



Dave Yost • Auditor of State

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2012	5
Notes to the Financial Statement	7
Federal Awards Expenditure Schedule	13
Notes to the Federal Awards Expenditure Schedule	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	17
Schedule of Findings	19

THIS PAGE INTENTIONALLY LEFT BLANK



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Board of Alcohol, Drug Addiction and Mental Health Services
Crawford and Marion Counties
907 North Sandusky Avenue
Bucyrus, Ohio 44820

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statement and related notes of the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio, (the Board) as of and for the year ended December 31, 2012.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on the financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Board's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statement, the Board prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Board as of December 31, 2012, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined cash balances of the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio, as of December 31, 2012, and its combined cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Matters

Our audit was conducted to opine on the financial statement. The federal awards expenditure schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statement. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. This schedule was subjected to the auditing procedures we applied to the financial statement. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2013, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State
Columbus, Ohio

September 5, 2013

THIS PAGE INTENTIONALLY LEFT BLANK

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$ 1,398,481	\$ -	\$ 1,398,481
Intergovernmental	429,714	-	429,714
State Grants	3,407,309	175,918	3,583,227
Federal Grants	1,000	728,828	729,828
Reimbursements	100,915	-	100,915
Miscellaneous	5,262	-	5,262
Total Cash Receipts	5,342,681	904,746	6,247,427
Cash Disbursements:			
Current:			
Salaries	304,728	46,349	351,077
Benefits	39,758	8,772	48,530
Supplies	7,486	814	8,300
Equipment	2,631	-	2,631
Contracts - Services	4,859,341	830,256	5,689,597
Advertising and Printing	400	-	400
Travel	11,262	3,136	14,398
Public Employee's Retirement	69,632	4,823	74,455
Workers Compensation	2,278	457	2,735
Communications	3,326	-	3,326
Utilities	18,356	-	18,356
Other	56,972	10	56,982
Total Cash Disbursements	5,376,170	894,617	6,270,787
Excess of Receipts Over (Under) Disbursements	(33,489)	10,129	(23,360)
Fund Cash Balances, January 1	3,267,960	157,544	3,425,504
Fund Cash Balances, December 31:			
Restricted	-	1,310,178	1,310,178
Assigned	468,953	-	468,953
Unassigned	2,765,518	(1,142,505)	1,623,013
Total Fund Cash Balances, December 31	\$ 3,234,471	\$ 167,673	\$ 3,402,144

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

THIS PAGE INTENTIONALLY LEFT BLANK

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, (the Board) as a body corporate and politic. An eighteen-member Board is the governing Body. The Board's Director and the legislative authorities of the political subdivisions making up the Board appoint the other Board members. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are the Ohio Department of Mental Health, the Ohio Department of Alcohol and Drug Addiction Services, and the Crawford and Marion County Commissioners. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

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

B. Accounting Basis

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

As required by the Ohio Revised Code, the Marion 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.

D. Fund Accounting

The Board uses fund accounting to segregate cash and investments that are restricted as to use. The Board classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. 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. The Board had the following significant Special Revenue Fund:

SAPT Block Grant Fund – This fund receives monies for planning, carrying out and evaluating activities to prevent and treat substance abuse.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. 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 2012 budgetary activity appears in Note 2.

F. Fund Balance

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

1. Nonspendable

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

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

2. Restricted

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

3. 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.

4. Assigned

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

5. Unassigned

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

The Board applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

2. Budgetary Activity

Budgetary activity for the year ending December 31, 2012 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,928,221	\$5,342,681	\$414,460
Special Revenue	853,024	904,746	51,722
Total	\$5,781,245	\$6,247,427	\$466,182

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,185,447	\$5,845,123	\$340,324
Special Revenue	993,456	895,102	98,354
Total	\$7,178,903	\$6,740,225	\$438,678

3. Property Tax

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

Public utilities are also taxed on personal and real property located within the Board.

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

4. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2012, 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, 2012.

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

5. Risk Management

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employee Dishonesty; and
- Directors and Officers Liability.

The Board also provides health insurance and dental coverage to full-time employees through a private carrier.

6. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Mental Health</i>			
Social Services Block Grant	31-6400076	93.667	\$ 95,644
Block Grants for Community Mental Health Services	31-6400076	93.958	84,385
Medical Assistance Program	31-6400076	93.778	11,597
<i>Passed Through Ohio Department of Alcohol & Drug Addiction Services</i>			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	31-6400076	93.243	20,000
Block Grants for Prevention and Treatment of Substance Abuse	31-6400076	93.959	309,250
<i>Passed Through Ohio State University Research Foundation</i>			
Block Grants for Community Mental Health Services	31-6400076	93.958	<u>1,000</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u><u>521,876</u></u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Special Education Grants for Infants and Families	31-6400076	84.181	<u>62,092</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>62,092</u></u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Criminal Justice Services</i>			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	2009-RA-R01-2358	16.803	<u>95,932</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u><u>95,932</u></u>
Total Federal Awards Expenditures			<u><u>\$ 679,900</u></u>

The accompanying notes are an integral part of this schedule

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**NOTES TO THE FEDERAL AWARDS EXPENDITURE SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditure Schedule (the Schedule) reports the Board's federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting

NOTE B - 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.



Dave Yost • Auditor of State

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

Board of Alcohol, Drug Addiction and Mental Health Services
Crawford and Marion Counties
907 North Sandusky Avenue
Bucyrus, Ohio 44820

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio, (the Board) as of and for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated September 5, 2013, wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Board's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2012-001.

Entity's Response to Finding

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Board's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

September 5, 2013



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Alcohol, Drug Addiction and Mental Health Services
Crawford and Marion Counties
907 North Sandusky Street
Bucyrus, Ohio 44820

To the Members of the Board:

Report on Compliance for the Major Federal Program

We have audited the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio, (the Board's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Board's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the Board's major federal program.

Management's Responsibility

The Board's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Board's compliance for the Board's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Board's major program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on the Major Federal Program

In our opinion, the Board complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Board's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

September 5, 2013

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	CFDA #93.959 – Block Grants for Prevention and Treatment of Substance Abuse
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING 2012-001

Negative Fund Balances

Ohio Rev. Code § 5705.10(H) states that money paid into any fund shall be used only for the purposes for which such fund was established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance.

At December 31, 2012, the Board had negative fund balances as follows:

Fund	12/31/12 Fund Balance
ODADAS SIG Grant	(14,019)
ODADAS RSC-VRP3 Project	(9,484)
ODMH FAST Grant	(6,340)
ODADAS Title XIX	(73,613)
ODMH ARRA Stimulus	(777,156)
ODADAS ARRA Stimulus	(261,893)

We recommend the Board monitor fund balances to ensure expenditures are made within appropriated levels of available funds and if negative fund balances are anticipated, the Board should make an approved transfer or advance of funds to cover the necessary expenditures.

Officials' Response:

With regard to the Crawford-Marion ADAMH Board CY12 Single Audit, Negative Fund Balance Finding, the Corrective Action Plan Follows.

The Board had negative fund balances in the following areas:

1. ODADAS SIG Grant: \$14,019 – This was a misstated expenditure of funds that will be corrected in the General Fund.
2. ODADAS RSC-VRP3 Project: \$9,484 – The revenues for October through December of 2012 were paid into the Board's RSC account in January and February of 2013. As a result, no further action is required.
3. ODMH FAST Grant: \$6,340 – It appears that this was a misstated expenditure for a previous period. The allocation is made up of 25% of State funds and 75% of federal funds.
4. ODADAS Title XIX: \$73,613 – In 1999, the Ohio Department of Mental Health and the Ohio Department of Drug Addiction Services implemented a required data and payment system known as MACSIS. At that time, Board's received a flat amount of MACSIS – Medicaid Funds that were intended to provide up front funds to provider agencies to reduce the probability of cash flow problems during the initial startup of claims processing. The funds were not identified specifically as AOD or MH related. We have communicated with OMHAS regarding this issue and are still waiting for documentation related to distinguishing these funds. It is important to note that ODMH and ODADAS Medicaid have the same CFDA# and, as a result, we could possibly merge the negative ODADAS fund balance with the positive ODMH fund balance. During CY2013, the Finance Specialist will make adjusting entries in the PO/Voucher Database to match revenues received after getting clarification from the newly created Ohio Mental Health and Addiction Services Department.

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTIES**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING 2012-001

Negative Fund Balances (Continued)

5 & 6. ODMH ARRA Stimulus (\$777,156) and ODADAS ARRA Stimulus (\$216,893), this fund was added in August of 2008. The Board did not receive any actual stimulus funds until June 28, 2009. Claims processed during the period after August of 2008 was split as normally would be done (60% federal and 40% local). We did not use stimulus and no adjustments were done. The board used ARRA Stimulus funds to upfront our local agencies Medicaid billings at 100% so that they did not have a delay in receiving reimbursement from Ohio Job and Family Services. We did not expend ODMH ARRA Stimulus funds until SFY 2010 and ODADAS ARRA in 2009. The Finance director made a mistake in overspending the ARRA stimulus funds. The finance specialist will make adjusting entries in the PO/Voucher Database for CY 13 to reflect the ARRA Stimulus expenses up to the amount received.

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.



Dave Yost • Auditor of State

**BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES OF MARION AND
CRAWFORD COUNTIES**

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 1, 2013**