

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH  
SERVICES BOARD OF  
TUSCARAWAS AND CARROLL COUNTIES**

**TUSCARAWAS COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**







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

Board of Directors  
Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties  
119 Garland Drive SW  
New Philadelphia, Ohio 44663

We have reviewed the *Independent Auditor's Report* of the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 Tuscarawas and Carroll 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

**July 15, 2025**

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**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES  
BOARD OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY  
For the Year Ending December 31, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

Alcohol, Drug Addiction and Mental Health Services Board  
of Tuscarawas and Carroll Counties  
Tuscarawas County  
119 Garland Drive SW  
New Philadelphia, Ohio 44663

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 Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties, Tuscarawas County, Ohio (the Board), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Board, as of December 31, 2023, or the changes in financial position thereof for the year then ended.

***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

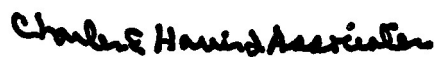
### ***Supplementary Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 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.



***Charles E. Harris & Associates, Inc.***  
May 9, 2025

**Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties**

*Tuscarawas County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2023*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property Taxes	\$ 907,766	\$ -	\$ -	\$ 907,766
Intergovernmental	2,506,915	1,419,490	257,490	4,183,895
Miscellaneous	262,162	1,000	-	263,162
<i>Total Cash Receipts</i>	<u>3,676,843</u>	<u>1,420,490</u>	<u>257,490</u>	<u>5,354,823</u>
<b>Cash Disbursements</b>				
Current:				
Health:				
Salaries	419,385	-	-	419,385
Supplies	8,922	-	-	8,922
Equipment	20,464	-	-	20,464
Contract Repairs	1,951	-	-	1,951
Contract Services	2,919,009	1,576,551	-	4,495,560
Insurance	96,979	-	-	96,979
Travel	5,615	-	-	5,615
PERS	58,714	-	-	58,714
Workers Comp	2,188	-	-	2,188
Other	20,398	2,000	-	22,398
Medicare	5,828	-	-	5,828
Capital Outlay	-	-	728,807	728,807
<i>Total Cash Disbursements</i>	<u>3,559,453</u>	<u>1,578,551</u>	<u>728,807</u>	<u>5,866,811</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>117,390</u>	<u>(158,061)</u>	<u>(471,317)</u>	<u>(511,988)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	-	967,000	967,000
Transfers Out	(967,000)	-	-	(967,000)
Advances In	80,413	-	-	80,413
Advances Out	-	(80,413)	-	(80,413)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(886,587)</u>	<u>(80,413)</u>	<u>967,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(769,197)</u>	<u>(238,474)</u>	<u>495,683</u>	<u>(511,988)</u>
<i>Fund Cash Balances, January 1</i>	<u>2,733,375</u>	<u>594,950</u>	<u>-</u>	<u>3,328,325</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,964,178</u>	<u>\$ 356,476</u>	<u>\$ 495,683</u>	<u>\$ 2,816,337</u>

*See accompanying notes to the financial statements*

**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
And Carroll Counties**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll County, (the Board) as a body corporate and politic. A fourteen-member Board is the governing Body. The Board's Director and the legislative authorities of the political subdivisions making up the Board appoint the other Board members. The Board includes members from the legislative authorities, Ohio Department of Mental Health and Addiction Services appointments and citizens of the Board. The Board funds services and programs dealing with alcohol, drug addiction and mental health to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

***Public Entity Risk Pool***

The Board participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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.

***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:

*Alcohol and Drug Addiction Block Grant Fund* – This fund receives reimbursements from the Ohio Department of Mental Health and Addiction Services for substance abuse treatment and prevention.

*Federal Grants – Miscellaneous* – This fund receives reimbursements from the U.S. Department of Housing and Urban Development for Continuum of Care, and the Joe Otte Memorial Endowment Fund for substance abuse programs.

