



OHIO AUDITOR OF STATE
KEITH FABER



**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
BOARD OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY
DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Alcohol, Drug Addiction and Mental Health Services Board
of Tuscarawas and Carroll Counties
Tuscarawas County
119 Garland Drive SW
New Philadelphia, Ohio 44663

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 Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties, Tuscarawas County, Ohio (the Board), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, 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, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 Board, as of December 31, 2021, 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 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 Board on the basis of the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 Rev. Code § 117.38 and Ohio Admin. Code 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 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 the financial audit standards in the Comptroller General of the United States' *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 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 Board's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards (the Schedule) 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.

The Schedule is the responsibility of management 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, 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 July 24, 2023, 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. 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 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 Board's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 24, 2023

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Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas & Carroll Counties

Tuscarawas County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*

All Governmental Fund Types

For the Year Ended December 31, 2021

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$876,374	\$0	\$876,374
Intergovernmental	2,432,207	1,888,308	4,320,515
Miscellaneous	35,572	0	35,572
<i>Total Cash Receipts</i>	<u>3,344,153</u>	<u>1,888,308</u>	<u>5,232,461</u>
Cash Disbursements			
Current:			
Health:			
Salaries	390,948	0	390,948
Supplies	7,781	0	7,781
Equipment	14,017	0	14,017
Repairs	862	0	862
Contract Services	2,348,258	1,730,381	4,078,639
Insurance	79,394	0	79,394
Travel	1,569	0	1,569
OPERS	54,733	0	54,733
Workers' Comp	2,100	0	2,100
Other Expenses	18,677	0	18,677
Medicare	5,448	0	5,448
<i>Total Cash Disbursements</i>	<u>2,923,787</u>	<u>1,730,381</u>	<u>4,654,168</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>420,366</u>	<u>157,927</u>	<u>578,293</u>
Other Financing Receipts (Disbursements)			
Advances In	147,500	147,500	295,000
Advances Out	(147,500)	(147,500)	(295,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	420,366	157,927	578,293
<i>Fund Cash Balances, January 1</i>	<u>1,799,430</u>	<u>247,593</u>	<u>2,047,023</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,219,796</u></u>	<u><u>\$405,520</u></u>	<u><u>\$2,625,316</u></u>

See accompanying notes to the basic financial statements

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**Alcohol, Drug Addiction and Mental
Health Services Board of Tuscarawas
And Carroll Counties**

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

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll County (the Board), as a body corporate and politic. A fourteen-member Board is the governing Body. The Board includes members from those legislative authorities as well as citizens of the Board. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

The Board participates in the Tuscarawas County Healthcare Consortium. Further information can be found in Note 7.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Board’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types 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:

Alcohol and Drug Addiction Block Grant Fund – This fund receives reimbursements from the Ohio Department of Mental Health and Addiction Services for substance abuse treatment and prevention.

Federal Grants – Miscellaneous – This fund receives reimbursements from the U.S. Department of Housing and Urban Development for shelter plus care, and the Joe Otte Memorial Endowment Fund for substance abuse programs.

Women’s Set Aside – This fund is to provide for the existing and emerging needs of women addicted to or dependent upon alcohol and/or other drugs. This fund receives reimbursements from the Ohio Department of Mental Health and Addiction Services.

**Alcohol, Drug Addiction and Mental
Health Services Board of Tuscarawas
And Carroll Counties**

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

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 117-2-03 (C). 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 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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 2021 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:

**Alcohol, Drug Addiction and Mental
Health Services Board of Tuscarawas
And Carroll Counties**

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

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Trustees 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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Board applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

Note 3 –Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,547,500	\$3,491,653	(\$55,847)
Special Revenue	2,152,326	2,035,808	(116,518)
Total	\$5,699,826	\$5,527,461	(\$172,365)
2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,577,467	\$3,085,694	\$491,773
Special Revenue	2,197,134	2,054,203	142,931
Total	\$5,774,601	\$5,139,897	\$634,704

**Alcohol, Drug Addiction and Mental
Health Services Board of Tuscarawas
And Carroll Counties**

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

Note 4 – Deposits and Investments

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

Note 5 – Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Tuscarawas County.

