



OHIO AUDITOR OF STATE
KEITH FABER



**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY
DECEMBER 31, 2024**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report	1
Prepared by Management:	
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances For the Year Ended December 31, 2024.....	5
Notes to the Financial Statements.....	7
Schedule of Expenditures of Federal Awards.....	15
Notes to the Schedule of Expenditures of Federal Awards	16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	19
Schedule of Findings.....	23

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Mental Health Recovery Board Serving Warren and Clinton Counties
Warren County
201 Reading Road
Mason, Ohio 45040

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Mental Health Recovery Board Serving Warren and Clinton Counties, Warren County, Ohio (the Recovery Board), which comprises the cash balances, receipts and disbursements for the governmental fund type as of and for the year ended December 31, 2024, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2024, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Recovery Board, as of December 31, 2024, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Board, 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.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Recovery Board on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible 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 Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 opinions. 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 GAAS 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 GAAS 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 Board'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 Board's ability to continue as a going concern for a reasonable period of time.

Mental Health Recovery Board Serving Warren and Clinton Counties
Warren County
Independent Auditor's Report
Page 3

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 opinions on the Recovery Board's financial statements.

The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is 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, this schedule 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 June 24, 2025, on our consideration of the Recovery 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. 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 Board'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 Board's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 24, 2025

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**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES (Regulatory Cash Basis)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash Receipts:	12/31/2024
Property Taxes	6,724,653
Intergovernmental	
Federal	2,251,875
State	6,273,628
Grants	57,797
Other Receipts	106,740
<i>Total Cash Receipts</i>	15,414,693
 Cash Disbursements:	
Current:	
Salaries & Fringe Benefits	1,263,914
Supplies & Materials	6,568
Purchased Services	996,523
Dues, Fees, Travel & Other	172,589
Capital Equipment	207,028
Contract Disbursements - Federal	2,097,766
Contract Disbursements - State	5,149,607
Contract Disbursements - Local	6,074,098
<i>Total Cash Disbursements</i>	15,968,093
<i>Excess of Receipts Over(Under) Disbursements</i>	(553,400)
 Other Financing Receipts:	
Reimbursements	925
<i>Net Change in Fund Cash Balances</i>	(552,475)
Fund Cash Balance, January 1	15,395,175
Fund Cash Balance, December 31	<u>14,842,700</u>

See accompanying notes to the basic financial statements

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**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Mental Health Recovery Board Serving Warren and Clinton Counties, Warren County, (MHRB) as a body corporate and politic. MHRB is governed by a fourteen-member board whereby six members are appointed by the Ohio Department of Mental Health and Addiction Services (OhioMHAS), six members are appointed by the Warren County Commissioners and two members are appointed by the Clinton County Commissioners. MHRB's main sources of revenue are grants and other allocations from the OhioMHAS and a property tax levy in both counties.

MHRB provides alcohol, drug addiction and mental health services and programs to citizens of Warren and Clinton Counties. Private and public agencies are the primary service providers, through MHRB contracts.

MHRB management believes these financial statements present all activities for which MHRB is financially accountable.

2. Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Fund Accounting

MHRB 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 MHRB 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 MHRB for any purpose provided it is expended or transferred according to the general laws of Ohio.

C. 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 (C). This basis is similar to the cash receipts and disbursements accounting basis. MHRB 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 (C) permit.

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

The Ohio Revised Code requires MHRB to adopt a budget for each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. MHRB must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. 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.

3. Encumbrances

The Ohio Revised Code requires MHRB 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 2024 budgetary activity appears in Note 3.

E Capital Assets

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

F. 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.

G. Leases and SBITA's

MHRB is the lessor in various short-term leases (as defined by GASB 87) related to buildings under non-cancelable leases. Lease revenue is recognized when it is received. A summary of these leases appears in Note 10.

MHRB has entered into non-cancelable Subscription-Based Information Technology Arrangement (SBITA) contracts (as defined by GASB 96) for electronic signature software. All other software contracts are considered short-term (as defined by GASB 96). Subscription disbursements are recognized when they are paid.

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

H. Debt

MHRB has non-interest bearing debt with OhioMHAS. The financial statement does not report a liability for this debt. A summary of this debt appears in Note 11.

I. Fund Balance

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

1. Non-spendable

MHRB classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by MHRB and the nonspendable portion of the corpus in permanent funds. MHRB had no fund balances in this classification at December 31, 2024.

2. 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.

3. Committed

Board members can commit amounts via formal action (resolution). MHRB 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.

4. Assigned

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

5. 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.

MHRB policy is to apply 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

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Continued)

2. Summary of Significant Accounting Policies (Continued)

followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

3. Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$15,292,074	\$15,415,618	\$123,544
Total	<u>\$15,292,074</u>	<u>\$15,415,618</u>	<u>\$123,544</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,058,373	\$18,872,224	\$10,186,149
Total	<u>\$29,058,373</u>	<u>\$18,872,224</u>	<u>\$10,186,149</u>

4. Deposits and Investments

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

5. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which MHRB 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 February 28. If the property owner elects to pay semiannually, the first half is due February 28. The second half payment is due the following July 31.