**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
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*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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

***Fund Accounting (Continued)***

***Special Revenue Funds (Continued)***

*Women's Set Aside* – This funding is to provide for the existing and emerging needs of women addicted to or dependent upon alcohol and/or other drugs. This fund receives reimbursements from the Ohio Department of Mental Health and Addiction Services.

*Title XX* – This funding is received from the Ohio Department of Mental Health and Addiction Services to specifically fund Crisis Stabilization Unit.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Board has the following significant capital project fund:

Residential Treatment Center - The fund is for a construction of a residential treatment center.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires the Board to adopt a budget for each fund annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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

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

A summary of 2023 budgetary activity appears in Note 3.

**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
And Carroll Counties**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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

***Capital Assets***

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

***Accumulated Leave***

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

***Leases***

The Board is the lessor in a leases (as defined by GASB 87) related to buildings under a noncancelable lease. Lease disbursements are recognized when they are paid.

***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.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
And Carroll Counties**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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

***Fund Balance (Continued)***

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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,763,413	\$ 3,757,256	\$ (6,157)
Special Revenue	1,794,766	1,420,490	(374,276)
Capital Projects	2,767,000	1,224,490	(1,542,510)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 5,351,766	\$ 4,634,434	\$ 717,332
Special Revenue	2,186,292	1,797,245	389,047
Capital Projects	2,500,000	1,749,999	750,001

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Tuscarawas 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.

**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
And Carroll Counties**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 5 – Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within Tuscarawas County.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Board.

**Note 6 – Interfund Balances**

There were no outstanding advances at December 31, 2023.

**Note 7– Risk Management**

The Board participates in the Tuscarawas County Healthcare Consortium (the “Consortium”), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool for health insurance (including prescription and vision) coverage for its 29 subdivisions. The Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2023, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member’s Plan Document and as established by law. The Board of Directors determines, as their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member’s Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium. The Consortium’s audited financial statements conform with generally accepted accounting principles, and reporting the following assets, liabilities and net position at December 31, 2023.

Assets	\$1,896,676
Liabilities	<u>2,199,375</u>
Net Position	(302,699)

***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.

**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
And Carroll Counties**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 7– Risk Management (Continued)**

***Commercial Insurance***

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 8– Lease Agreement**

The Board has a lease agreement for the premises located at 119 Garland Drive SW, New Philadelphia, OH, which began in October 2021 to September 2026. The Board currently has five-year lease at \$4,100 per month. The Board paid total rent of \$49,200 during 2023 for this lease agreement.

**Note 9--Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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. The Board has paid all contributions required through December 31, 2023.

**Note 10 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. 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. For calendar year 2023, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.



**Alcohol, Drug Addiction and Mental  
Health Board of Tuscarawas  
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*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 11 – Construction and Contractual Commitments**

At the end of 2023, the Board have the following commitments outstanding:

- A signed contract with TC Architect for the Residential Treatment Center in the amount of \$140,600, which was actually signed in 2022 but not fully spent.
- A signed contract with Classical Construction in the amount of \$2,291,600, which was signed in 2023.

**Note 12 – Contingent Liabilities**

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

**Note 13 – Fund Balances**

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 year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$ 107,981	\$ 138,281	\$ 1,021,192	\$ 1,267,454
Total	\$ 107,981	\$ 138,281	\$ 1,021,192	\$ 1,267,454

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

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Board received COVID-19 funding. The Board will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Direct Program:</i>				
Continuum of Care Program SFY 2023	14.267	N/A	\$ -	\$ 159,724
Continuum of Care Program SFY 2024	14.267	N/A	-	157,671
<b>Total U.S. Department of Housing and Urban Development</b>			<b>-</b>	<b>317,395</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through the Ohio Department of Mental Health and Addiction Services</i>				
<i>Social Services Block Grant Program:</i>				
Social Services Block Grant SFY 2023	93.667	N/A	56,239	56,239
Social Services Block Grant SFY 2024	93.667	N/A	18,717	18,717
Total Social Services Block Grant Program			74,956	74,956
<i>Opioid STR Program:</i>				
SOR 2.0 SFY 2023	93.788	2200393	30,682	33,118
SOS 2.0 CO SFY 2023	93.788	2200780	-	864
SOR 2.0 NCE SFY 2023	93.788	2300747	42,710	84,251
SOR 2.0 NCE SFY 2024	93.788	2300747	77	15,442
SOS SFY 2023	93.788	2300670	135,639	135,639
SOS SFY 2024	93.788	2300670	65,096	65,096
SOR 2.0 NCE Overdose Awareness	93.788	2300349	15,000	15,000
SOS SFY 2024	93.788	2400571	-	10,740
Total Opioid STR Program			289,204	360,150
<i>Block Grants for Community Mental Health Services Program:</i>				
Community Plan SFY 2023	93.958	N/A	41,049	41,049
Community Plan SFY 2024	93.958	N/A	39,755	39,755
Community Investments (SFY 19 allocation) SFY 2023 Expenditure	93.958	N/A	8,039	8,039
Total Mental Health Disaster Assistance and Emergency Mental Health Program			88,843	88,843
<i>Block Grants for Prevention and Treatment of Substance Abuse (SABG) Program:</i>				
Women's Treatment and Recovery Grant SFY 2023	93.959	N/A	92,742	92,742
Women's Treatment and Recovery Grant SFY 2024	93.959	N/A	30,990	30,990
Block Grants for Prevention and Treatment of Substance Abuse (SABG) SFY 2023	93.959	N/A	248,443	322,843
Block Grants for Prevention and Treatment of Substance Abuse (SABG) SFY 2024	93.959	N/A	64,427	89,227
COVID Relief Funds- Substance Abuse - Alcohol Use Disorder Tx Program SFY 2023	93.959	B08TIO83541	90,122	90,122
COVID Relief Funds- Substance Abuse - Alcohol Use Disorder Tx Program SFY 2024	93.959	N/A	56,931	56,931
COVID Emergency Funding - Crisis Infrastructure	93.959	B08TIO83541	50,000	50,000
COVID Mental Health Impacts Indigent Patient Hospitalization SFY 23	93.959	N/A	-	41,361
Total Block Grants for Prevention and Treatment of Substance Abuse (SABG)			633,655	774,216
<i>Mental Health Disaster Assistance and Emergency Mental Health Program:</i>				
MH Disaster Assistance and Emergency MH (CCP-RSP)	93.982	N/A	-	10,422
Total Mental Health Disaster Assistance and Emergency Mental Health Program			-	10,422
<b>Total U.S. Department of Health and Human Services</b>			<b>1,086,657</b>	<b>1,308,587</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,086,657</b>	<b>\$ 1,625,982</b>

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

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH  
SERVICES BOARD OF TUSCARAWAS AND CARROLL COUNTIES**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Board under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of *Title 2 U.S. Requirements for Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in 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 expenditure may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – SUBRECIPIENTS**

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

As a subrecipient, the Board has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE E – MATCHING REQUIREMENTS**

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

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

Alcohol, Drug Addiction and Mental Health Services Board  
of Tuscarawas and Carroll Counties  
Tuscarawas County  
119 Garland Drive SW  
New Philadelphia, Ohio 44663

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements of the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties, Ohio (the Board) and have issued our report thereon dated May 9, 2025, wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Internal Control over Financial Reporting**

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

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

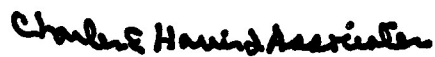
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



**Charles E. Harris & Associates, Inc.**  
May 9, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Alcohol, Drug Addiction and Mental Health Services Board  
of Tuscarawas and Carroll Counties  
Tuscarawas County  
119 Garland Drive SW  
New Philadelphia, Ohio 44663

To the Board of Directors:

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

***Qualified and Unmodified Opinions***

We have audited the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties' (the Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Board's major federal programs for the year ended December 31, 2023. The Board's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

***Qualified Opinion on the Opioid STR Program***

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Opioid STR Program for the year ended December 31, 2023.

***Unmodified Opinion on the Other Major Federal Program***

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 other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 2023.

***Basis for Qualified and Unmodified Opinions***

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 qualified and unmodified opinions 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.

***Matters Giving Rise to Qualified Opinion on the Opioid STR Program***

As described in Findings 2023-001 and 2023-002 in the accompanying Schedule of Findings, the Board did not comply with requirements regarding the following:

<b>Finding Number</b>	<b>Assistance Listing Number</b>	<b>Program Name</b>	<b>Compliance Requirement</b>
2023-001	93.788	Opioid STR Program	Procurement and Suspension and Disbarment
2023-002	93.788	Opioid STR Program	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for the Board to comply with the requirements applicable to that program.

***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.

### **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Board's responses to the noncompliance findings identified in our compliance audit described in the accompanying Corrective Action Plan. The Board's responses were not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the responses.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 to be material weaknesses.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Board's responses to the internal control over compliance findings identified in our audit described in the accompanying Corrective Action Plan. The Board's responses were not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**Charles E. Harris & Associates, Inc.**

May 9, 2025



**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse under GAAP, unmodified under the regulatory basis
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b> <ul style="list-style-type: none"> <li>AL #93.788 Opioid STR Program - Qualified</li> <li>AL #93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) Program – Unmodified</li> </ul>	
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"> <li>AL #93.788 Opioid STR Program</li> <li>AL #93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) Program</li> </ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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**1. Procurement and Suspension and Debarment**

<b>Finding Number:</b>	<b>2023-001</b>
<b>Assistance Listing Number and Title:</b>	<b>AL # 93.788 Opioid STR Program</b>
<b>Federal Award Identification Number / Year:</b>	<b>H79TI083294 / 2021, 2022 H79TI085753 / 2022, 2023</b>
<b>Federal Agency:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Compliance Requirement:</b>	<b>Procurement and Suspension and Debarment</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Mental Health and Addiction Services</b>
<b>Repeat Finding from Prior Audit?</b>	<b>Yes</b>
<b>Prior Audit Finding Number:</b>	<b>2022-004</b>

**Noncompliance and Material Weakness**

2 C.F.R. § 376.10 gives regulatory effect to the Department of Health and Human Services for 2 C.F.R. Part 180. 2 C.F.R. § 180.220(b) provides that a contract for goods or services is a covered transaction if the contract is awarded by a participant in a nonprocurement transaction that is covered under § 180.210, and the amount of the contract is expected to equal or exceed \$25,000. 2 C.F.R. § 376.220 states that in addition to the contracts covered under 2 C.F.R. § 180.220(b), this part also applies to all lower tiers of subcontracts under covered nonprocurement transactions, as permitted under the OMB guidance at 2 C.F.R. § 180.220(c). 2 C.F.R. § 180.300 provides that when you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by: (a) checking SAM exclusions; or (b) collecting a certification from that person; or (c) adding a clause or condition to the covered transaction with that person.

45 C.F.R. § 75.329 provides the procurement methods required for non-Federal entities. 45 C.F.R. § 75.329(b) states small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Additionally, Board Policy VII-A.10 "Federal Funds - Procurement" provides procedures for the small purchases procurement method, including obtaining the required price quotes from at least three qualified sources. The policy also states that the Fiscal Manager shall confirm that the supplier is not debarred or suspended by doing one of the following: checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at [www.sam.gov](http://www.sam.gov); collecting a certification from the supplier; or adding a clause or condition to the covered transaction with that supplier.

