,081,552</u>	<u>\$ 1,595,115</u>

The accompanying notes are an integral part of these financial statements.



The Fyffe Jones Group, AC

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

To the Board of Directors of
The Recovery Point of Huntington, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Recovery Point of Huntington, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 24, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Recovery Point of Huntington, Inc.'s internal control over financial reporting (**internal control**) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Recovery Point of Huntington, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Recovery Point of Huntington, Inc.'s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

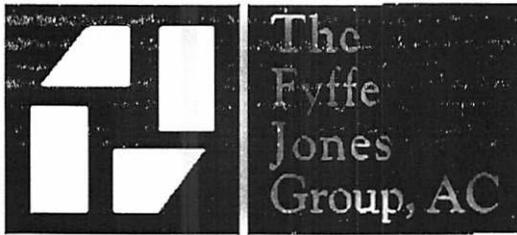
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC

Huntington, West Virginia

April 24, 2023



The Fyffe Jones Group, AC

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

To the Board of Directors of
The Recovery Point of Huntington, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Recovery Point of Huntington, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Recovery Point of Huntington, Inc.'s major federal programs for the year ended June 30, 2022. The Recovery Point of Huntington, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Recovery Point of Huntington, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Recovery Point of Huntington, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on The Recovery Point of Huntington, Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Recovery

Point of Huntington, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC

Huntington, West Virginia

April 24, 2023

THE RECOVERY POINT OF HUNTINGTON, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes

Programs tested:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program/Cluster</u>
93.243	Substance Abuse and Mental Health Services Administration: Projects of Regional and National Significance
93.243	Substance Abuse and Mental Health Services Administration: Promote Recovery

Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

Section II – Financial Statement Findings

No matters were reported.

THE RECOVERY POINT OF HUNTINGTON, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2022

Section III – Federal Award Findings and Questioned Costs

Finding:	2022-001	Untimely filing of financial statement audit.
ALN Number and Title:	93.243	Substance Abuse and Mental Health Services Administration: Projects of Regional and National Significance
	93.243	Substance Abuse and Mental Health Services Administration: Promote Recovery
Federal Agencies:	Department of Health and Human Services	
Pass-Through Agency:	None	

Noncompliance:

Uniform Guidance requires the audited financial statements to be submitted to the Federal Audit Clearinghouse no later than nine months after the audited entity's fiscal year end. For the year ended June 30, 2022, this deadline was March 31, 2023. The Organization's audit was not completed by this deadline.

Officials' Response:

The financial statements and corresponding audit documentation was not ready for audit until mid-February 2023. Scheduling difficulties with our auditor would not allow the quick turnaround that was needed to meet this deadline.

THE RECOVERY POINT OF HUNTINGTON, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

No matters were reported.

THE RECOVERY POINT OF HUNTINGTON, INC.

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2022

Finding:	2022-001 – Untimely filing of financial statement audit
Planned Corrective Action:	We will work to have the financial statements ready for audit and submission promptly and our audit firm has committed to earlier fieldwork, testing, and completion.
Anticipated Completion Date:	March 31, 2024 (federal submission deadline for the June 30, 2023 Single Audit)
Responsible Contact Person:	Chelsa Hamilton, Director of Finance



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Office of Internal Control Policy Development

Division of Compliance and Monitoring

One Davis Square, Suite 401

Charleston, WV 25301

Email: DHHRFinanceDCAM@wv.gov

Fax: (304) 558-2269

Jeffrey H. Coben, MD
Interim
Cabinet Secretary

Kimberly D. Merritt
Director

March 9, 2023

RECOVERY POINT OF HUNTINGTON INC
1040 ADAMS AVE
HUNTINGTON, WV 25704-1720

Re: Grantee Federal Audit Requirement
Grant Number G220507, G220555, G220738, G220754
Fiscal Year Ended June 30, 2022

The Code of Federal Regulations in 2 CFR 200 Subpart F (Audit Requirements) requires all non-Federal entities expending \$750,000 or more in Federal awards during their fiscal year to have a single or program-specific audit conducted for that year. The audit is to be completed and the reporting package submitted within the earlier of 30 days after receipt of the auditor's report(s) or nine months after the end of the audit period.

Your organization submitted a Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form to the WV Department of Health and Human Resources (DHHR), Division of Compliance and Monitoring indicating that you exceeded the \$750,000 threshold for your fiscal year ended June 30, 2022. This letter is to remind you that your audit report package is due to this office by March 31, 2023 as outlined in Exhibit F of the grant agreement(s) with the DHHR. Please submit the completed audit, along with any additional information (i.e. management letter issued by auditor, management's response to audit findings, etc.) to this office at the address above before the deadline.

Please be aware that the DHHR's Office of Internal Control and Policy Development's Division of Compliance and Monitoring is sending this letter as a courtesy. This is the only reminder notice you will receive and failure to respond to this request will force the Division of Compliance and Monitoring to initiate appropriate measures against your organization that may result in debarment, monetary sanctions or other necessary actions.

Questions pertaining to this letter or any of the information and requirements referenced herein may be directed to the DHHR's Division of Compliance and Monitoring at the address referenced above or by contacting Diana Yarber, Accountant Auditor III at: 13043526725.

Thank you for your assistance and cooperation.

Sincerely,

Kimberly D. Merritt
Director
Division of Compliance & Monitoring

Previously mailed.

Faxing to be safe

- Chelsea Hamilton

ph: 304-208-8048