Public utilities are also taxed on personal and real property located within the MHRB's area.

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

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

6. Risk Management

Commercial Insurance

MHRB has obtained commercial insurance for the following risks:

- Commercial General Liability & Property
- Bond Insurance Employee Dishonesty

Risk Pool Membership

MHRB is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of MHRB's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Auto Liability
- Employment Practices & Wrongful Acts

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31, 2023 (most recent information available):

Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

MHRB also provides health and life insurance and dental and vision coverage to its employees through a private carrier which is provided through its fiscal agent, Warren County. Workers' Compensation coverage is provided through its fiscal agent, Warren County.

7. Defined Benefit Pension Plans

MHRB' 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. For 2024 OPERS members contributed 10 percent of their gross salaries and MHRB contributed an amount equaling 14 percent of participants' gross salaries. MHRB has paid all contributions required as of December 31, 2024.

8. Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of employer contributions allocated to health care was 0 percent

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Continued)

8. Postemployment Benefits (Continued)

for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

9. Contingent Liabilities

Grants

Amounts grantor agencies pay to MHRB 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.

10. Lease Revenue

MHRB has entered into leases as lessor with funded agencies of MHRB for the following time frames and locations:

Talbert House (TH) – 1 year lease 7/1/24-6/30/25

- 204 Cook Road, Lebanon, Ohio

Butler Behavioral Health (BBH) – 1 year lease 7/1/24-6/30/25

- 212 Cook Road, Lebanon, Ohio

Rental Income for the year ended December 31, 2024 totaled \$106,740.

11. Long-Term Obligations

MHRB has entered into a non-interest bearing mortgage agreement with OhioMHAS. In accordance with the mortgage agreements, the loan is forgiven by the State of Ohio over a period of 40 years, under the condition that the facilities are used exclusively for the purpose of providing mental health services.

Effective 7/1/20, the mortgage on 201 Reading Road, Mason was transferred to the building at 204 Cook Road, Lebanon.

As of December 31, 2024, this obligation consisted of:

Mortgage, OhioMHAS, revised loan balance \$125,108, non-interest bearing note, forgiven by OhioMHAS in monthly installments of \$479, term expiring June 2028.	\$20,133
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Location: 204 Cook Road, Lebanon, Ohio

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Continued)

11. Long-Term Obligations (Continued)

Principal amounts of long-term obligations are expected to be forgiven for the following periods:

Year Ending:	
12/31/25	\$ 5,752
12/31/26	\$ 5,752
12/31/27	\$ 5,752
6/30/28	\$ 2,877
Total	\$20,133

Principal forgiven by OhioMHAS during the year ended December 31, 2024 totaled \$5,752.

12. Fund Balance Classification

Included in fund balance are amounts MHRB cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year end MHRB did not have any nonspendable fund balance. The assigned balance was as follows:

Fund Balance	<u>General Fund</u>
Assigned by:	
Outstanding Encumbrances	\$ 2,904,131
Total Assigned	\$ 2,904,131
 Total	\$ 2,904,131

In the general fund, outstanding encumbrances are considered assigned.

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April, 2023. MHRB will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

14. Purchase of Property

In September, 2024, five ADAMHS Boards (Brown, Clark/Greene/Madison, Clermont, Preble and Warren/Clinton) entered into a contract for \$5,012,172 to purchase and renovate property in Lebanon, Ohio for a regional transitional center. A downpayment of \$50,000 and monthly payments of \$22,000 are being paid to the owner while the building is being renovated. Final payment for the

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

14. Purchase of Property (Continued)

purchase price, net of monthly payments will be made upon completion of the renovations projected for March 2025. In addition, \$565,228 has been set aside for change orders, furniture & equipment and fees for a total cost of \$5,577,400.

The project will be funded by Federal and State capital funds from OhioMHAS and local matching funds as follows:

OhioMHAS-Federal ARPA State Fiscal Recovery Funds (ALI 21.027)	\$3,977,400
OhioMHAS-State Capital Project Funds – Brown County	\$ 800,000
Local Board Match	<u>\$ 800,000</u>
Total Project Revenue	\$5,577,400

MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION				
<i>Passed Through Ohio Department of Mental Health and Addiction Services (OhioMHAS)</i>				
Block Grants for Community Mental Health Services				
Community Investment-Board Allocation-Base	93.958	N/A	\$ 121,999	\$ 121,999
Community Investment-Board Allocation-Forensic Monitoring	93.958	N/A	-	2,200
Forensic Centers Restoration to Competency	93.958	N/A	-	9,950
Trauma Informed Care Training and Technical Assistance	93.958	N/A	-	5,000
Criminal Justice Innovations-Mental Health Court Program	93.958	N/A	-	7,500
BiPartisan Safer Community Act - Crisis Services	93.958	N/A	-	25,000
COVID-19 Emergency Funding - ARPA Forensic Centers	93.958	N/A	-	102,367
COVID-19 Emergency Funding - Mitigation Funds	93.958	N/A	-	1,649
Total Block Grants for Community Mental Health Services			\$ 121,999	\$ 275,665
Substance Abuse Prevention, Treatment, and Recovery Services Block Grant				
Prevention Services-Board Allocation-Prevention Youth Led	93.959	N/A	\$ -	\$ 3,015
Prevention Services-Board Allocation-Prevention	93.959	N/A	143,590	143,590
Community Investments-Board Allocation-Treatment	93.959	N/A	318,586	374,174
Housing-Substance Use Disorder Outreach-Client Supplies	93.959	N/A	8,968	8,968
COVID-19 Emergency Funding - Mitigation Funds	93.959	N/A	-	1,349
COVID-19/ARPA Emergency Funding - Treatment Access for Adults with Alcohol Use Disorder	93.959	N/A	155,999	163,799
COVID-19 Emergency Funding - Treatment Access for Adults with Alcohol Use Disorder	93.959	N/A	98,915	103,861
Total Substance Abuse Prevention, Treatment, and Recovery Services Block Grant			\$ 726,058	\$ 798,756
Social Services Block Grant (Title XX)	93.667	N/A	\$ 125,309	\$ 125,309
State Targeted Response to the Opioid Crisis Grants				
State Opioid and Stimulant Response - Ohio SOS 3.0 Projects - FFY24 Total State	93.788	N/A	662,255	804,653
Targeted Response to the Opioid Crisis Grants			\$ 662,255	\$ 804,653
Total - Substance Abuse and Mental Health Services Administration			\$ 1,635,621	\$ 2,004,383
Total U.S. Department of Health and Human Services			\$ 1,635,621	\$ 2,004,383
U.S. DEPARTMENT OF HOUSING and URBAN DEVELOPMENT				
<i>Passed Through the Ohio Department of Development (ODOD)</i>				
<i>Passed Through Ohio Department of Mental Health and Addiction Services (OhioMHAS)</i>				
Community Development Block Grants/Entitlement Grants				
Recovery Housing Subsidy Program	14.218	N/A	\$ -	\$ 2,400
Total U.S. Department of Housing and Urban Development			\$ -	\$ 2,400
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed Through the Warren County Board of County Commissioners</i>				
American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 Early Childhood Behavioral Health Program	21.027	N/A	\$ -	\$ 213,127
Total U.S. Department of Treasury			\$ -	\$ 213,127
Total Expenditures of Federal Awards			\$ 1,635,621	\$ 2,219,910

The accompanying notes are an integral part of this schedule.

**MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mental Health Recovery Board Serving Warren and Clinton Counties, Warren County (MHRB) under programs of the federal government for the year ended December 31, 2024. 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 MHRB, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MHRB.

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. Amounts passed through to subrecipients are reported on the cash basis in accordance with the Uniform Guidance.

NOTE C - INDIRECT COST RATE

MHRB has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance when allowable. Indirect cost rate under the State Opioid and Stimulant Response Grant is 5% as per the Ohio Department of Mental Health and Addiction Services.

NOTE D - SUBRECIPIENTS

MHRB 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, MHRB reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, MHRB 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 Serving Warren and Clinton Counties
Warren County
201 Reading Road
Mason, Ohio 45040

To the Board of Directors:

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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2024, and the related notes to the financial statements of the Mental Health Recovery Board Serving Warren and Clinton Counties, Warren County (the Recovery Board), and have issued our report thereon dated June 24, 2025, wherein we noted the Recovery Board followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Recovery Board's internal control over financial reporting (internal control) as a basis for designing 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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Recovery Board'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 Recovery Board'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 or significant deficiencies may exist that were not identified.

Mental Health Recovery Board Serving Warren and Clinton Counties
Warren County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Recovery Board'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 financial statements. 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 Recovery Board'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 Recovery Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 24, 2025



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

Mental Health Recovery Board Serving Warren and Clinton Counties
Warren County
201 Reading Road
Mason, Ohio 45040

To the Board of Directors:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mental Health Recovery Board Serving Warren and Clinton Counties' (the Recovery Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Mental Health Recovery Board Serving Warren and Clinton Counties' major federal programs for the year ended December 31, 2024. Mental Health Recovery Board Serving Warren and Clinton Counties' major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Mental Health Recovery Board Serving Warren and Clinton Counties complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). 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 Board 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 Board's compliance with the compliance requirements referred to above.

Mental Health Recovery Board Serving Warren and Clinton Counties
Warren County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance
Page 2

Responsibilities of Management for Compliance

The Recovery Board's 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 Board's federal programs.

Auditor's 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 Board'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 GAAS, *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 Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Board'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 Board'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 Board'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.

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 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.

Mental Health Recovery Board Serving Warren and Clinton Counties
Warren County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance
Page 3

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 24, 2025

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MENTAL HEALTH RECOVERY BOARD SERVING WARREN AND CLINTON COUNTIES
WARREN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, unmodified under the 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):	AL #93.788 Opioid State Targeted Response AL #93.959 Substance Abuse Prevention, Treatment, and Recovery Services Block Grant
(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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



MENTAL HEALTH RECOVERY BOARD SERVING WARREN & CLINTON COUNTIES

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/8/2025

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
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