



Mental Health & Recovery Board

of Wayne and Holmes Counties

TO: MHRB Finance Committee & Board Members

FROM: Nicole Williams, Executive Director

DATE: August 15, 2025

SUBJECT: Factual Summary of Unresolved Financial Matter with The Counseling Center (TCC)

This document is to provide a factual summary of an unresolved financial matter with The Counseling Center (TCC) and its impact on the execution of the Fiscal Year 2026 (FY26) contract. For nearly a year, the Board has sought a detailed accounting of a significant, multi-year "Deferred Income – MHRB" balance.

Despite a commitment made by TCC and its legal counsel on June 26, 2025, to provide this information, they have since reversed their position. Recent correspondence from TCC's counsel indicates a refusal to answer the outstanding questions, asserting the issue is unrelated to the FY26 contract. This failure to honor a key term of our negotiations has created an impasse, preventing the Board from fulfilling its fiduciary responsibilities. Consequently, the Board, acting on legal advice, is withholding its signature on the FY26 contract pending a resolution.

The Board's documented attempts to gain clarity on this specific financial account span almost a full year and demonstrate a consistent and good-faith effort to perform our oversight duties.

- **September 4, 2024:** The Board's finance department formally questioned a significant increase in the Deferred Income balance (to \$655,794). TCC's CFO provided a partial answer explaining a specific ARPA II grant, but did not address the direct question for a breakdown of the core MHRB funds (Service Broker, HAP, General).
- **November 8, 2024:** The Board's financial consultant, Denise Casto, sent a follow-up email to TCC's CFO with a clear-cut request: **"Can you provide a report that details the activity in the Deferred income – MHRB (Srv Brkr, HAP & General) account? Which programs have what funds left and what FY those funds are**

from." No report or response was provided. (Not that I was included on, if so, I hope TCC can provide now)

- **January 16, 2025:** The Board formally requested a dedicated financial meeting with TCC's leadership to escalate these concerns. This meeting was ultimately merged into the FY26 contract negotiation process.
- **April 1st, 2025:** The first in person meeting took place for good faith negotiations and financial concerns. The board committed to created a list of financial questions for the next meeting in advance so that TCC could answer on paper.
- **April 30, 2025:** The Deferred Revenue question was again formally posed in writing, in advanced of the May 5th 2025 meeting.
- **May 5, 2025:** TCC provided answers to several questions on paper, but omitted the Deferred Revenue question, stating they missed it.
- **June 13, 2025:** An email was sent to TCC's CEO noting that the Deferred Income question remained unanswered.
- **June 19, 2025:** TCC's legal counsel responded in a letter, describing the deferred revenue as "vestiges of prior work" and "purely an accounting function," asserting that no money was owed to the Board.
- **June 23, 2025:** The Board's legal counsel replied, stating TCC's explanation was insufficient and that a detailed breakdown of the current balance was required for the Board to fulfill its oversight responsibilities, as the balance represents Board funds held by TCC.
- **June 26, 2025:** As a final step in negotiations, TCC and its attorneys again committed to providing a full answer to the deferred revenue question.

To finalize negotiations, both parties moved forward with a mutual understanding of several key action items. TCC's commitment to financial transparency was a cornerstone of this agreement. The relevant term was:

- **Term #6:** *"Ms. Wright [TCC's Financial Consultant] will work with TCC to answer Ms. Williams' question on FY25 deferred revenue. Ms. Williams agreed that all other prior years are closed."*
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Recent communications from TCC's legal counsel demonstrate a reversal of their commitment to honor Term #6 of the June 26 agreement.

On **August 12, 2025**, TCC's attorney, Suzanne Scrutton, stated in an email:

"The deferred revenue has nothing to do with the FY 26 contract."

When the Board's attorney inquired if this meant TCC would not be providing the promised answers, Ms. Scrutton did not respond to the question. Instead, she replied with two direct questions:

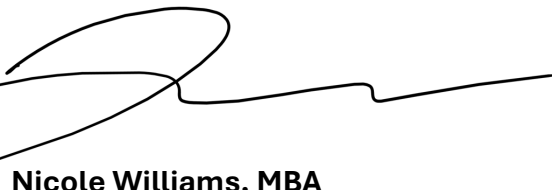
"Is there a signed FY 26 contract? Yes or no?" "Will the Board honor payment to TCC under the terms of the FY 26 contract? Yes or no?"

This exchange demonstrates a shift in TCC's position, from agreeing to provide the information on June 26th to now declining to answer and instead demanding the immediate execution of the new contract. This matter is further complicated by the fact that TCC's own CFO previously confirmed their FY24 audit was halted due to this specific issue.

The Board's position is guided by our primary duty as stewards of public funds.

An entity's refusal to account for significant funds from prior agreements is a material concern when entering into a new contract. The Board has acted in good faith for nearly a year to obtain this information. Given the current impasse, and on the advice of legal counsel, withholding the signature on the FY26 contract is the necessary course of action to ensure our fiduciary responsibilities are met.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicole Williams', with a large, stylized loop at the beginning and a long, horizontal stroke extending to the right.

Nicole Williams, MBA
Executive Director
The Mental Health & Recovery Board
of Wayne and Holmes Counties