

**CRAWFORD-MARION BOARD OF
ALCOHOL, DRUG, ADDICTION AND
MENTAL HEALTH SERVICES**
CRAWFORD AND MARION COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Governing Board
Crawford-Marion Board of Alcohol, Drug Addiction, and Mental Health Services
113 West Rensselaer Street
Bucyrus, Ohio 44820

We have reviewed the *Independent Auditor's Report* of the Crawford-Marion Board of Alcohol, Drug Addiction, and Mental Health Services, Crawford and Marion Counties, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2021. 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 Crawford-Marion Board of Alcohol, Drug Addiction, and Mental Health Services is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2022

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**CRAWFORD-MARION BOARD OF ALCOCHOL, DRUG, ADDICTION AND MENTAL HEALTH
SERVICES
CRAWFORD AND MARION COUNTY, OHIO**

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Independent Auditor's Report

Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services
Crawford and Marion County
113 West Rensselaer Street
Bucyrus, Ohio 44820

To the Members of the Board:

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying financial statement of the cash balances, receipts, and disbursements for each governmental fund type of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services, Crawford and Marion County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statement.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services, as of and for the year ended December 31, 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services, as of December 31, 2021, or changes in net position, thereof for the year then ended.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services 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 opinion.

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

As described in Note 2 of the financial statement, the financial statement is prepared by the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statement 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.

Though the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services does not intend this statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Emphasis of Matter

As described in Note 12 to the financial statement, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of 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(C). 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 misstatements, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards 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 statement, 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 statement.
- 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations 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 statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2022 on our consideration of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 25, 2022

Crawford-Marion Board of Alcohol, Drug Addiction and Mental Health Services

Crawford and Marion County, Ohio

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

All Governmental Fund Types

For the Year Ended December 31, 2021

| | General | Special Revenue | Capital Projects | Totals (Memorandum Only) |
|---|---------------------------|-------------------------|------------------------|--------------------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$1,665,306 | - | - | \$1,665,306 |
| Intergovernmental | 193,278 | - | - | 193,278 |
| State Grants | 2,200,065 | - | - | 2,200,065 |
| Federal Grants | - | 976,791 | - | 976,791 |
| Miscellaneous | 6,029 | - | - | 6,029 |
| <i>Total Cash Receipts</i> | <u>4,064,677</u> | <u>976,791</u> | <u>-</u> | <u>5,041,468</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Salaries | 327,074 | 54,924 | - | 381,998 |
| Benefits | 30,210 | 14,780 | - | 44,990 |
| Public Employee's Retirement | 53,733 | 8,216 | - | 61,949 |
| Service and Supplies | 137,012 | 33 | - | 137,045 |
| Contracts - Services | 2,398,291 | 943,192 | - | 3,341,483 |
| Travel | 2,740 | 1,854 | - | 4,594 |
| Communications | 8,023 | 497 | - | 8,519 |
| Utilities | 2,764 | - | - | 2,764 |
| Other | 38,069 | - | - | 38,069 |
| Maintenance and Repair | 9,892 | - | - | 9,892 |
| Equipment | 37,610 | - | - | 37,610 |
| <i>Total Cash Disbursements</i> | <u>3,045,418</u> | <u>1,023,495</u> | <u>-</u> | <u>4,068,913</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>1,019,259</u> | <u>(46,704)</u> | <u>-</u> | <u>972,555</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Advances In | 599,538 | 674,272 | - | 1,273,810 |
| Advances Out | (674,272) | (599,538) | - | (1,273,810) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(74,734)</u> | <u>74,734</u> | <u>-</u> | <u>-</u> |
| <i>Net Change in Fund Cash Balances</i> | 944,525 | 28,030 | - | 972,555 |
| <i>Fund Cash Balances, January 1</i> | <u>4,678,533</u> | <u>407,685</u> | <u>80,977</u> | <u>5,167,195</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$5,623,058</u></u> | <u><u>\$435,715</u></u> | <u><u>\$80,977</u></u> | <u><u>\$6,139,751</u></u> |

See accompanying notes to the basic financial statement

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

*Crawford and Marion County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021*

Note 1 – Reporting 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. 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 those legislative authorities as well as citizens of the Board. Those subdivisions are The Ohio Department of Mental Health and 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.

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:

- Substance Abuse Block Grant- provides for the prevention, treatment, and recovery supports for persons with substance use disorders.
- State Opioid Response Grant- provides for prevention, early intervention, treatment, and recovery supports for persons with opioid use disorder.

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 a capital projects fund which accounts for the sale of capital assets.

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

*Crawford and Marion County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021*

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) 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.

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 2021 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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.

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:

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

*Crawford and Marion County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021*

Nonspendable The Board classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Board and the nonspendable portion of the corpus in permanent funds.

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

Committed 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*.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

| Fund Type | 2021 Budgeted vs. Actual Receipts | | Variance |
|------------------|-----------------------------------|--------------------|------------------|
| | Budgeted Receipts | Actual Receipts | |
| General | \$3,720,455 | \$4,064,677 | \$344,222 |
| Special Revenue | 1,174,469 | 976,791 | (197,678) |
| Capital Projects | - | - | - |
| Total | \$4,894,924 | \$5,041,468 | \$146,544 |

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

*Crawford and Marion County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021*

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$3,288,634 | \$3,160,892 | \$127,742 |
| Special Revenue | 1,086,713 | 1,023,495 | 63,217 |
| Capital Projects | - | - | - |
| Total | \$4,375,346 | \$4,184,387 | \$190,959 |

Note 4 – 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.