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

Outstanding advances at December 31, 2021, consisted of \$147,500 advanced to special revenue funds from the General Fund to provide working capital for operations.

Note 7 – Risk Management

Healthcare Consortium

The Board participates in the Tuscarawas County Healthcare Consortium (the "Consortium"), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool for health insurance (including prescription and vision) coverage for its 29 subdivisions. The Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2021, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member's Plan Document and as established by law. The Board of Directors determines, as their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member's Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium. The Consortium's audited financial statements conform with generally accepted accounting principles, and reporting the following assets, liabilities and net position at December 31, 2021.

**Alcohol, Drug Addiction and Mental
Health Services Board of Tuscarawas
And Carroll Counties**

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

Assets	1,351,483
Liabilities	<u>1,382,396</u>
Net Position	(30,913)

Workers' Compensation

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

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

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

Note 8 – Lease Agreement

The Board has a lease agreement for the premises located at 119 Garland Drive SW, New Philadelphia, OH, which began in September 2016. The Board currently has a five-year lease at \$4,100 per month. The Board paid total rent of \$49,200 during 2021 for this lease agreement.

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Board 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 percent of their gross salaries, and the Board contributed an amount equaling 14 percent of participants' gross salaries. The Board has paid all contributions required through December 31, 2021.

**Alcohol, Drug Addiction and Mental
Health Services Board of Tuscarawas
And Carroll Counties**

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

Note 10 – 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 calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 11 – 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 12 – Fund Balances

Included in fund balance are amounts the Board 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 the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	14,407	176,322	190,729
Total	<u>\$14,407</u>	<u>\$176,322</u>	<u>\$190,729</u>

The fund balance of special revenue funds is either restricted or committed. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Board received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Board. The impact on the Board's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 14 – Subsequent Events

The Board continues in the planning phase for developing a men's treatment facility. The project is anticipated to cost approximately \$2,770,000, with funding from the Tuscarawas County Commissioners, Ohio Department of Mental Health & Addiction Services, and Board unappropriated reserves.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Direct Program:</i>				
Continuum of Care Program	14.267	N/A	\$0	\$276,797
Total U.S. Department of Housing and Urban Development			0	276,797
<u>U.S. DEPARTMENT OF TREASURY</u>				
<i>Passed through the Ohio Department of Mental Health and Addiction Services:</i>				
<i>Coronavirus Relief Fund:</i>				
CARES - SFY 2021	21.019	N/A	0	69,750
CARES - SFY 2022	21.019	N/A	0	5,250
Total Coronavirus Relief Fund:			0	75,000
Total U.S. Department of Treasury			0	75,000
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through the Ohio Department of Developmental Disabilities:</i>				
Special Education - Grants for Infants and Families	84.181	H181A190024	0	81,837
		H181A200024	0	53,118
Total Special Education - Grants for Infants and Families			0	134,955
Total U.S. Department of Education			0	134,955
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Stark County Mental Health & Addiction Recovery:</i>				
COVID-19 Emergency Grants to Address Mental Health and Substance Use Disorder	93.665		0	23,871
<i>Passed through the Ohio Department of Mental Health and Addiction Services:</i>				
<i>Social Services Block Grant Program:</i>				
Social Services Block Grant - SFY 2021	93.667	N/A	56,157	56,157
Social Services Block Grant - SFY 2022	93.667	N/A	19,164	19,164
Total Social Services Block Grant Program			75,321	75,321
<i>Opioid STR Program:</i>				
Opioid STR - SFY 2021	93.788	H79TI081684	0	28,052
Opioid STR - SFY 2021	93.788	H79TI083294	67,744	110,661
Opioid STR - SFY 2022	93.788	H79TI083294	67,025	83,179
Total Opioid STR Program			134,769	221,892
<i>Block Grants for Community Mental Health Services Program:</i>				
Community Plan - SFY 2021	93.958	N/A	40,402	40,402
Community Plan - SFY 2022	93.958	N/A	40,402	40,402
Total Block Grants for Community Mental Health Services Program			80,804	80,804
<i>Block Grants for Prevention and Treatment of Substance Abuse (SABG) Program:</i>				
Women's Treatment and Recovery Grant-SFY 2021	93.959	2100025	0	74,852
Women's Treatment and Recovery Grant-SFY 2022	93.959	2200132	0	41,093
Block Grants for Prevention and Treatment of Substance Abuse (SABG) SFY 2021	93.959	N/A	173,543	241,493
Block Grants for Prevention and Treatment of Substance Abuse (SABG) SFY 2022	93.959	N/A	112,140	112,140
Total Block Grants for Prevention and Treatment of Substance Abuse (SABG)			285,683	469,578
<i>Mental Health Disaster Assistance and Emergency Mental Health Program:</i>				
Mental Health Disaster Assistance and Emergency Mental Health	93.982	N/A	75,499	75,499
Mental Health Disaster Assistance and Emergency Mental Health	93.982	NA	29,708	29,708
Total Mental Health Disaster Assistance and Emergency Mental Health Program			105,207	105,207
Total U.S. Department of Health and Human Services			681,784	976,673
Total Expenditures of Federal Awards			\$681,784	\$1,463,425