The Board did not have proper internal controls in place to ensure that procurement procedures were followed.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS (Continued)</b>
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**FINDING NUMBER 2023-001 (Continued)**

Also, the Board did not have the proper internal controls in place to verify that all entities, with whom the Board had entered into covered transactions, had not been suspended or debarred. During testing for Opioid State Targeted Response Grant, we noted three instances of a payment to a vendor of more than \$25,000 and there was no evidence the Board checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor. Due to the deficient internal control structure, the required verification was not completed for the three covered transactions in the Opioid State Targeted Response Grant.

Failing to have the appropriate controls in place may result in vendors receiving federal funds that are suspended or debarred.

Prior to contracting with vendors that will be paid with federal funds, the Board should ensure that procurement requirements are followed. In addition, the Board should verify that the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

**Officials' Response:** See Corrective Action Plan.

**2. Subrecipient Monitoring**

<b>Finding Number:</b>	<b>2023-002</b>
<b>Assistance Listing Number and Title:</b>	<b>AL # 93.788 Opioid STR Program</b>
<b>Federal Award Identification Number / Year:</b>	<b>H79TI083294 / 2021, 2022</b>
	<b>H79TI085753 / 2022, 2023</b>
<b>Federal Agency:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Compliance Requirement:</b>	<b>Subrecipient Monitoring</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Mental Health and Addiction Services</b>
<b>Repeat Finding from Prior Audit?</b>	<b>Yes</b>
<b>Prior Audit Finding Number:</b>	<b>2022-007</b>

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS (Continued)</b>
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**FINDING NUMBER 2023-002 (Continued)**

**Noncompliance and Material Weakness**

45 C.F.R. § 75.352(a) and (d) requires that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. Required information includes federal award identification, federal award notification and all requirements imposed by the pass through-entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Additionally, the pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Although the Board entered into an agreement with Ohio Guidestone for several types of services, the Board did not include the required information indicating that the provider was a subrecipient of the Opioid State Targeted Response grant. The Board also did not properly monitor the activity of the subrecipient related to the grant requirements.

Without adequate procedures in place to monitor subrecipient compliance with federal statutes, laws and regulations, there is an increased risk subrecipients may misuse subaward funds for unauthorized purposes. This could lead to fines, penalties, or repayment of program funding being imposed by the federal grantor agency.

The Board should evaluate its current control procedures and processes over subrecipient monitoring and update them as necessary to reasonably ensure compliance with 45 C.F.R. § 75.352. The Board should ensure that subrecipients are properly notified of the subaward along with the requirements imposed by the pass through-entity on the subrecipient. The Board should also perform monitoring procedures over the subrecipient activity to ensure that the grant requirements are met.

**Officials' Response:** See Corrective Action Plan.

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –  
PREPARED BY MANGEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2022-001	Ohio Rev. Code § 5705.40 Approved appropriations not matching the appropriations in the accounting system.	Corrected	N/A
2022-002	Ohio Rev. Code § 5705.41(B) Expenditures exceeding appropriations.	Corrected	N/A
2022-003	Federal Finding – Activities Allowed or Unallowed, Allowable Costs/Cost Principals, Period of Performance	Corrected	N/A
2022-004	Federal Finding – Procurement and Suspension and Debarment	Not Corrected	N/A
2022-005	Federal Finding – Cash Management	Corrected	N/A
2022-006	Federal Finding - Equipment and Real Property Management	Corrected	N/A
2022-007	Federal Finding - Subrecipient Monitoring	Not Corrected	N/A

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
OF TUSCARAWAS AND CARROLL COUNTIES  
TUSCARAWAS COUNTY**

**CORRECTIVE ACTION PLAN  
(PREPARED BY MANAGEMENT)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2023-001	Updated Policy and Procedures and implemented a Procurement Checklist.	Immediately	Danielle Lurie, Fiscal Manager
2023-002	Updated Policies and Procedures and approved use of a Federal Funds Monitoring Checklist.	Immediately	Danielle Lurie, Fiscal Manager.

# OHIO AUDITOR OF STATE KEITH FABER



**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD OF TUSCARAWAS AND  
CARROLL COUNTIES**

**TUSCARAWAS COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/29/2025**

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