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.

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

Outstanding advances at December 31, 2021, consisted of \$93,386 advanced to the Drug Free Communities Grant fund to provide working capital for contract services.

Note 7 – Risk Management

Workers’ Compensation

In 2021, the Board participated in the Marion County Commissioners Association Workers’ Compensation Group Retrospective Rating Program, a Workers’ Compensation shared risk pool. The participating counties pay their own individual premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending on that performance, the participating counties may receive a premium refund or an additional premium assessment.

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

*Crawford and Marion County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021*

Risk Pool Membership

The Board, through the County, is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County addresses these risks by being a member of the County Risk Sharing Authority (CORSA). CORSA is a risk sharing pool established by the County Commissioners Association of Ohio (CCAO) to provide property and liability coverage for counties who are members of CCAO. The Board is under the Marion County's umbrella for the following coverage through CORSA

- Comprehensive property and general liability;
- Vehicles Liability
- Errors and omissions
- Cyber Liability

Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

There are six Board employees that 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, 2021.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, 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.

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

*Crawford and Marion County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021*

Note 11 – Fund Balances

Included in fund balance are amounts the Board cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 facilities effective cash planning and control. The Board did not hold any non-spendable funds in 2021.

| <u>Fund Balances</u> | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total</u> |
|--------------------------|------------------|----------------------------|-----------------------------|------------------|
| Outstanding Encumbrances | 115,474 | - | - | 115,474 |
| Total | <u>\$115,474</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$115,474</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – 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 continues. During 2021, the Board received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board. The impact on the Board's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**CRAWFORD-MARION BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

| FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title | Assistance Listing Number | Pass Through Entity Identifying Number | Total Federal Expenditures |
|---|--|---|---------------------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| <i>Passed Through Ohio Department of Mental Health and Addiction Services</i> | | | |
| Social Services Block Grant | 93.667 | 31-6400076 | \$ 102,646 |
| Block Grants for Community Mental Health Services | 93.958 | 31-6400076 | 108,851 |
| COVID-19 - Block Grants for Community Mental Health Services | 93.958 | 31-6400076 | 18,750 |
| | | | <u>127,601</u> |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 31-6400076 | 264,326 |
| Opioid STR | 93.788 | 1H79TI083294-01 | 370,134 |
| Drug-Free Communities Support Program Grants | 93.276 | 31-6400076 | 78,485 |
| Total U.S. Department of Health and Human Services | | | <u>943,192</u> |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <i>Passed Through Opportunities for Ohioans with Disabilities</i> | | | |
| Rehabilitation Services - Vocational Rehabilitation Grants to States | 84.126 | 31-6400076 | 80,303 |
| Total U.S. Department Education | | | <u>80,303</u> |
| Total Expenditures of Federal Awards | | | <u>\$1,023,495</u> |

The accompanying notes are an integral part of this schedule.

**CRAWFORD-MARION BOARD OF ALCOHOL, DRUG, ADDICTION AND MENTAL HEALTH
SERVICES
CRAWFORD AND MARION COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Crawford-Marion ADAMH under programs of the federal government for the year ended December 31, 2021 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Crawford-Marion ADAMH, it is not intended to and does not present the fund balances or changes in fund balances of the Crawford-Marion ADAMH. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Crawford-Marion ADAMH has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of the Financial Statement Performed in Accordance With
*Government Auditing Standards***

Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services
Crawford and Marion County
113 West Rensselaer Street
Bucyrus, Ohio 44820

To the Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the cash balances, receipts, and disbursements for each governmental fund type of the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services, Crawford and Marion County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statement and have issued our report thereon dated July 25, 2022, wherein we noted as described in Note 2 to the financial statement, the Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Furthermore, we noted as described in Note 12 to the financial statement, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' financial statement 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' financial statement is 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Julian & Grube, Inc.
July 25, 2022

**Independent Auditor’s Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services
Crawford and Marion County
113 West Rensselaer Street
Bucyrus, Ohio 44820

To the Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services’ compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services’ major federal programs for the year ended December 31, 2021. Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services’ 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' 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 Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Crawford-Marion Board of Alcohol, Drug, Addiction and Mental Health Services
Crawford and Marion County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Julian & Grube, Inc.

Julian & Grube, Inc.
July 25, 2022

**CRAWFORD-MARION ALCOHOL, DRUG, ADDICTION AND MENTAL HEALTH SERVICES
CRAWFORD AND MARION COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

| 1. SUMMARY OF AUDITORS' RESULTS | | |
|--|---|--|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinions</i> | GAAP – Adverse Regulatory - Unmodified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weaknesses reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any significant deficiencies in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs' Compliance Opinion</i> | Unmodified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under 2 CFR §.516(a)?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Programs (listed):</i> | Opioid STR (ALN 93.788) Block Grants for Prevention and Treatment of Substance Abuse (ALN 93.959) |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A:>\$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee under 2 CFR § 200.520?</i> | No |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



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

MARION 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 9/13/2022

88 East Broad 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