The accompanying notes are an integral part of this Schedule.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH
SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties (the Board) under programs of the federal government for the year ended December 31, 2021. 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, changes in net position, or cash flows 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 Developmental Disabilities and the Ohio Department of Alcohol and Drug Addiction Services 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.

NOTE E – MATCHING REQUIREMENTS

Certain Federal programs require the Board to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Board has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



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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

Alcohol, Drug Addiction and Mental Health Services Board
of Tuscarawas and Carroll Counties
Tuscarawas County
119 Garland Drive SW
New Philadelphia, Ohio 44663

To the Board of Directors:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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, 2021 and the related notes to the financial statements of the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties, Tuscarawas County, (the Board) and have issued our report thereon dated July 24, 2023, wherein we noted the 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 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2021-001.

Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the Finding identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plan. The Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 24, 2023



**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**

Alcohol, Drug Addiction and Mental Health Services Board
of Tuscarawas and Carroll Counties
Tuscarawas County
119 Garland Drive SW
New Philadelphia, Ohio 44663

To the Board of Directors:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties', Tuscarawas County (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 the Alcohol, Drug Addiction and mental Health Services Board of Tuscarawas and Carroll Counties' major federal programs for the year ended December 31, 2021. The Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties' major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

Qualified Opinion on the Opiod STR Program

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Opiod STR Major Federal Program for the year ended December 31, 2021.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 2021.

[ENTITY NAME]

Tuscarawas 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

Basis for Qualified and Unmodified Opinions

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 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Opioid STR Program

As described in Findings 2021-002 through 2021-004 in the accompanying Schedule of Findings, the Board did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2021-002	93.788	Opioid STR Program	Procurement and Suspension and Debarment
2021-003	93.788	Opioid STR Program	Cash Management
2021-004	93.788	Opioid STR Program	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for the Board to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

The 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 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 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 Board's compliance with the requirements of each major federal program as a whole.

[ENTITY NAME]

Tuscarawas 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

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 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 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 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Board's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Corrective Action Plan. The Board's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as items 2021-002 through 2021-004 to be material weaknesses.

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.

[ENTITY NAME]

Tuscarawas 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 4

Government Auditing Standards requires the auditor to perform limited procedures on the Board's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Corrective Action Plan. The Board's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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
Auditor of State
Columbus, Ohio

July 24, 2023

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(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)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(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 <ul style="list-style-type: none"> • AL #93.788 Opioid STR Program - Qualified • AL #93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) Program – Unmodified 	
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • AL #93.788 Opioid STR Program • AL #93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) Program 	
(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

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2021-001

Noncompliance

2 C.F.R. § 3474.1 gives regulatory effect to the Department of Education and **2 C.F.R. § 300.1** gives regulatory effect to the Department of Health and Human Services for **2 C.F.R. Subpart F § 200.510(b)** which requires the Board to prepare the Schedule of Expenditures of Federal Awards (the Schedule) for the period covered by the Board's financial statements which must include the total federal awards expended as determined in accordance with § 200.502.

