



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD OF  
LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY  
JUNE 30, 2020**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties  
Logan County  
1521 North Detroit Street  
P.O. Box 765  
West Liberty, Ohio 43357

To the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties:

### ***Report on the Financial Statements***

We have audited the accompanying financial statement of the cash balance, receipts and disbursements, and related notes of the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties, Logan County, Ohio (the Board) as of and for the fiscal year ended June 30, 2020.

### ***Management's Responsibility for the Financial Statement***

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

### ***Auditor's Responsibility***

Our responsibility is to opine on the financial statement 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 statement is 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 statement 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 1 of the financial statement, the Board prepared the financial statement 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(D), 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 statement 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 the statement 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(D) 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 statement referred to above does 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, 2020, and the change in financial position thereof for the fiscal year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance, receipts and disbursements, and related notes of the Board, as of June 30, 2020, for the fiscal year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Emphasis of Matter***

As discussed in Note 10 to the financial statement, 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 statement 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 statement.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statement. We subjected this schedule to the auditing procedures we applied to the financial statement. 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 statement or to the financial statement itself, 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 statement taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, 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

December 11, 2020

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**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD OF  
LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN FUND BALANCE (CASH BASIS)  
GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General
<b>Cash Receipts</b>	
Property Taxes	\$ 1,464,354
Intergovernmental	2,541,068
Rental Receipts	68,457
Contributions	8,466
Miscellaneous	38,744
<i>Total Cash Receipts</i>	4,121,089
<b>Cash Disbursements</b>	
Current:	
Salaries	309,867
Benefits	147,876
Purchased Services	2,625,831
Dues and Memberships	15,046
Board Operations	78,125
Supplies and Materials	13,211
Rental	2,978
Advertising and Printing	12,194
Contract Labor	77,200
Travel and Training	30,655
Professional Fees	2,952
Repairs	27,027
<i>Total Cash Disbursements</i>	3,342,962
<i>Net Change in Fund Cash Balance</i>	778,127
<i>Fund Cash Balance, July 1</i>	2,324,164
<b>Fund Cash Balance, June 30</b>	
Restricted	3,057,903
Unassigned	44,388
<i>Fund Cash Balance, June 30</i>	\$ 3,102,291

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

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**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD  
OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties (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 Logan and Champaign Counties. Those subdivisions are Director of the Ohio Department of Mental Health and Addiction Services and the County Commissioners of Logan and Champaign Counties. The Board provides alcohol, drug addiction and mental health services and programs to citizens of Logan and Champaign Counties. Private and public agencies are the primary service providers, through Board contracts.

The Board's management believes the financial statement presents all activities for which the Board is financially accountable.

**B. ACCOUNTING BASIS**

This financial statement follows the accounting basis the Ohio Auditor of State prescribes or permits by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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).

This statement includes 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(D) permit.

**C. DEPOSITS AND INVESTMENTS**

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

**D. FUND ACCOUNTING**

The Board uses fund accounting to segregate cash and investments that are restricted as to use. Fund accounting is a concept developed to meet the needs of the governmental entities in which legal or other restraints require the recording of specific receipts and disbursements.

The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The Board classifies its funds into the following type:

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD  
OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GENERAL FUND**

The General Fund accounts for and reports all financial resources of the Board.

**E. BUDGETARY PROCESS**

The Ohio Revised Code requires the Board to adopt a budget for the General fund annually, as follows.

**1. 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.

**2. ESTIMATED RESOURCES**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**3. ENCUMBRANCES**

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at fiscal year-end are carried over, and need not be re-appropriated.

A summary of 2020 budgetary activity appears in Note 2.

**F. 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:

**1. NONSPENDABLE**

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

**2. RESTRICTED**

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

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD  
OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. COMMITTED**

The Board can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. ASSIGNED**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Board or a Board official delegated that authority by resolution, or by State Statute.

**5. UNASSIGNED**

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

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. The Board had outstanding encumbrances of \$137,049 as of June 30, 2020.

**G. PROPERTY, PLANT, AND EQUIPMENT**

The Board records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**H. ACCUMULATED LEAVE**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

**I. DEBT**

The Board has non-interest bearing debt with the Ohio Department of Mental Health and Addiction Services. The financial statement does not report a liability for this debt.

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD  
OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**2. BUDGETARY ACTIVITY**

Budgetary activity for the fiscal year ending June 30, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,274,641	\$4,121,089	(\$153,552)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,410,472	\$3,480,011	\$930,461

**3. PROPERTY TAX**

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 homestead and rollback deductions. The financial statement includes homestead and rollback 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.

Logan and Champaign Counties are responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Board.

**4. 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 (\$51,350) required through June 30, 2020.

**5. RISK MANAGEMENT**

The Board has obtained commercial insurance for the following risks:

- Director and Officer Insurance;
- Comprehensive property and general liability;
- Bond insurance, and;
- Errors and omissions.

There was no reduction in the level of coverage during the year and settled claims have not exceeded insurance coverage in any of the past three years.

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD  
OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**6. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow in future periods. However, based on prior experience, management believes any refunds would be immaterial to its financial statement as of June 30, 2020.

**7. POST-EMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

**8. LONG-TERM OBLIGATIONS**

The Board has entered into eleven non-interest bearing mortgage agreements with the Ohio Department of Mental Health and Addiction Services. In accordance with the mortgage agreements, the loans are forgiven by the State of Ohio over a period of 30 or 40 years, under the condition that the facilities are used exclusively for the purpose of providing mental health services.

Long term obligations as of June 30, 2020, consist of the following:

Mortgage	Original Loan Balance	Monthly Installments	Expiring	Balance 2020
MHAS	\$818,084	\$1,704	November 2033	\$272,806
MHAS	125,000	260	September 2035	47,459
MHAS	154,488	322	August 2041	76,668
MHAS	208,512	434	April 2042	118,315
MHAS	76,000	158	August 2043	43,863
MHAS	213,750	445	November 2049	156,779
MHAS	180,000	500	April 2043	136,632
MHAS	53,500	149	April 2044	42,505
MHAS	53,500	149	April 2044	42,505
MHAS	100,000	278	March 2045	82,503
MHAS	95,000	264	September 2045	79,966
				<u>\$1,100,001</u>
* Non-Interest Bearing			Total MHAS Forgiven:	\$56,040

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD  
OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**8. LONG-TERM OBLIGATIONS (CONTINUED)**

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

Periods ending	
30-Jun-21	\$55,984
30-Jun-22	55,984
30-Jun-23	55,984
30-Jun-24	55,984
30-Jun-25	55,984
June 30, 2026 - June 30, 2030	279,919
June 30, 2031 - June 30, 2035	246,340
June 30, 2036 - June 30, 2040	161,971
June 30, 2041 - June 30, 2045	108,691
June 30, 2046 - June 30, 2050	23,160
	<u>\$1,100,001</u>

\*Amounts may vary year to year

Principal forgiven by the Ohio Department of Mental Health and Addiction Services during the fiscal year ended June 30, 2020, totaled \$56,040.

**9. RENTAL RECEIPTS**

The Board has entered into a lease as lessor for the property located at Mental Health Center at 1521 N. Detroit Street, West Liberty, Ohio with TCN Behavioral Health Services (TCN), a funded agency of the Board. Rental receipts for the fiscal year ended June 30, 2020, totaled \$68,457, of which TCN paid \$32,825.

**10. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board. The investments of the pension and other employee benefit plan in which the Board participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD OF LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct</i>				
Continuum of Care Program	14.267	N/A		
Logan/Champaign Housing			\$ 77,068	\$ 77,068
Madriver/Park Street Family Housing			46,654	46,654
			<u>132,417</u>	<u>132,417</u>
Total Continuum of Care Program			256,139	256,139
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>256,139</b></u>	<u><b>256,139</b></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2000520		12,996
Social Services Block Grant	93.667	N/A	52,806	52,806
Opioid STR	93.788	2000470 2000681	256,628	264,352
			<u>21,150</u>	<u>21,150</u>
Total Opioid STR			277,778	285,502
Block Grants for Community Mental Health Services	93.958	N/A	55,288	55,963
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	262,189	262,189
<b>Total U.S. Department of Health and Human Services</b>			<u><b>648,061</b></u>	<u><b>669,456</b></u>
<b>Total Federal Financial Assistance</b>			<u><b>\$ 904,200</b></u>	<u><b>\$ 925,595</b></u>

*The accompanying notes are an integral part of the schedule.*

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD OF  
LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties (the Board) under programs of the federal government for the fiscal year ended June 30, 2020. 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 accrual 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 and U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Board reports expenditures of Federal awards to subrecipients on the accrual basis of accounting. As a subrecipient, the Board has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE E - MATCHING REQUIREMENTS**

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

# OHIO AUDITOR OF STATE KEITH FABER



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

Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties  
Logan County  
1521 North Detroit Street  
P.O. Box 765  
West Liberty, Ohio 43357

To the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties:

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 statement of the cash balance, receipts, and disbursements of the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties, Logan County, (the Board) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statement and have issued our report thereon dated December 11, 2020 wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures 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 statement, 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 statement. 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 statement is 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 statement. 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

December 11, 2020

# OHIO AUDITOR OF STATE KEITH FABER



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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, Drug and Alcohol Services Board of Logan and Champaign Counties  
Logan County  
1521 North Detroit Street  
P.O. Box 765  
West Liberty, Ohio 43357

To the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Mental Health, Drug and Alcohol Services Board of Logan and Champaign 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, Drug and Alcohol Services Board of Logan and Champaign Counties' major federal programs for the fiscal year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of 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 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, Drug and Alcohol Services Board of Logan and Champaign 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, 2020.

***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 a major federal program, 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

December 11, 2020

**MENTAL HEALTH, DRUG AND ALCOHOL SERVICES BOARD OF  
LOGAN AND CHAMPAIGN COUNTIES  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2020**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse under GAAP, Unmodified under the regulatory basis
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #14.267 – Continuum of Care Program  CFDA #93.788 – Opioid STR
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	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, DRUG & ALCOHOL SERVICES BOARD OF LOGAN AND CHAMPAIGN  
COUNTIES**

**LOGAN 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 1/26/2021**

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)