



OHIO AUDITOR OF STATE
KEITH FABER



**MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE AND MADISON COUNTIES
CLARK COUNTY
JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the fiscal year ended June 30, 2021, and related notes of the Mental Health Recovery Board of Clark, Greene and Madison Counties, Clark County, Ohio (the Board).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting a financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Board, as of June 30, 2021, and the changes in financial position thereof for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the fiscal year ended June 30, 2021, and related notes of the Mental Health Recovery Board of Clark, Greene and Madison Counties, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the Board has made changes to their cash basis reporting model. We did not modify our opinion regarding this matter.

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board. We did not modify our opinion regarding this matter.

Other Matters

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 28, 2022

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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, 2021

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$10,305,604	-	\$10,305,604
Intergovernmental	887,267	\$5,753,108	6,640,375
Rental	567,491	-	567,491
Miscellaneous	147,852	54,554	202,406
<i>Total Cash Receipts</i>	<u>11,908,214</u>	<u>5,807,662</u>	<u>17,715,876</u>
Cash Disbursements			
Salaries	996,092	14,026	1,010,118
Benefits	317,855	2,476	320,331
Treatment Services	7,705,550	6,131,575	13,837,125
Professional Services	104,615	185	104,800
Operating	40,018	-	40,018
Rent/Utilities	286,811	409	287,220
Repairs/Maintenance	219,716	-	219,716
Advertising/Printing	28,845	10,000	38,845
Insurance	53,956	-	53,956
Lease	10,104	-	10,104
Travel/Conference	24,510	-	24,510
Other	156,252	-	156,252
Capital Outlays	385,715	-	385,715
<i>Total Cash Disbursements</i>	<u>10,330,039</u>	<u>6,158,671</u>	<u>16,488,710</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,578,175</u>	<u>(351,009)</u>	<u>1,227,166</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	800	-	800
Advances In	296,901	1,957,068	2,253,969
Advances Out	(1,957,068)	(296,901)	(2,253,969)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,659,367)</u>	<u>1,660,167</u>	<u>800</u>
<i>Net Change in Fund Cash Balances</i>	(81,192)	1,309,158	1,227,966
<i>Fund Cash Balances, July 1 - Restated</i>	<u>11,708,747</u>	<u>1,598,575</u>	<u>13,307,322</u>
<i>Fund Cash Balances, June 30</i>	<u><u>11,627,555</u></u>	<u><u>2,907,733</u></u>	<u><u>14,535,288</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, 2021

	Custodial
Total Additions	-
Total Deductions	-
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balance, July 1 - Restated</i>	40,392
<i>Fund Cash Balance, June 30</i>	40,392

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, 2021

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 type.

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, 2021

(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 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.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2021

(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, 2021

(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the fiscal year ending June 30, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,284,667	\$12,205,915	\$921,248
Special Revenue	9,458,110	7,764,730	(1,693,380)
Custodial	-	-	-
Total	\$20,742,777	\$19,970,645	(\$772,132)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,864,959	\$13,479,276	\$385,683
Special Revenue	9,363,305	9,363,305	-
Custodial	40,392	40,392	-
Total	\$23,268,656	\$22,882,973	\$385,683

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, 2021

(Continued)

Note 6 – Interfund Balances

Outstanding advances at June 30, 2021, consisted of \$1,957,068 advanced to Special Revenue Fund 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 2020 and 2021. The Board has paid all contributions required through June 30, 2021.

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 2020 and 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar years 2020 and 2021.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2021

(Continued)

Note 10 – Contingent Liabilities

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

Note 11 – Long-Term Obligations

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

The original and June 30, 2021 balances of these loans are as follows:

Lender	Loan Number	Original Loan Amount	Balance as of 6/30/21
OhioMHAS	MH-207	\$ 1,229,396	\$ 25,629
	MH-324	99,779	12,293
	MH-364	58,146	9,961
	MH-379	128,006	24,671
	MH-409	131,000	30,581
	MH-414	225,200	51,157
	MH-519	142,500	46,028
	MH-591	437,400	164,061
	MH-636	73,500	30,316
	MH-726	94,000	45,641
	MH-731	30,000	14,941
	MH-900	100,000	76,117
	MH-1012	100,000	77,764
City of Springfield, Ohio	n/a	302,500	302,500
OHFA	13-0134	500,000	383,331
Madison County	n/a	56,705	56,705
		<u>\$ 3,708,132</u>	<u>\$ 1,351,696</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, 2021