At a minimum, the schedule must:

- 1) List individual Federal programs by Federal agency.
- 2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- 3) Provide total Federal awards expended for each individual Federal program and the AL number or other identifying number when the AL information is not available.
- 4) Include the total amount provided to subrecipients from each Federal program.
- 5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
- 6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

The Board prepared the Schedule identifying pass through entities, direct funding and total expenditures by grant year. However, the following reporting errors were noted regarding the Board's Schedule:

- Subrecipient determinations performed by the Board for the Special Education - Grants for Infants and Families were not accurate as \$134,955 in expenditures were shown as being passed through to subrecipients that should have been shown as Board expenditures only.
- Subrecipient determinations performed by the Board for the Opioid State Targeted Response Grant were not accurate as \$87,123 in expenditures were shown as being passed through to subrecipients that should have been shown as Board expenditures only.
- Subrecipient determinations performed by the Board for the Substance Abuse Block Grant were not accurate as expenditures shown as being passed through to subrecipients were overstated by \$991.

Adjustments, to which management have agreed, are reflected in the accompanying Schedule. Errors and omissions on the Schedule of Expenditures of Federal Awards (the Schedule) could have an adverse effect on future grant awards by the awarding agency in addition to an inaccurate assessment of major federal programs that would be subjected to audit.

Board management should implement a system to review the Schedule for errors and omissions. This will help ensure the Schedule is complete and accurate and major federal programs are correctly identified for audit.

Officials' Response: See Corrective Action Plan.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

1. Procurement and Suspension and Debarment

Finding Number:	2021-002
Assistance Listing Number and Title:	AL # 93.778 Opioid STR Program
Federal Award Identification Number / Year:	H79TI081684, H79TI083294 / 2021, 2022
Federal Agency:	U.S. Department of Health and Human Services Agency
Compliance Requirement:	Procurement and Suspension and Debarment
Pass-Through Entity:	Ohio Department of Mental Health and Addiction Services
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 C.F.R. § 376.10 gives regulatory effect to the Department of Health and Human Services for **2 C.F.R. Part 180. 2 C.F.R. § 180.220(b)** provides that a contract for goods or services is a covered transaction if the contract is awarded by a participant in a nonprocurement transaction that is covered under § 180.210, and the amount of the contract is expected to equal or exceed \$25,000. **2 C.F.R. § 376.220** states that in addition to the contracts covered under 2 C.F.R. § 180.220(b), this part also applies to all lower tiers of subcontracts under covered nonprocurement transactions, as permitted under the OMB guidance at 2 C.F.R. § 180.220(c). **2 C.F.R. § 180.300** provides that when you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by: (a) checking SAM exclusions; or (b) collecting a certification from that person; or (c) adding a clause or condition to the covered transaction with that person.

45 C.F.R. § 75.329 provides the procurement methods required for non-Federal entities. 45 C.F.R. § 75.329(b) states small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Additionally, Board Policy VII-A.10 "Federal Funds - Procurement" provides procedures for the small purchases procurement method, including obtaining the required price quotes from at least three qualified sources. The policy also states that the Fiscal Manager shall confirm that the supplier is not debarred or suspended by doing one of the following: checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at www.sam.gov; collecting a certification from the supplier; or adding a clause or condition to the covered transaction with that supplier.

The Board did not have proper internal controls in place to ensure that procurement procedures were followed as one vendor was paid \$13,505 from the Opioid Sate Targeted Response Program and no price quotes were obtained.

Also, the Board did not have the proper internal controls in place to verify that all entities, with whom the Board had entered into covered transactions, had not been suspended or debarred. During testing for Opioid State Targeted Response Grant, we noted one instance in which each program had a payment to a vendor of more than \$25,000 and there was no evidence the Board checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2021-002 (Continued)

1. Procurement and Suspension and Debarment (Continued)

Due to the deficient internal control structure, the required verification was not completed for the two covered transactions in the Opioid State Targeted Response Grant.

Failing to have the appropriate controls in place may result in vendors receiving federal funds that are suspended or debarred.

Prior to contracting with vendors that will be paid with federal funds, the Board should ensure that procurement requirements are followed. In addition, the Board should verify that the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Officials' Response: See Corrective Action Plan.

