

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

**Single Audit**

**For the Year Ended December 31, 2021**





OHIO AUDITOR OF STATE  
KEITH FABER



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(800) 282-0370

Members of the Board  
Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services  
53 Shawnee Lane  
Gallipolis, OH 45631

We have reviewed the *Independent Auditor's Report* of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services, Gallia County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

July 01, 2022

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**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY  
For Year Ending December 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Gallia-Jackson-Meigs Board of Alcohol, Addiction and Mental Health Services  
Gallia County  
53 Shawnee Lane  
Gallipolis, Ohio 45631

To the Members of the Board:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Gallia-Jackson-Meigs Board of Alcohol, Addiction and Mental Health Services, Gallia, 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 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 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 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 discussed in note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board. We did not modify our opinions regarding 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 opinion. 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 (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 May 11, 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. 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.



***Charles E. Harris & Associates, Inc.***  
May 11, 2022

**Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services**

*Gallia 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)
<b>Cash Receipts</b>			
Grants	\$ 4,521,253	\$ 408,491	\$ 4,929,744
Charges for Services - Administrative	-	20,898	20,898
Other	86,139	5,000	91,139
<i>Total Cash Receipts</i>	<u>4,607,392</u>	<u>434,389</u>	<u>5,041,781</u>
<b>Cash Disbursements</b>			
Salaries	445,403	38,687	484,090
Supplies	2,151	494	2,645
Equipment	4,500	-	4,500
Contracts - Administrative	-	20,898	20,898
Contracts - Repairs	39,030	-	39,030
Contract - Services	4,035,506	259,410	4,294,916
Travel and Expenses	4,415	1,618	6,033
Public Employee's Retirement	74,063	5,416	79,479
Workers Compensation	4,421	1,143	5,564
Medicare	6,458	561	7,019
Hospitalization (Health Insurance)	132,944	-	132,944
Other Expenses	83,495	7,704	91,199
<i>Total Cash Disbursements</i>	<u>4,832,386</u>	<u>335,931</u>	<u>5,168,317</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(224,994)</u>	<u>98,458</u>	<u>(126,536)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	-	28,332	28,332
Advances Out	-	(28,332)	(28,332)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(224,994)</u>	<u>98,458</u>	<u>(126,536)</u>
<i>Fund Cash Balances, January 1</i>	<u>\$ 2,398,538</u>	<u>\$ 151,390</u>	<u>\$ 2,549,928</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,173,544</u>	<u>\$ 249,848</u>	<u>\$ 2,423,392</u>

*See accompanying notes to the financial statements*

**Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services**

*Gallia County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, Gallia County, (the Board) as a body corporate and politic. A fourteen-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 *Gallia County, Jackson County, and Meigs County*. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board's program area. 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.

The Board serves as the administrative agent for the Gallia County Family and Children First Council.

**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 Fund:

***Gallia County Family and Children First*** – The Board serves as the administrative agent for the Gallia County FCFC.

***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).

**Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services**

*Gallia County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 2 - Summary of Significant Accounting Policies – (Continued)**

***Basis of Accounting – (Continued)***

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. 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when individual commitments are made.

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 is divided into three 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.

**Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services**

*Gallia County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

**Note 2 - Summary of Significant Accounting Policies – (Continued)**

***Fund Balance – (Continued)***

***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 10.

**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	\$4,806,703	\$4,607,392	(\$199,311)
Special Revenue	235,078	434,389	199,311
2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$5,249,995	\$5,232,351	\$17,644
Special Revenue	370,090	370,090	-

**Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services**

*Gallia County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Gallia 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 – Interfund Balances**

***Advances***

Advances in and Advances out were used by the Special Revenue Fund (FCFC). Advances of \$131.56 are due to the Family and Children First General Fund from the Help Me Grow Fund.

**Note 6 – Risk Management**

Full-time employees are provided health, vision, dental, and life insurance through the Gallia County Commissioners Office. Full-time employees are also offered supplemental life insurance.

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.

***Commercial Insurance***

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Directors and Officers Liability
- Errors and omissions.

There has been no significant reduction in insurance coverage from 2020 and settled claims have not exceeded this coverage in the past three years.

**Note 7 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

The Board's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Board contributed an amount equaling 14%, of participants' gross salaries. The Board has paid all contributions required through December 31, 2021.

**Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services**

*Gallia County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 8 – 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, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans.

