



OHIO AUDITOR OF STATE
KEITH FABER



MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY
JUNE 30, 2022

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.....	5
Combined Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type	6
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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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Mental Health Recovery Board of Clark, Greene and Madison Counties, Clark County, Ohio (the Board), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the fiscal year ended June 30, 2022, 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 and the fiduciary fund type combined total as of and for the fiscal year ended June 30, 2022, 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 Board, as of June 30, 2022, or the changes in financial position thereof for the fiscal 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 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.

Emphasis of Matter

As described in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Board. Our opinion is not modified with respect to this matter.

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 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 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 May 10, 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

May 10, 2023

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MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE & MADISON COUNTIES
CLARK COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (Regulatory Cash Basis)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 10,101,647	\$ -	\$ 10,101,647
Intergovernmental	1,226,684	7,541,610	8,768,294
Rental	325,735	-	325,735
Miscellaneous	161,932	45,340	207,272
<i>Total Cash Receipts</i>	<u>11,815,998</u>	<u>7,586,950</u>	<u>19,402,948</u>
Cash Disbursements			
Salaries	846,466	14,369	860,835
Benefits	259,917	1,935	261,852
Treatment Services	6,481,693	7,659,208	14,140,901
Professional Services	200,723	7,189	207,912
Operating	30,302	-	30,302
Rent/Utilities	159,727	-	159,727
Repairs/Maintenance	244,449	-	244,449
Advertising/Printing	18,026	410	18,436
Insurance	35,010	-	35,010
Lease	11,727	-	11,727
Travel/Conference	4,017	-	4,017
Other	163,441	-	163,441
Capital Outlays	51,979	-	51,979
<i>Total Cash Disbursements</i>	<u>8,507,477</u>	<u>7,683,111</u>	<u>16,190,588</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,308,521</u>	<u>(96,161)</u>	<u>3,212,360</u>
Other Financing Receipts (Disbursements)			
Prior Year Refund	6,614	-	6,614
Advances In	1,957,068	22,779	1,979,847
Advances Out	(22,779)	(1,957,068)	(1,979,847)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,940,903</u>	<u>(1,934,289)</u>	<u>6,614</u>
<i>Net Change in Fund Cash Balances</i>	<u>5,249,424</u>	<u>(2,030,450)</u>	<u>3,218,974</u>
<i>Fund Cash Balances, July 1</i>	<u>11,627,555</u>	<u>2,907,733</u>	<u>14,535,288</u>
<i>Fund Cash Balances, June 30</i>	<u><u>16,876,979</u></u>	<u><u>877,283</u></u>	<u><u>17,754,262</u></u>

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

MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE & MADISON COUNTIES
CLARK COUNTY
COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGE IN FUND BALANCE (Regulatory Cash Basis)
FIDUCIARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Custodial
Total Additions	\$ -
Total Deductions	4,528
<i>Net Change in Fund Cash Balance</i>	(4,528)
<i>Fund Cash Balance, July 1</i>	40,392
<i>Fund Cash Balance, June 30</i>	\$ 35,864

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

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Mental Health Recovery Board of Clark, Greene & Madison Counties, Clark County, (the Board) as a body corporate and politic. An eighteen-member Board is the governing Body. The Board's Director and the legislative authorities of the political subdivisions making up the Board appoint the other Board members. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Clark, Greene and Madison County Commissioners. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

The 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 and a combined statement of additions, deductions and change in fund balance (regulatory cash basis) for the fiduciary fund.

Fund Accounting

The Board uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Board are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Board for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Board had the following significant Special Revenue Funds:

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

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

Fiduciary Funds Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Board's custodial funds account for WeCare Coalition and the Greene County Drug Free Coalition; these groups are dedicated to increasing the awareness in the community about the misuse of legal drugs and abuse of illegal drugs.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

(Continued)

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. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) 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. Unencumbered appropriations lapse at fiscal 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 fiscal year end are carried over, and need not be reappropriated.

A summary of fiscal year 2022 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.

Leases

The Board is the lessor/lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

(Continued)

Fund Balance

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

Nonspendable The Board classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. 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 fiscal 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.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the fiscal year ending June 30, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$12,805,344	\$13,779,680	\$974,336
Special Revenue	7,306,992	7,609,729	302,737
Custodial	-	-	-
Total	\$20,112,336	\$21,389,409	\$1,277,073

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,761,761	\$11,424,386	\$2,337,375
Special Revenue	12,149,014	10,517,462	1,631,552
Custodial	40,392	40,392	-
Total	\$25,951,167	\$21,982,240	\$3,968,927

Note 4 – Deposits and Investments

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

Note 5 – Taxes

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

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

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

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

(Continued)

Note 6 – Interfund Balance

Outstanding advances at June 30, 2022 consisted of \$22,779 advanced to Special Revenue funds to provide working capital for operations or projects.