2. Cash Management

Finding Number:	2021-003
Assistance Listing Number and Title:	AL # 93.788 Opioid STR Program
Federal Award Identification Number / Year:	H79TI081684, H79TI083294 / 2021, 2022
Federal Agency:	U.S. Department of Health and Human Services Agency
Compliance Requirement:	Cash Management
Pass-Through Entity:	Ohio Department of Mental Health and Addiction Services
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

45 C.F.R § 75.305(b)(3) states, in part, that when the reimbursement method is used, the HHS (Health and Human Services) awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the HHS awarding agency or pass-through entity reasonably believes the request to be improper.

Additionally, ADAMHS Board of Tuscarawas and Carroll Counties Policies and Procedures Manual, Standard: VII-A.10, *Federal Funds - Internal Controls* states that the Board shall disburse or obligate federal funds received by the Board in a timely manner to minimize the time elapsing between the transfer of funds to the Board and their disbursement.

During testing of the Opioid STR Program, we noted that there were no controls in place to ensure that payments were made within 30 days. This is evident as all 7 cash drawdowns were primarily based on invoices received that were not paid by the time of the drawdown. As such, we noted that \$216,673 out of \$221,892 in 2021 federal expenditures had invoices that were not paid within 30 days of receipt as required. Also, we determined that the Board's policy is not in compliance with 45 C.F.R. § 75.305.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2021-003 (Continued)

2. Cash Management (Continued)

The Board should implement procedures to ensure that invoices are paid within 30 days of receipt in order to comply with 45 C.F.R § 75.305.

Officials' Response: See Corrective Action Plan.

3. Subrecipient Monitoring

Finding Number:	2021-004
Assistance Listing Number and Title:	AL # 93.788 Opioid STR Program
Federal Award Identification Number / Year:	H79TI081684, H79TI083294 / 2021, 2022
Federal Agency:	U.S. Department of Health and Human Services Agency
Compliance Requirement:	Subrecipient Monitoring
Pass-Through Entity:	Ohio Department of Mental Health and Addiction Services
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

45 C.F.R. § 75.352(a) and (d) requires that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. Required information includes federal award identification, federal award notification and all requirements imposed by the pass through-entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Additionally, the pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Although the Board entered into an agreement with Ohio Guidestone for several types of services, the Board did not include the required information indicating that the provider was a subrecipient of the Opioid State Targeted Response grant. The Board also did not properly monitor the activity of the subrecipient related to the grant requirements.

Without adequate procedures in place to monitor subrecipient compliance with federal statutes, laws and regulations, there is an increased risk subrecipients may misuse subaward funds for unauthorized purposes. This could lead to fines, penalties, or repayment of program funding being imposed by the federal grantor agency.

ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF TUSCARAWAS AND CARROLL COUNTIES
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2021-004 (Continued)

3. Subrecipient Monitoring (Continued)

The Board should evaluate its current control procedures and processes over subrecipient monitoring and update them as necessary to reasonably ensure compliance with 45 C.F.R. § 75.352. The Board should ensure that subrecipients are properly notified of the subaward along with the requirements imposed by the pass through-entity on the subrecipient. The Board should also perform monitoring procedures over the subrecipient activity to ensure that the grant requirements are being met.

Officials' Response: See Corrective Action Plan.

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2021

Finding Number: 2021-001

Planned Corrective Action:

Effective immediately, both the Fiscal Manager and the Operations Manger will be required to review and approve the Schedule of Expenditures of Federal Awards prior to submission. Also, all receipts and expenditures of federal grants shall be tracked and monitored by the Operations Manager. Additional grant tracking will allow for utilization oversight and fiscal evaluation.

Anticipated Completion Date:

Effective July 1, 2023

Responsible Contact Person:

Michelle Sayre
Danielle Lurie

Finding Number: 2021-002

Planned Corrective Action:

On April 21, 2023 the ADAMHS Board of Directors approved updated Uniform Guidance Policies; specifically, a policy to ensure compliance with procurement requirements pursuant to Ohio Law and the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award. Staff also created a Procurement Checklist for use of Federal Funds. This checklist is attached.