(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	\$ 1,192,169	\$ 2,907,733	\$ 4,099,902
Total	<u>\$ 1,192,169</u>	<u>\$ 2,907,733</u>	<u>\$ 4,099,902</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 – Change in Accounting Principle

For 2021, the Board has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, changing the combined statement of receipts, disbursements and change in fund balance (cash basis) – fiduciary fund to the combined statement of additions, deductions, and change in fund balance (regulatory cash basis) – fiduciary fund type, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change restated beginning cash balance in the special revenue fund type from \$1,597,346 to \$1,598,575 and in the fiduciary fund type from \$41,621 to \$40,392.

Note 14 – 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 may impact subsequent periods of the Board. The impact on the Board's future operating costs, revenues, and additional recovery from emergency 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, 2021**

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					
<i>Passed Through Ohio Department of Mental Health and Addiction Services:</i>					
COVID-19 Emergency Grants to Address Mental and Substance Abuse Use Disorders during COVID-19	93.665	2020	N/A	\$ 49,349	\$ 49,349
Social Services Block Grant	93.667	2021	N/A	-	208,085
Opioid STR:	93.788				
SOR Local Projects T/R		2020	2000422	270,973	278,573
SOR Local Projects T/R		2020	2100431	99,179	99,179
SOR NCE Local Projects		2021	2100798	150,872	183,139
SOR 2.0 Local Projects		2021	2100801	283,358	283,358
Total Opioid STR				<u>804,382</u>	<u>844,249</u>
Block Grants for Community Mental Health Services:	93.958				
Block Grant Base		2021	N/A	-	219,266
MHRB Clark, Greene and Madison Housing Solutions of Greene County		2021	N/A	-	25,125
Total Block Grants for Community Mental Health Services				<u>-</u>	<u>244,391</u>
Block Grants for Prevention and Treatment of Substance Abuse:	93.959				
RCI/Womens Recovery Center		2021	2100013	297,931	297,931
McKinley Hall's women and Children's Program		2021	2100026	156,499	156,499
Treatment Per Capita		2021	N/A	-	552,710
Prevention Per Capita		2021	N/A	236,965	236,965
Total Block Grants for Prevention and Treatment of Substance Abuse				<u>691,395</u>	<u>1,244,105</u>
<i>Passed Through Montgomery County Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board:</i>					
Mental Health Disaster Assistance and Emergency Mental Health	93.982	2021	N/A	-	15,684
Total U.S. Department of Health and Human Services				<u>1,545,126</u>	<u>2,605,863</u>
U.S. DEPARTMENT OF TREASURY					
<i>Passed Through Ohio Department of Mental Health and Addiction Services:</i>					
COVID-19 Coronavirus Relief Fund	21.019	2021	N/A	206,750	206,750
Total U.S. Department of Treasury				<u>206,750</u>	<u>206,750</u>
Total Expenditures of Federal Awards				<u>\$1,751,876</u>	<u>\$2,812,613</u>

N/A - Not applicable

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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



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

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the fiscal year ended June 30, 2021, and related notes of the Mental Health Recovery Board of Clark, Greene and Madison Counties, Clark County, (the Board) and have issued our report thereon dated March 28, 2022, 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 Board has made changes to their cash basis reporting model and the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Board.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Board's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Board's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 28, 2022



88 East Broad Street
Columbus, Ohio 43215
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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

We have audited the Mental Health Recovery Board of Clark, Greene and Madison Counties’ (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Mental Health Recovery Board of Clark, Greene and Madison Counties’ major federal programs for the fiscal year ended June 30, 2021. The *Summary of Auditor’s Results* in the accompanying schedule of findings identifies the Board’s major federal programs.

Management’s Responsibility

The Board’s Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to each of its federal programs.

Auditor’s Responsibility

Our responsibility is to opine on the Board’s compliance for each of the Board’s major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States’ *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Board’s major programs. However, our audit does not provide a legal determination of the Board’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Mental Health Recovery Board of Clark, Greene and Madison Counties complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Board's internal control over compliance with the applicable requirements that could directly and materially affect each of its major federal programs, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 28, 2022

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021**

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):	COVID-19 Coronavirus Relief Fund (AL# 21.019) 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 4/12/2022

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov