



OHIO AUDITOR OF STATE
KEITH FABER



MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE & MADISON COUNTIES
CLARK COUNTY
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Mental Health Recovery Board of Clark, Greene & Madison Counties, Clark County, Ohio (the Board), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type total as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type total as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Board, as of June 30, 2024, or the changes in financial position thereof for the fiscal year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Board on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 for the purpose of forming opinions on the Board's financial statements.

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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 29, 2025, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 29, 2025

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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, 2024

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$10,377,991	\$0	\$10,377,991
Intergovernmental	1,181,791	6,829,923	8,011,714
Miscellaneous	233,955	-	233,955
<i>Total Cash Receipts</i>	<u>11,793,737</u>	<u>6,829,923</u>	<u>18,623,660</u>
Cash Disbursements			
Salaries	749,901		749,901
Benefits	300,815		300,815
Supplies	20,785		20,785
Advertising & Printing	1,327		1,327
Fees & Insurance	326,654		326,654
Contract Services	24,211		24,211
Treatment Services	9,605,585	6,672,464	16,278,049
Maintenance	294,202		294,202
Telephone Expense	7,192		7,192
Equipment Lease	12,651		12,651
Small Equipment	11,872		11,872
Miscellaneous	53,599		53,599
<i>Total Cash Disbursements</i>	<u>11,408,794</u>	<u>6,672,464</u>	<u>18,081,258</u>
Excess of Receipts Over (Under) Disbursements	<u>384,943</u>	<u>157,459</u>	<u>542,402</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	158,931	-	158,931
Advances In	418,681	172,084	590,765
Advances Out	(172,084)	(418,681)	(590,765)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>405,528</u>	<u>(246,597)</u>	<u>158,931</u>
Net Change in Fund Cash Balances	790,471	(89,138)	701,333
Fund Cash Balances, July 1	<u>17,641,088</u>	<u>1,265,742</u>	<u>18,906,830</u>
Fund Cash Balances, June 30	<u>\$ 18,431,559</u>	<u>\$ 1,176,604</u>	<u>\$ 19,608,163</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
STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGE IN FUND BALANCE (Regulatory Cash Basis)
FIDUCIARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Custodial Fund
Total Additions	<u>\$0</u>
Total Deductions	<u>-</u>
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balance, July 1</i>	<u>30,001</u>
<i>Fund Cash Balance, June 30</i>	<u><u>\$ 30,001</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, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

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

Fund Accounting

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

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

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

OhioMHAS Continuum of Care Fund – This fund accounts for funding passed through the OhioMHAS to local mental health boards to provide mental health and alcohol drug abuse services to members 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 one custodial fund is the Greene County Drug Free Coalition; this group is 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, 2024
(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 (except certain custodial funds).

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 2024 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

Board employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

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

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

(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 Board of Directors can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Board of Directors 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 13.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the fiscal year ending June 30, 2024, follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,647,053	\$12,371,349	\$724,296
Special Revenue	7,972,166	7,002,007	(970,159)
Total	<u>\$19,619,219</u>	<u>\$19,373,356</u>	<u>(\$245,863)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$21,203,674	\$16,010,936	\$5,192,738
Special Revenue	10,612,652	9,310,372	1,302,280
Total	<u>\$31,816,326</u>	<u>\$25,321,308</u>	<u>\$6,495,018</u>

Note 4 – Compliance

Contrary to Ohio law, appropriations exceeded estimated resources in the Special Revenue funds by \$1,374,744 for the fiscal year ended June 30, 2024.

Note 5 – 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 6 – 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, 2024
(Continued)

Note 7 – Interfund Balance

Outstanding advances on June 30, 2024, consisted of \$172,084 advanced to Special Revenue funds to provide working capital for operations or projects.

Note 8 – 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.

Workers' Compensation

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

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Board contributed an amount equaling 14 percent of participants' gross salaries for calendar years 2023 and 2024. The Board has paid all contributions required through June 30, 2024.

Note 10 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan was 0 percent during calendar years 2023 and 2024. The portion of employer contributions allocated to healthcare for members in the combined plan was 2.0 percent for calendar year 2023 and 2024. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar years 2023 and 2024; however, a portion of the health care rate was funded with reserves.

Mental Health Recovery Board of Clark, Greene & Madison Counties

Clark County, Ohio

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

(Continued)

Note 11 – Contingent Liabilities

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

Note 12 – 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, 2024, balances of these loans are as follows:

Lender	Loan Number	Original Loan Amount	Balance as of 6/30/2024
Ohio Department of Mental Health & Addiction Services	MH-324	\$ 99,779	\$ 4,793
	MH-364	58,146	5,590
	MH-409	131,000	20,750
	MH-414	225,200	34,261
	MH-519	142,500	35,339
	MH-591	437,400	131,220
	MH-636	73,500	24,184
	MH-636A	184,696	175,084
	MH-726	94,000	38,588
	MH-900	100,000	66,115
	MH-1012	100,000	68,764
City of Springfield, Ohio	n/a	302,500	302,500
OHFA	13-0134	500,000	333,330
Total		<u>\$ 2,448,721</u>	<u>\$ 1,240,518</u>

Note 13 – Fund Balances

Included in fund balances 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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	<u>\$ 4,430,058</u>	<u>\$ 2,219,227</u>	<u>\$ 6,649,285</u>
Total	<u>\$ 4,430,058</u>	<u>\$ 2,219,227</u>	<u>\$ 6,649,285</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, 2024

(Continued)

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.

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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, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing Number	Award Year	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through Ohio Department of Mental Health and Addiction Services:					
Social Services Block Grant	93.667	2023	N/A	-	205,622
Opioid STR:	93.788				
SOR 2.0 NCE Project		2023	2300633	205,597	217,347
SOR 3.0 SOS		2023	2300499	459,927	493,098
SOR 3.2 SOS		2023	2400578	787,830	787,830
State Opioid Response NCE		2023	2400347		17,492
Total Opioid STR				<u>1,453,354</u>	<u>1,515,767</u>
Block Grants for Community Mental Health Services:	93.958				
Block Grant Base		2023	N/A	-	219,266
DSA Housing		2022	N/A	25,125	25,125
DSA Housing		2023	N/A	43,750	43,750
Total Block Grants for Community Mental Health Services				<u>68,875</u>	<u>288,141</u>
Block Grants for Prevention and Treatment of Substance Abuse:	93.959				
Treatment Per Capita		2023	N/A	-	545,807
Prevention Per Capita		2023	N/A	-	236,965
McKinley Hall's Women and Children's Program		2024	2400210	171,380	171,380
Non-Medical Residential		2024	2400197	297,931	297,931
COVID-19 Mitigation		2022	N/A	-	1,682
Total Block Grants for Prevention and Treatment of Substance Abuse				<u>469,311</u>	<u>1,253,765</u>
Total U.S. Department of Health and Human Services				<u>1,991,540</u>	<u>3,263,295</u>
U.S. DEPARTMENT OF JUSTICE					
Passed Through City of Springfield, Ohio:					
Comprehensive Opioid, Stimulant and other Substances Use Program	16.838	2022	N/A	193,628	193,628
Total U.S. Department of Justice				<u>193,628</u>	<u>193,628</u>
U.S. DEPARTMENT OF TREASURY					
Passed Through Ohio Department of Mental Health and Addiction Services:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2022	N/A	-	157,317
Total U.S. Department of Treasury				<u>-</u>	<u>157,317</u>
Total Expenditures of Federal Awards				<u>\$2,185,168</u>	<u>\$3,614,240</u>

N/A - Not applicable

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mental Health Recovery Board of Clark, Greene & Madison Counties (the Board) under programs of the federal government for the fiscal year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or change in net position of the Board.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

The Board passes certain federal awards received from the Ohio Department of Mental Health and Addiction Services and City of Springfield, Ohio to other governments or not-for-profit agencies (subrecipients). As Note B describes the Board reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, 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.



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

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type total as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements of the Mental Health Recovery Board of Clark, Greene & Madison Counties, Clark County, Ohio (the Board) and have issued our report thereon dated May 29, 2025, wherein we noted the Board followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2024-001.

Board's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the finding identified in our audit and described in the accompanying schedule of findings and / or corrective action plan. The Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 29, 2025

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

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

To the Board of Directors:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Mental Health Recovery Board of Clark, Greene & Madison Counties, Clark County, (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 Mental Health Recovery Board of Clark, Greene & Madison Counties major federal program for the fiscal year ended June 30, 2024. Mental Health Recovery Board of Clark, Greene & Madison Counties major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Mental Health Recovery Board of Clark, Greene & Madison Counties 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 fiscal year ended June 30, 2024.

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.

A handwritten signature in black ink, appearing to read "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 29, 2025

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

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)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Opioid STR (AL #93.788)
(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**

FINDING NUMBER 2024-001

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

FINDING NUMBER 2024-001

At June 30, 2024, the Board's appropriations exceeded the amount certified as available by the budget commission in the Special Revenue funds by \$1,374,744.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Board's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Board should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Board should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Directors to reduce the appropriations.

Officials' Response:

See Corrective Action Plan on page 27.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.



**MHRB MISSION
STATEMENT**

*We lead by serving diverse communities and promoting pathways to mental health
and substance use prevention, treatment, and support for everybody and every
family across Clark, Greene, and Madison Counties*

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(c)
JUNE 30, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	Reporting material weakness in regards to internal controls, weekly reports were submitted; however the reports were submitted unsigned.	N/A – Finding no longer valid	The COVID MH impacts program was no longer federally funded in fiscal year 2024, thus the reporting requirements did not apply.

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MHRB MISSION STATEMENT

We lead by serving diverse communities and promoting pathways to mental health and substance use prevention, treatment, and support for everybody and every family across Clark, Greene, and Madison Counties

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) JUNE 30, 2024

Finding Number:	2024-001
Planned Corrective Action:	The MHRB will review and compare appropriations to estimated resources by fund type prior to the end of the fiscal year and make any necessary recommendations to the MHRB governing board if resources are not available to cover the appropriations.
Anticipated Completion Date:	06/30/2025
Responsible Contact Person:	Emily Carter

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OHIO AUDITOR OF STATE KEITH FABER



MENTAL HEALTH RECOVERY BOARD OF CLARK, GREENE & MADISON COUNTIES

CLARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/24/2025

65 East State 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