Note 7 – Risk Management

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

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

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Board 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 for calendar years 2021 and 2022. The Board has paid all contributions required through June 30, 2022.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar years 2021 and 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar years 2021 and 2022.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

(Continued)

Note 11 – Long-Term Obligations

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

The original and June 30, 2022 balances of these loans are as follows:

Lender	Loan Number	Original Loan Amount	Balance as of 6/30/22
OhioMHAS	MH-207	\$ 1,229,396	\$ -
	MH-324	99,779	9,792
	MH-364	58,146	8,504
	MH-379	128,006	21,488
	MH-409	131,000	27,304
	MH-414	225,200	45,525
	MH-519	142,500	42,465
	MH-591	437,400	153,123
	MH-636	73,500	28,272
	MH-726	94,000	43,290
	MH-731	30,000	14,191
	MH-900	100,000	72,783
	MH-1012	100,000	74,764
City of Springfield, Ohio	n/a	302,500	302,500
OHFA	13-0134	500,000	366,664
Madison County	n/a	56,705	56,705
		<u>\$ 3,708,132</u>	<u>\$ 1,267,370</u>

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

(Continued)

Note 12 – Fund Balances

Included in fund balance are amounts for encumbrances. 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 fiscal 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	<u>\$ 2,894,130</u>	<u>\$ 877,283</u>	<u>\$ 3,771,413</u>
Total	<u>\$ 2,894,130</u>	<u>\$ 877,283</u>	<u>\$ 3,771,413</u>

The fund balance of special revenue funds is either restricted or committed and would include the outstanding encumbrances. 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 2022, the Board received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may 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.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing Number	Award Year	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through Ohio Department of Mental Health and Addiction Services:					
COVID-19 Emergency Grants to Address Mental and Substance Abuse Use Disorders during COVID-19	93.665	2022	N/A	\$ 59,588	\$ 59,588
Social Services Block Grant	93.667	2022	N/A	-	208,664
Opioid STR:	93.788				
SOR Board EBP Trainings NCE		2021	2100619	-	19,400
SOR NCE Local Projects		2021	2100798	508,576	532,225
SOR 2.0 Local Projects		2021	2100801	372,690	372,690
SOR 2.0 Local Projects		2022	2200385	670,604	670,604
Total Opioid STR				<u>1,551,870</u>	<u>1,594,919</u>
Block Grants for Community Mental Health Services:	93.958				
Block Grant Base		2022	N/A	-	219,266
COVID-19 Crisis Infrastructure		2022	N/A	-	50,000
DSA Housing		2022	N/A	-	42,900
Total Block Grants for Community Mental Health Services				<u>-</u>	<u>312,166</u>
Block Grants for Prevention and Treatment of Substance Abuse:	93.959				
RCI/Womens Recovery Center		2022	2200120	223,448	223,448
McKinley Hall's women and Children's Program		2022	2200133	156,499	156,499
Treatment Per Capita		2022	N/A	-	519,051
Prevention Per Capita		2022	N/A	211,971	211,971
Total Block Grants for Prevention and Treatment of Substance Abuse				<u>591,918</u>	<u>1,110,969</u>
Passed Through Montgomery County Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board:					
Mental Health Disaster Assistance and Emergency Mental Health	93.982	2021	N/A	-	437,123
Total U.S. Department of Health and Human Services				<u>2,203,376</u>	<u>3,723,429</u>
U.S. DEPARTMENT OF TREASURY					
Passed Through Ohio Department of Mental Health and Addiction Services:					
COVID-19 Coronavirus Relief Fund	21.019				
		2021	N/A	-	161,250
		2022	N/A	-	156,750
Total COVID-19 Coronavirus Relief Fund				<u>-</u>	<u>318,000</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2022	N/A	-	77,950
Total U.S. Department of Treasury				<u>-</u>	<u>395,950</u>
Total Expenditures of Federal Awards				<u>\$2,203,376</u>	<u>\$4,119,379</u>

N/A - Not applicable

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mental Health Recovery Board of Clark, Greene & Madison Counties (the Board) under programs of the federal government for the fiscal year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or change in net position of the Board.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The Board passes certain federal awards received from the Ohio Department of Mental Health and Addiction Services 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 pass-through agency and 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.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Directors:

We have audited, in accordance 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 and the fiduciary fund type combined total as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements of the Mental Health Recovery Board of Clark, Greene and Madison Counties, Clark County, (the Board) and have issued our report thereon dated May 10, 2023, wherein we noted the Board followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing recovery measures which may impact subsequent periods of the Board.

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 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 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

May 10, 2023



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

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 of Clark, Greene and Madison Counties', Clark 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 Mental Health Recovery Board of Clark, Greene and Madison Counties' major federal programs for the fiscal year ended June 30, 2022. Mental Health Recovery Board of Clark, Greene and Madison 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 and Recovery Board of Clark, Greene and Madison 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 fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 opinion 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.

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.

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.

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.

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
Auditor of State
Columbus, Ohio

May 10, 2023

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

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):	Opioid STR (AL #93.788) Block Grants for Prevention and Treatment of Substance Abuse (AL #93.959)
(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

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OHIO AUDITOR OF STATE KEITH FABER



MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE & MADISON COUNTIES

CLARK 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 6/1/2023

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