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 employee contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

**Note 9 – 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 10 – Fund Balances**

Included in the fund balance are 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 facilities 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	\$399,965	\$34,159	\$434,123

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

**Note 11 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Board. The Board’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

<b>FEDERAL GRANTOR Pass-Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Number</b>	<b>Passed Through to Subrecipients</b>	<b>Disbursements</b>
<b>United States Department of Education</b>				
<i>Pass-Through Ohio Department of Development Disabilities:</i>				
Special Education - Grants for Infants and Families	84.181	H181A210024	\$ -	\$ 21,979
	84.181	H181A220024	-	20,803
<b>Total United States Department of Education</b>			<u>-</u>	<u>42,782</u>
<b>United States Department of Health and Human Services</b>				
<i>Pass-Through Ohio Department of Mental Health Addiction Services:</i>				
Social Services Block Grant	93.667	2101OHSOSR	-	59,742
Promoting Safe and Stable Families	93.556	5AU-21-C0027/5AU-22-C0027	-	32,376
State Opioid Response - Opiate Treatment	93.788	2100439/2100773/2200401	-	1,683,180
Block Grants for Community Mental Health Services	93.958	B09SM082623-01	-	227,345
COVID Emergency Grant	93.665	H79FG000202	-	35,410
<i>Pass-Through Ohio Department of Alcohol and Drug Addiction Services:</i>				
Block Grants for the Prevention and Treatment of Substance Abuse	93.959			
Substance Abuse and Violence Education and Support		2100014/2200121	26,492	26,492
Community Investment Treatment		T1010041-17	101,139	101,139
TASC Serving Gallia, Jackson, and Meigs Counties		2100187/2200051	572,782	572,782
Prevention Per Capita		T1010041-17	125,082	125,082
Total Block Grants for the Prevention and Treatment of Substance Abuse			<u>825,495</u>	<u>825,495</u>
<i>Pass-Through Ohio Department of Medicaid:</i>				
Medical Assistance Program (Medicaid, Title XIX) Multi-System Youth Custody Relinquishment	93.778	MSY-2021-01-27/MSY-2022-01-27	-	194,168
<b>Total United States Department of Health and Human Services</b>			<u>825,495</u>	<u>3,057,716</u>
<b>U.S Department of Treasury</b>				
CARES - Indigent Patient Hospitalization	21.019	DMHF20CARE	-	125,250
<b>Total U.S. Department of Treasury</b>			<u>-</u>	<u>125,250</u>
<b>Total Federal Awards Expenditures</b>			<u>\$ 825,495</u>	<u>\$ 3,225,748</u>

The accompanying Notes to the Federal Awards Expenditures Schedule are an integral part of this Schedule.



**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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 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. Requirements for 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 fund balance 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 Alcohol and Drug Addiction Services to other governments or not-for-profit agencies (subrecipients). As Note A 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 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.

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

Gallia-Jackson-Meigs Board of Alcohol, Addiction and Mental Health Services  
Gallia County  
53 Shawnee Lane  
Gallipolis, Ohio 45631

To the Members of the Board:

We have audited, in accordance 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' 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 Gallia-Jackson-Meigs Board of Alcohol, Addiction and Mental Health Services, Gallia County, Ohio (the Board) and have issued our report thereon dated May 11, 2022, wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board.

**Internal Control over Financial Reporting**

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 purposes 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.

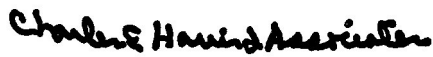
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



**Charles E. Harris & Associates, Inc.**  
May 11, 2022

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

Gallia-Jackson-Meigs Board of Alcohol, Addiction and Mental Health Services  
Gallia County  
53 Shawnee Lane  
Gallipolis, Ohio 45631

To the Members of the Board:

**Report on Compliance for the Major Federal Program**

**Opinion on the Major Federal Program**

We have audited Gallia-Jackson-Meigs Board of Alcohol, Addiction and Mental Health Services' (the 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 the Board's major federal program for the year ended December 31, 2021. The Board's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

**Basis for Opinion on the 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 the 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 the 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.

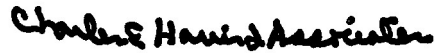
### ***Report on Internal Control Over Compliance***

*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.



**Charles E. Harris & Associates, Inc.**  
May 11, 2022

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified on Regulatory Basis of Accounting
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under 2 CFR § 200.516(a)</i>	No
(d)(1)(vii)	<i>Major Program:</i>	CFDA #93.788 – State Opioid Response - Opiate Treatment
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: >\$750,000 Type B: All Others
(d)(1)(ix)	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES**

**GALLIA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/14/2022**

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](http://www.ohioauditor.gov)