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Mental Health and Recovery Services Board
of Allen, Auglaize and Hardin Counties
Allen County
529 South Elizabeth Street
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To the Members of the Governing Board:

MANAGEMENT LETTER

We have audited the financial statements of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties (the Board) in accordance with *Government Auditing Standards*, as of and for the year ended June 30, 2024, and have issued our report thereon dated December 15, 2024.

Government Auditing Standards requires us to report significant internal control deficiencies, fraud (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated December 15, 2024, for the year ended June 30, 2024.

U.S. Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that we report all instances of noncompliance and to report on internal controls related to major programs. We have issued a report dated December 15, 2024, on compliance and on the internal controls required by the Uniform Guidance as of and for the year ended June 30, 2024.

We are also submitting the following comments for your consideration regarding the Board's compliance with applicable laws, regulations, grant agreements, contract provisions and internal control. These comments reflect matters that do not require inclusion in the reports *Government Auditing Standards* and the Uniform Guidance require. Nevertheless, these comments represent matters for which we believe improvements in compliance or internal controls or operating efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist the Board. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

We would like to thank the Finance Director and her staff for their assistance during the audit.

We intend this report for the information and use of the audit committee, the Governing Board and management.



Charles E. Harris & Associates, Inc.
December 15, 2024

Ohio Revised Code Noncompliance:

Ohio Revised Code Section 5705.41 (B) states that no subdivision shall make any expenditure of money unless it has been appropriated as provided in such chapter. Furthermore, Ohio Administrative Code 117-2-02 states that all local public offices should integrate the budgetary accounts, at the legal level of control which is the object level for all funds. The General fund, Health Services object level had expenditures plus encumbrances exceeded appropriations by \$ 565,758 in the General Fund.

In addition, the final appropriation amounts reported in the budget versus actual statements did not match the final approved appropriations.

We recommend that management analyze budgetary information regularly and ensure that expenditures are within appropriations at the legal level of control and the amounts reported match the final approved budgeted appropriations.