Anticipated Completion Date:

Effective April 21, 2023

Responsible Contact Person:

Michelle Sayre
Danielle Lurie

Finding Number: 2021-003

Planned Corrective Action:

On April 21, 2023 the ADAMHS Board of Directors approved revisions to the Fiscal Operations Policy with one specific change allowing staff to process vouchers, as well as Then and Now Requests, outside of Board meetings to ensure prompt payment of all expenses, ensuring compliance with Uniform Guidance prompt payment and cash management requirements. Fiscal Policy revisions became effective on July 1, 2023.

Anticipated Completion Date:
Effective July 1, 2023
Responsible Contact Person:
Michelle Sayre
Danielle Lurie

Finding Number: 2021-004

Planned Corrective Action:

On April 21, 2023 the ADAMHS Board of Directors approved updated Uniform Guidance Policies; specifically, a policy to ensure compliance with subrecipient monitoring requirements pursuant to Ohio Law and the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award. Staff also created a Subrecipient of Federal Funds Monitoring Checklist for use of Federal Funds. This checklist is attached.

Anticipated Completion Date:
Effective April 21, 2023
Responsible Contact Person:
Michelle Sayre
Danielle Lurie

Procurement Checklist for use of Federal Funds

Fund Name: _____ FY: _____

Vendor: _____

Identification of Method

*Purchase of service from OhioMHAS certified behavioral health providers and licensed facilities are considered to be non-competitive purchases under both state and federal law as OhioMHAS has authorized the use of non-competitive proposals for such purchases in ORC 340.

___ Is service, supply, material, etc. being purchased from an OhioMHAS certified behavioral health provider?

___ Yes (skip to Contract Award) ___ No (continue)

___ Anticipated Dollar Amount Spent in FY:

___ \$1 - \$10,000 ___ \$10,001 - \$50,000 ___ \$50,001 +

Small Purchase (\$10,001 - \$50,000 cumulative)

___ Three Price Rates Obtained?

___ Yes ___ No. If not, why: _____

___ Reason for selecting quote/vendor: _____

Competitive Sealed Bid/Proposal (\$50,000+)

___ Invitation to Bid _____ Request for Proposal (negotiated) _____

___ ADAMHS Board motion to seek sealed bid/proposal. Date: _____

___ Date established for bid/proposal opening. Date: _____

___ Notice of Invitation to bid posted and mailed at least 21 days prior to due date.

___ ADAMHS Board motion to accept/reject bid/proposal. Date: _____

___ Proposals scored (if applicable).

Contract Award

___ Does vendor have any certified unresolved findings of recovery with the Ohio Auditor of State?

___ Yes ___ No

___ Vendor is registered in the Federal Government's System for Award Management (SAM). www.sam.gov

___ Is vendor debarred or suspended in SAM:

___ Yes ___ No

Subrecipient of Federal Funds Monitoring Checklist

Provider: _____

Identification

- ___ Checklist for Determination of Contractor or Subrecipient Relationship
_____ Contractor (stop here) _____ Subrecipient (continue checklist)
- ___ Subrecipient's Unique Entity Identifier
- ___ Federal Award Identification Number (FAIN)
- ___ Federal Award Date (date signed by Federal Agency)
- ___ Period of Performance Start and End Date
- ___ Total Amount of Federal Funds Allocated
- ___ Project Description
- ___ Name of Federal Awarding Agency, Board and Board Contact Info.
- ___ CFDA Name and Number
- ___ Dollar Amount Made Available Under Each Federal Award and the CFDA at Time of Disbursement
- ___ Identification of Whether the Award is Research and Development
- ___ Indirect Cost Rate for the Federal Award

Risk Assessment

- _____ Low _____ Medium _____ High
- ___ Due No later Than 30 Days After Effective Date of Contract
- ___ If Applicable, Documentation of Additional Monitoring

Monitoring

- ___ Review of Financial and Performance Reports
- ___ Follow up on Financial and Performance Review (if applicable)
- ___ Issuance of Management Decision for Audit Findings (if applicable)
- ___ Audit Verification Date: _____
- ___ Record Adjustment (if applicable)
- ___ Enforcement Action (if applicable, attach documentation)

OHIO AUDITOR OF STATE KEITH FABER



**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD OF TUSCARAWAS AND
CARROLL COUNTIES**

TUSCARAWAS 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 8/3/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov