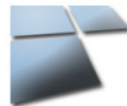


ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
OF ADAMS, LAWRENCE AND SCIOTO COUNTIES
SCIOTO COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024



Millhuff-Stang

CERTIFIED PUBLIC ACCOUNTANT

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Columbus, Ohio 43215
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800-282-0370

Board of Directors
Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
919 Seventh Street
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties, Scioto County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2024 through December 31, 2024. 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 Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 13, 2026

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**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
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For the Year Ended December 31, 2024

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Independent Auditor's Report

Board of Directors
Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
919 Seventh Street
Portsmouth, Ohio 45662

Report on the Audit of Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties, Scioto County (the Board), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties, Scioto County, as of December 31, 2024, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the cash-basis of accounting described in Note 1.

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 (*Government Auditing Standards*). 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.

Emphasis of Matter – Accounting Basis

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. 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 financial statements that collectively comprise the Board's basic financial statements. The Schedule of Federal Awards Expenditures 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 basic 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, the Schedule of Federal Awards Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

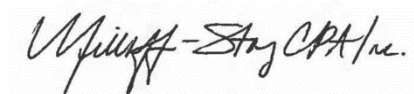
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion & analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2025 on our consideration of the Board's internal control over financial reporting and on 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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 18, 2025

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Management's Discussion and Analysis
Year Ended December 31, 2024
Unaudited*

This discussion and analysis provides key information from management highlighting the overall financial performance of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties (the Board) for the year ended December 31, 2024, within the limitations of the Board's cash basis of accounting. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the Board's financial statements.

Financial Highlights

Key financial highlights for 2024 are as follows:

- Net position of governmental activities decreased by \$333,452 or 21.5 percent.
- The Board's major fund had \$5,340,679 in receipts and \$5,674,131 in disbursements. The fund balance decreased by \$333,452.
- General receipts accounted for \$1,185,719 or 22.20 percent of total receipts. Program specific receipts in the form of operating grants and contributions accounted for \$4,154,960 or 77.80 percent of the total receipts of \$5,340,679.
- The Board had \$5,674,131 in disbursements related to governmental activities; \$4,154,960 of the disbursements have been offset by program specific operating grants and contributions. General receipts of \$1,185,719 were not adequate to provide additional monies for these programs.

Using this Annual Financial Report

This annual report consists of a series of financial statements presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Board's cash basis of accounting. The Board's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Report Components

The statement of net position and the statement of activities, prepared on a cash basis, provide information about the cash activities of the Board as a whole.

Fund financial statements provide a greater level of detail. The fund is created and maintained in the financial records of the Board. These statements present financial information for the fund.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Board has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Board's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Management's Discussion and Analysis
Year Ended December 31, 2024
Unaudited*

financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Board as a Whole

The statement of net position and the statement of activities reflect how the Board did financially during 2024, within the limitations of cash basis accounting. The statement of net position presents the cash balance of the Board at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include operating grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Board's general receipts.

These statements report the Board's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Board's financial health. Over time, increases or decreases in the Board's cash position is one indicator of whether the Board's financial health is improving or deteriorating. There are many factors, some financial and some not financial, that affect the change in the Board's financial health.

In the statement of net position and the statement of activities, the Board has one type of activity:

Governmental activity - All of the Board's basic services are reported here. State and federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Board's Most Significant Funds

Fund financial statements provide detailed information about the Board's major fund, the general fund. The fund is established to manage the Board's activities and to help demonstrate that restricted money is being spent for the intended purpose.

Governmental Funds – Most of the Board's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Board's governmental operations and the basic service it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Board's programs.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Board. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Board's own programs. This basis of accounting used for fiduciary funds is the cash basis of accounting. The Board's only fiduciary fund is a custodial fund.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Management's Discussion and Analysis
Year Ended December 31, 2024
Unaudited*

The Board as a Whole

Table 1 reflects the Board's net position in 2024 compared to 2023 on a cash basis.

Table 1
Net Position—Cash Basis

Governmental Activities

	2024	2023
Assets		
Cash Equivalents	\$1,217,095	\$1,550,547
<i>Total Assets</i>	<u>1,217,095</u>	<u>1,550,547</u>
Net Position		
Restricted	764,123	1,156,996
Unassigned	452,972	393,551
<i>Total Net Position</i>	<u>\$1,217,095</u>	<u>\$1,550,547</u>

Total net position decreased by \$333,452. The decrease is primarily due to a timing difference related to funding received by the Board and payments made to providers. The Board had to return \$302 in federal funds to OhioMHAS which accounted for 0.09 percent of the decrease in net position.

Table 2 shows the changes in net position on a cash basis for the year ended December 31, 2024, compared to December 31, 2023 for governmental activities:

Table 2
Changes in Net Position

Governmental Activities

	2024	2023	Change
Receipts			
Program Cash Receipts			
Operating Grants and Contributions	\$4,154,960	\$3,864,656	\$290,304
<i>Total Program Cash Receipts</i>	<u>4,154,960</u>	<u>3,864,656</u>	<u>290,304</u>
General Receipts			
Entitlements-Unrestricted	1,164,240	1,005,900	158,340
Other Receipts	21,479	122,424	(100,944)
<i>Total General Receipts</i>	<u>1,185,719</u>	<u>1,128,324</u>	<u>57,395</u>
<i>Total Receipts</i>	<u>5,340,679</u>	<u>4,992,980</u>	<u>347,700</u>
Disbursements			
Mental Health and Recovery Services:			
Agency Provider Contracts/Drug Court Grants	4,718,257	4,420,515	297,742
Other Operations	955,572	916,869	(38,703)
Return to Grantor	302	187,500	(187,198)
<i>Total Disbursements</i>	<u>5,674,131</u>	<u>5,524,884</u>	<u>(149,247)</u>
<i>Change in Net Position</i>	<u>(\$333,452)</u>	<u>(\$531,904)</u>	<u>\$198,452</u>

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Management's Discussion and Analysis
Year Ended December 31, 2024
Unaudited*

Table 2 shows an increase of \$290,301 in operating grants and contributions due to timing of grant requests.

During 2024 entitlements increased by \$158,340 due to the Board's state allocation being increased. The receipts consist mainly of Federal Grants, State Grants, State Subsidies and entitlements. Other receipts decreased by \$100,945 due to a decrease in refunds and reimbursements received.

The majority of disbursements were for contract services accounting for \$4,718,257 or 83.15 percent of the total cash disbursements. These disbursements increased between years due to utilizing carry over funding from prior years during the year.

The Statement of Activities – Cash Basis shows the cost of program services and the operating grants and contributions offsetting those services. Table 3 shows the total cost of services compared to the net cost of the services. The Net cost of services represents the cost of the program service which must be paid from the general receipts which consist of unrestricted grants, state entitlements, and other receipts.

Table 3

Governmental Activities

	Total Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2024	Net Cost of Services 2023
Mental Health and Recovery Services:				
Agency Provide Contracts/Drug Court Grants	\$4,718,257	\$4,420,515	\$563,297	\$555,859
Salaries and Benefits	678,282	651,363	678,282	651,363
Supplies	10,347	12,560	10,347	12,560
Equipment	0	1,298	0	1,298
Rentals	63,496	63,277	63,496	63,277
Travel	8,015	8,114	8,015	8,114
PERS	66,150	61,296	66,150	61,296
Workers Comp	10,829	6,294	10,829	6,294
Funds returned to OhioMHAS	302	187,500	302	187,500
Other	118,453	112,667	118,453	112,667
<i>Total Disbursements</i>	\$5,674,131	\$5,524,884	\$1,519,171	\$1,660,228

The dependence upon state and federal funds for governmental activities, including unrestricted entitlements, is apparent as all of alcohol, drug addiction and mental health services costs are supported through these funds for 2024.

The Board's Fund

The governmental fund had receipts of \$5,340,679 and disbursements of \$5,674,131. The fund balance decreased by \$333,452 as the result of a timing difference between provider non-Medicaid payments made and federal and state funds received as well as utilizing carry over funds.

General Fund Budgeting Highlights

The Board's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. During 2024, the Board amended its budget several times to reflect changing circumstances.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Management's Discussion and Analysis
Year Ended December 31, 2024
Unaudited*

Economic Factors

The Board contracts with five provider agencies to deliver mental health and addiction services to the residents of Adams, Lawrence, and Scioto Counties. The Board will be challenged to maintain the current level of services and programs due to a projected decreasing receipts base and ordinary inflation. The Board and its administration must maintain careful financial planning and prudent fiscal management in order to balance the budget annually.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Board's finances and to reflect the Board's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marcy Kristian, Fiscal Manager, Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties, 919 7th Street, Portsmouth, Ohio 45662.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**

*Statement of Net Position - Cash Basis
December 31, 2024*

	<u>Governmental Activities</u>
Assets	
Cash Equivalents	<u>\$1,217,095</u>
<i>Total Assets</i>	<u><u>\$1,217,095</u></u>
Net Position	
Restricted for Other Purposes	\$764,123
Unrestricted	<u>452,972</u>
<i>Total Net Position</i>	<u><u>\$1,217,095</u></u>

See accompanying notes to the basic financial statements.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**

*Statement of Activities - Cash Basis
Year Ended December 31, 2024*

		Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Operating Grants and Contributions	Governmental Activities
Governmental Activities			
Mental Health and Recovery Services:			
Salaries and Benefits	\$678,282	\$0	(\$678,282)
Supplies	10,347	0	(10,347)
Agency Provider Contracts	4,428,257	3,864,960	(563,297)
Federal Funds returned to OhioMHAS	302	0	(302)
Rentals	63,496	0	(63,496)
Travel	8,015	0	(8,015)
Public Employee's Retirement	66,150	0	(66,150)
Worker's Compensation	10,829	0	(10,829)
Specialized Docket-Drug Court Grants	290,000	290,000	0
Other	118,453	0	(118,453)
Total Governmental Activities	<u>\$5,674,131</u>	<u>\$4,154,960</u>	<u>(1,519,171)</u>
General Receipts			
Entitlements - Unrestricted			1,164,240
Other Receipts			<u>21,479</u>
Total General Receipts			<u>1,185,719</u>
Change in Net Position			(333,452)
Net Position - Beginning of Year			<u>1,550,547</u>
Net Position - End of Year			<u><u>\$1,217,095</u></u>

See accompanying notes to the basic financial statements

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties**

Scioto County

Statement of Assets and Fund Balance - Cash Basis

Governmental Fund

December 31, 2024

	<u>General</u>
Assets	
Cash Equivalents	<u>\$1,217,095</u>
<i>Total Assets</i>	<u><u>\$1,217,095</u></u>
 Fund Balance	
Restricted	\$764,123
Unassigned	<u>452,972</u>
<i>Total Fund Balance</i>	<u><u>\$1,217,095</u></u>

See accompanying notes to the basic financial statements.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**

*Statement of Receipts, Disbursements, and Change in Fund Balance - Cash Basis
Governmental Fund*

Year Ended December 31, 2024

	<u>General</u>
Receipts	
Intergovernmental	\$5,319,200
Other Receipts	<u>21,479</u>
<i>Total Receipts</i>	5,340,679
Disbursements	
Mental Health and Recovery Services:	
Salaries and Benefits	678,282
Supplies	10,347
Agency provider contracts	4,428,257
Federal Funds returned to OhioMHAS	302
Rentals	63,496
Travel	8,015
Public Employee's Retirement	66,150
Worker's Compensation	10,829
Specialty Docket-Drug Court Grants	290,000
Other	<u>118,453</u>
<i>Total Disbursements</i>	<u>5,674,131</u>
<i>Net Change in Fund Balance</i>	(333,452)
<i>Fund Balance Beginning of Year</i>	<u>1,550,547</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,217,095</u></u>

See accompanying notes to the basic financial statements.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**

*Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual - Budget Basis
General Fund*

Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$5,489,684	\$5,819,674	\$5,319,200	(\$500,474)
Other Receipts	21,720	23,687	21,479	(2,208)
<i>Total Receipts</i>	5,511,404	5,843,361	5,340,679	(502,682)
Disbursements				
Mental Health and Recovery Services:				
Salaries and Benefits	659,072	691,329	678,282	13,047
Supplies	25,463	25,463	10,347	15,116
Equipment	7,248	7,248	0	7,248
Agency provider contracts	5,898,936	5,697,021	4,428,257	1,268,764
Federal Funds Returned to OhioMHAS	0	0	302	(302)
Rentals	64,224	64,236	63,496	740
Travel	12,200	12,200	8,015	4,185
Public Employee's Retirement	65,652	66,300	66,150	150
Worker's Compensation	5,000	10,830	10,829	1
Specialized Docket-Drug Court Grants	290,000	290,000	290,000	0
Other	326,718	289,937	118,453	171,484
<i>Total Disbursements</i>	7,354,513	7,154,564	5,674,131	1,480,433
<i>Net Change in Fund Balance</i>	(1,843,109)	(1,311,203)	(333,452)	977,751
<i>Fund Balance Beginning of Year</i>	1,550,547	1,550,547	1,550,547	0
<i>Fund Balance End of Year</i>	(\$292,562)	\$239,344	\$1,217,095	\$977,751

See accompanying notes to the basic financial statements

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties**

Scioto County

Statement of Fiduciary Net Position - Cash Basis

Fiduciary Fund

December 31, 2024

	<u>Custodial</u>
Assets	
Cash Equivalents	<u>\$0</u>
<i>Total Assets</i>	<u><u>\$0</u></u>
Net Position	
Restricted for Organizations	<u>\$0</u>
<i>Total Net Position</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**

*Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Fund*

Year Ended December 31, 2024

	<u>Custodial</u>
Additions:	
Amounts Received as Fiscal Agent	<u>\$126,335</u>
<i>Total Additions</i>	126,335
Deductions:	
Distributions as Fiscal Agent	<u>126,335</u>
<i>Total Deductions</i>	<u>126,335</u>
<i>Net Change in Net Position</i>	0
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties (the Board) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board is required to be directed by fourteen-member Board. Board members are appointed by Director of Mental Health and Addictions Services and the County Commissioners of the political subdivisions making up the Board's service area. The Board includes members from those legislative authorities as well as citizens of the participating subdivisions. Those subdivisions are Adams County, Lawrence County and Scioto County. The Board provides Mental Health and Addiction services and programs to citizens of the Board. These services are provided primarily through contracts with private and public agencies. The Director of Mental Health and Addiction Services shall appoint six members of the Board and the Board of County Commissioners shall appoint eight members proportionate to each County's population to the population of the whole district with at least one member being appointed from each County.

The Board's management believes these financial statements present all activities for which the Board is financially accountable.

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the Board consists of all funds, departments, boards and agencies that are not legally separate from the Board.

Component units are legally separate organizations for which the Board is financially accountable. Component units may also include organizations that are fiscally dependent on the Board in that the Board approves their budget, the issuance of their debt or the levying of their taxes. The Board has no component units.

The Board serves as the administrative agent for the Lawrence County Appalachian Family Children First Council, but the Council is not a part of the Board. Accordingly, the activity of the Council is reported as a custodial fund within the financial statements.

B. Basis of Presentation

These financial statements and notes are presented on a cash basis of accounting. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

Budgetary presentations report budgetary expenditures when a commitment is made (I.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity wide statements versus budgetary expenditures are due to encumbrances outstanding at the beginning and end of the fiscal year. The Board has no outstanding encumbrances at December 31, 2024.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish those activities of the Board that are governmental and those that are considered business-type activities. The Board has no business-type activities.

The Statement of Net Position presents the cash balance of the governmental activities of the Board at year-end. The government-wide statement of activities presents a comparison between direct disbursements and program receipts for each of the Board's governmental activities. Direct disbursements are those that are for a specific service, program or department and are therefore identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Board with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the Board.

Fund Financial Statements - Fund financial statements report detailed information about the Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The Board has only one major fund, The General Fund. Fiduciary funds are reported by type.

C. Fund Accounting

The Board uses funds to report its financial position and results of operations. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The funds of the Board are presented in two categories: governmental and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions of the Board are financed. The following is the Board's major governmental fund:

General Fund – The general fund is established to account for proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes for which the board was established.

Fiduciary Funds – Fiduciary fund reporting focuses on cash basis assets and changes in net cash position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Board under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are therefore not available to support the Board's own programs. The Board has no trust funds. The Board's only fiduciary fund is a custodial fund that accounts for assets held by the Board for the Lawrence County-Appalachian Family Children First Council for which the Board acts as fiscal agent.

D. Basis of Accounting

The Board's Financial Statements are prepared using the cash basis of accounting. Receipts are recorded in the board's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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Scioto County**
*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the use of the cash basis of accounting, certain revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

E. Budgetary Process

Ohio law requires all funds, except custodial funds, to be budgeted and appropriated. The major documents prepared are the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amounts that the Board may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board uses the fund, function and object as its legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified. The amounts reported as the original budgeted amounts, on the budgetary statement reflect the amounts on the certificate of estimated resources when the original appropriations were approved. The amounts reported as the final budgeted amounts on the budgetary statement reflects the amounts on the amended certificates of estimated resources in effect at the time final appropriations were approved by the Board of Directors.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for that fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

F. Cash and Cash Equivalents

As required by Ohio Revised Code, the Scioto County Treasurer is custodian for the Board's cash. The Board's cash is held in the County's cash and investment pool, and is valued at the County Treasurer's carrying amount.

G. Inventory and Prepaid Items

The Board reports disbursements for inventories and prepaid assets when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

The Board records disbursement for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

I. Accumulated Leave

For 2024, GASB Statement No. 101, "Compensated Absences", was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The Board does not offer noncash settlements.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the Board's cash basis of accounting.

J. Long-Term Obligations

The Board's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital assets (including the intangible right to use) when entering into a lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

K. Leases

The Board is the lessee (as defined by GASB 87) in a lease related to a building. Lease payables are not reflected under the Board's cash basis of accounting. Lease disbursements are recognized when they are paid.

L. Fund Balance

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

1. Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

2. Restricted

Fund balance is reported as *restricted* when constraints placed on the use of resources is 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.

**Alcohol, Drug Addiction and Mental Health Services Board
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*Notes to the Basic Financial Statements
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Committed

The Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

4. Assigned

Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the 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 contained 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.

M. Net Position

Net position is reported as restricted when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for the various purposes of the grants received by the Board.

The Board's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

N. Employer Contributions to Cost-Sharing Pension Plans

The Board recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 3 and 4, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
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*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

2. DEPOSITS AND INVESTMENTS

As required by the Ohio Revised Code, the Scioto 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.

3. DEFINED BENEFIT PENSION PLAN

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Ohio Public Employees Retirement System (OPERS)

Plan Description – All Board employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

**Alcohol, Drug Addiction and Mental Health Services Board
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3. DEFINED BENEFIT PENSION PLAN (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for services years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of Service for the first 30 years and 1.25% For service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**Alcohol, Drug Addiction and Mental Health Services Board
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3. DEFINED BENEFIT PENSION PLAN (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
Statutory Maximum Contribution Rates	
Employer	14.0%
Employee *	10.0%
2022 Actual Contribution Rates	
Employer:	
Pension****	14.0%
Post-employment Health Care Benefits****	0.0
Total Employer	14.0%
Employee	10.00%

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

3. DEFINED BENEFIT PENSION PLAN (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2024 The Board's contractually required contribution was \$66,150.

4. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

**Alcohol, Drug Addiction and Mental Health Services Board
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*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

4. POST-EMPLOYMENT BENEFITS (Continued)

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

**Alcohol, Drug Addiction and Mental Health Services Board
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Year Ended December 31, 2024*

4. POST-EMPLOYMENT BENEFITS (Continued)

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was \$0 for the year 2024.

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
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*Notes to the Basic Financial Statements
Year Ended December 31, 2024*

5. RISK MANAGEMENT

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

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

The Board also provides health, life, and disability insurances, and dental and vision coverage to full-time employees through a private carrier.

6. CONTINGENCIES

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

Litigation

The Board is currently not involved in legal proceedings.

7. FUND BALANCES

Fund Balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund are presented below:

Fund Balances	General Fund
Restricted for	
Other Purposes-Federal Grants	\$599,877
Addiction Treatment Program for Drug Courts	143,746
Community Transition Program for prison release	20,500
<i>Total Restricted</i>	<u>764,123</u>
 Unassigned	 <u>452,972</u>
 <i>Total Fund Balances</i>	 <u>\$1,217,095</u>

Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties
Scioto County
Schedule of Federal Awards Expenditures
Year Ended December 31, 2024

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Mental Health and Addiction Services:</i>				
Social Services Block Grant-Title XX	93.667	N/A	176,516	176,516
Block Grants for Community Mental Health Services				
Community Plan	93.958	N/A	146,707	146,707
Forensic Block Grant	93.958	N/A	2,750	2,750
Total Block Grants for Community Mental Health Services			149,457	149,457
Opioid STR				
SOR 2.0 Year 2	93.788	2200386	18,309	18,309
SOS 3.0 Year 2	93.788	2400691	1,591,582	1,591,582
SOS 3.0 Year 2	93.788	2400792	25,775	25,775
SOS 3.0 Year 1 Carryover	93.788	2401078	89,614	89,614
SOS 3.0 Year 2 Overdose Awareness	93.788	2500323	0	13,890
Total Opioid STR			1,725,280	1,739,170
Block Grants for Prevention and Treatment of Substance Abuse				
Women's Residential-Scioto County	93.959	2400206	297,598	297,598
Women's Residential-Scioto County	93.959	2500028	136,321	136,321
Per Capita/Prevention-SAPT	93.959	N/A	183,914	183,914
Per Capita/Treatment-SAPT	93.959	N/A	256,982	256,982
Outreach to Homeless Population	93.959	N/A	10,525	10,525
Total Block Grants for Prevention and Treatment of Substance Abuse			885,340	885,340
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	HRSA-22-057	10,000	10,000
<i>Passed through Ohio Department of Job and Family Services</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	N/A	10,616	10,616
Total United States Department of Health and Human Services			2,957,209	2,971,099
<u>U.S. DEPARTMENT OF TREASURY</u>				
<i>Passed through Scioto County Commissioners</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	150,000	150,000
Total United States Department of Treasury			150,000	150,000
Total Federal Awards Expenditures			\$3,107,209	\$3,121,099

N/A - pass through entity number not available

See the accompanying notes to the schedule of federal awards expenditures.

Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties

Scioto County

Notes to the Schedule of Federal Awards Expenditures

2 CFR 200.510(b)(6)

Year Ended December 31, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of federal Awards expenditures (the Schedule) includes the federal award activity of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties (the Board) under programs of the federal government for the year ended December 31, 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 and change in cash financial 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The Board passes certain federal awards received from the Ohio Department of Developmental Disabilities, the Ohio Department of Job and Family Services, and the Ohio Department of Mental Health and Addiction Services to other governments or not-for-profit agencies (subrecipients). As Note B describes the Board reports expenditures of Federal awards to subrecipients when paid in cash. As a subrecipient, the Board has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE D – 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
919 Seventh Street
Portsmouth, Ohio 45662

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 governmental activities, the major fund and the aggregate remaining fund information of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties, Scioto County (the Board) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated July 18, 2025, wherein we noted the Board uses a special purpose framework other than generally accepted accounting principles.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

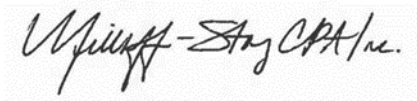
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink, appearing to read "Millhuff-Stang CPA/Inc.", is written over a light gray rectangular background.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 18, 2025

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors
Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
919 Seventh Street
Portsmouth, Ohio 45662

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the Alcohol, Drug Addiction and Mental Health Services Board of Adams, Lawrence and Scioto Counties, Scioto County (the Board) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended December 31, 2024. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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.

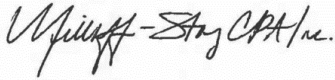
Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance
Page 3

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 18, 2025

**Alcohol, Drug Addiction and Mental Health Services Board
of Adams, Lawrence and Scioto Counties
Scioto County**
*Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024*

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified (Cash Basis)
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	Opioid STR (AL #93.788)
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: All Others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

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OHIO AUDITOR OF STATE KEITH FABER



**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD OF ADAMS, LAWRENCE
AND SCIOTO COUNTIES**

SCIOTO 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 1/27/2026

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