



OHIO AUDITOR OF STATE
KEITH FABER



**MENTAL HEALTH & RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

Mental Health & Recovery Board of Clark, Greene and Madison Counties
Clark County
1055 East High Street
Springfield, Ohio 45505

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Mental Health & Recovery Board of Clark, Greene and Madison Counties, Clark County, Ohio (the Board) as of and for the fiscal year ended June 30, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Board prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Board does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Board as of June 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Mental Health & Recovery Board of Clark, Greene and Madison Counties, Clark County, as of June 30, 2019, for the fiscal year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board. We did not modify our opinion regarding this matter.

Other Matters

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 financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, 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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

April 30, 2020

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**MENTAL HEALTH & RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property Taxes	\$ 9,579,079		\$ 9,579,079
Intergovernmental	1,249,947	\$ 5,212,885	6,462,832
Rental	529,070		529,070
Miscellaneous	170,965	3,700	174,665
Total Cash Receipts	<u>11,529,061</u>	<u>5,216,585</u>	<u>16,745,646</u>
Cash Disbursements			
Salaries	961,007		961,007
Benefits	277,616		277,616
Treatment Services	8,493,788	5,070,439	13,564,227
Professional Services	114,811		114,811
Operating	59,699		59,699
Rent/Utilities	239,707		239,707
Repairs/Maintenance	129,690		129,690
Advertising/Printing	24,161	389	24,550
Insurance	43,265		43,265
Lease	10,435		10,435
Travel/Conference	16,989		16,989
Other	148,692	13,728	162,420
Capital Outlays	328,365	56,705	385,070
Debt Service:			
Principal Retirement	555,522		555,522
Interest and Fiscal Charges	10,019		10,019
Total Cash Disbursements	<u>11,413,766</u>	<u>5,141,261</u>	<u>16,555,027</u>
<i>Excess of Receipts Over Disbursements</i>	<u>115,295</u>	<u>75,324</u>	<u>190,619</u>
Other Financing Receipts (Disbursements)			
Prior Year Refund	69,659		69,659
Transfers In		25,000	25,000
Transfers Out	(25,000)		(25,000)
Advances In	57,512	334,085	391,597
Advances Out	(334,085)	(57,512)	(391,597)
Total Other Financing Receipts (Disbursements)	<u>(231,914)</u>	<u>301,573</u>	<u>69,659</u>
Net Change in Fund Cash Balances	(116,619)	376,897	260,278
Fund Cash Balances, July 1	<u>10,476,710</u>	<u>632,246</u>	<u>11,108,956</u>
Fund Cash Balances, June 30			
Restricted		1,009,143	1,009,143
Committed	165,430		165,430
Assigned	3,463,884		3,463,884
Unassigned	6,730,777		6,730,777
Fund Cash Balances, June 30	<u>\$ 10,360,091</u>	<u>\$ 1,009,143</u>	<u>\$ 11,369,234</u>

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

**MENTAL HEALTH & RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Agency Fund
Cash Receipts	
Total Cash Receipts	\$ -
Cash Disbursements	
Treatment Services	157,106
Operating	566
Advertising/Printing	239
Travel/Conference	150
Total Cash Disbursements	158,061
Net Change in Fund Cash Balance	(158,061)
Fund Cash Balance, July 1	210,428
Fund Cash Balance, June 30	\$ 52,367

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

Mental Health & Recovery Board of Clark, Greene and Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Mental Health & Recovery Board of Clark, Greene and Madison Counties, Clark County, (the Board) as a body corporate and politic. An eighteen-member Board is the governing Body. The Board's Director and the legislative authorities of the political subdivisions making up the Board appoint the other Board members. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Clark, Greene and Madison County Commissioners. 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 Clark County Auditor and the Clark County Treasurer serve respectively as fiscal officer and custodian of all public funds. 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 (cash basis) for all governmental and fiduciary fund types organized on a fund type basis.

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.

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:

OhioMHAS Continuum of Care Fund – This fund accounts for funding passed through the OhioMHAS to local mental health boards to provide mental health and alcohol drug abuse services to members of the community.

OhioMHAS SAPT Fund – This fund accounts for funding passed through the OhioMHAS to local mental health boards to provide alcohol and drug abuse services to members of the community.

Agency Funds – Agency funds are custodial in nature and do not involve measurement of results of operations. The Board is the custodian for the Madison County Substance Abuse Coalition, a group dedicated to increasing the awareness in the community about the misuse of legal drugs and abuse of illegal drugs, and the OhioMHAS Hot Spot funding for central Ohio Boards collaborative treatment and projects.

Mental Health & Recovery Board of Clark, Greene and Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires the Board to adopt a budget for each fund 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 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 fiscal year 2019 budgetary activity appears in Note 3.

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.

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.

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.

Mental Health & Recovery Board of Clark, Greene and Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Committed Board members can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Board members amend 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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Board or a Board official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not 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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending June 30, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$10,998,979	\$11,656,232	\$657,253
Special Revenue	5,852,242	5,575,670	(276,572)
Total	\$16,851,221	\$17,231,902	\$380,681

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,912,634	\$12,578,538	\$334,096
Special Revenue	6,207,916	6,207,916	0
Agency	210,428	210,428	0
Total	\$19,330,978	\$18,996,882	\$334,096

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Clark 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.

Mental Health & Recovery Board of Clark, Greene and Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

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.

Note 6 – Interfund Balances

Advances/Transfers

During the course of normal operations, the Board will, as necessary, transfer or advance cash between funds to meet current obligations. In 2019, net interfund transactions in the General Fund were (\$301,573).

Note 7 – Risk Management

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Board also provides health insurance and dental coverage to full-time employees through a private carrier. There was no reduction in the level of coverage during the year.

Note 8 – 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 this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Board contributed an amount equaling 14% of participants' gross salaries. The Board has paid all contributions required through June 30, 2019. See the financial report of Clark County, Ohio, for a complete pension disclosure.

Mental Health & Recovery Board of Clark, Greene and Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying 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 fiscal year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during fiscal year 2019. See the financial report of Clark County, Ohio, for a complete pension and opeb disclosures.

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.

Note 11 – Long-Term Obligations

Over the years, the Board has received numerous mortgage loans payable to fund construction or acquisition of facilities. These loans are being forgiven by the lender over 20 to 40 years, as long as the use of these facilities continues to provide the intended services for which the loans were granted. The loans are exempt from the debt limitations established by Section 5705.19 of the Ohio Revised Code.

The original and June 30, 2019 balances of these loans are as follows:

<u>Lender</u>	<u>Loan Number</u>	<u>Original Loan Amount</u>	<u>Balance as of 6/30/19</u>
OhioMHAS	MH-207	\$ 1,229,396	\$ 87,137
	MH-324	99,779	17,295
	MH-364	58,146	12,875
	MH-379	128,006	31,037
	MH-409	131,000	37,135
	MH-414	225,200	62,421
	MH-519	142,500	53,154
	MH-591	437,400	185,937
	MH-636	73,500	34,404
	MH-726	94,000	50,343
	MH-731	30,000	16,441
	MH-900	100,000	82,785
MH-1012	100,000	83,764	
City of Springfield, Ohio	n/a	302,500	302,500
OHFA	13-0134	500,000	416,665
Madison County	n/a	56,705	56,705
		<u>\$ 3,708,132</u>	<u>\$ 1,530,598</u>

On July 21, 2010, the Board entered into a tax exempt debt obligation through PNC Bank. Three mortgages with Huntington National Bank and one mortgage with Chase Bank were paid in full. The refinance was for a ten year fixed rate of 4.37% with the 600 Dayton-Yellow Springs Road, Fairborn, Ohio property as collateral. During 2019, the Board paid \$565,541, the remaining principal and interest, satisfying the debt obligation with PNC Bank.

Mental Health & Recovery Board of Clark, Greene and Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Note 12 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board. The impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**MENTAL HEALTH & RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30,2019**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Award Year	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
<i>Passed Through Ohio Department of Mental Health and Addiction Services:</i>					
Social Services Block Grant	93.667	2018	N/A		\$ 57,512
		2019	N/A		155,007
Total Social Services Block Grant					<u>212,519</u>
Opioid STR	93.788	2018	1800582		13,000
		2019	1900467	\$ 561,509	561,509
		2019	1900117		75,000
Total Opioid STR				<u>561,509</u>	<u>649,509</u>
Block Grants for Prevention and Treatment of Substance Abuse:	93.959				
RCI/Womens Recovery Center		2019	1900287	297,931	297,931
McKinley Hall's women and Children's Program		2019	1900302	156,499	156,499
Treatment Per Capita		2019	N/A	552,710	552,710
Prevention Per Capita		2018	N/A	2,594	2,594
		2019	N/A	236,965	236,965
Total Block Grants for Prevention and Treatment of Substance Abuse				<u>1,246,699</u>	<u>1,246,699</u>
Block Grants for Community Mental Health Services:	93.958				
Block Grant Base		2019	N/A	217,066	219,266
Block Grant: Multi-System Youth		2019	N/A		80,368
MHRB Clark, Greene and Madison: Housing Solutions of Greene County		2019	N/A		24,175
Total Block Grants for Community Mental Health Services				<u>217,066</u>	<u>323,809</u>
Total U.S. Department of Health and Human Services				<u>2,025,274</u>	<u>2,432,536</u>
Total Expenditures of Federal Awards				<u>\$2,025,274</u>	<u>\$2,432,536</u>

N/A - Not applicable

The accompanying notes are an integral part of this schedule.

**MENTAL HEALTH & RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mental Health & Recovery Board of Clark, Greene and Madison Counties (the Board) under programs of the federal government for the fiscal year ended June 30, 2019. 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 (OhioMHAS) 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.

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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 & Recovery Board of Clark, Greene and Madison Counties
Clark County
1055 East High Street
Springfield, Ohio 45505

To the Board of Directors:

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 financial statements of the cash balances, receipts, and disbursements by fund type of the Mental Health & Recovery Board of Clark, Greene and Madison Counties, Clark County, (the Board) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements and have issued our report thereon dated April 30, 2020 wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will 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) to determine the 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 determination of financial statement amounts. 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

April 30, 2020

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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 & Recovery Board of Clark, Greene and Madison Counties
Clark County
1055 East High Street
Springfield, Ohio 45505

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited the Mental Health & Recovery Board of Clark, Greene and Madison Counties' (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 & Recovery Board of Clark, Greene and Madison Counties' major federal program for the fiscal year ended June 30, 2019. 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 programs.

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 & Recovery Board of Clark, Greene and Madison Counties complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2019.

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 the 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

April 30, 2020

**MENTAL HEALTH & RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP Unmodified under Regulatory Basis
(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):	CFDA #93.959 – Block Grants for Prevention and Treatment of Substance Abuse
(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 CLARK, GREENE AND MADISON
CLARK COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 26, 2020**