



**Mary Taylor, CPA**  
Auditor of State



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

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# Mary Taylor, CPA

Auditor of State

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:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Board to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 8, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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:

We have audited the accompanying financial statement 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, 2008. This financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Board has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statement presents, GAAP require presenting entity wide statements and also presenting the Board's larger (i.e. major) funds separately. While the Board does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Boards to reformat their statements. The Board has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended December 31, 2008, does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of December 31, 2008, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio, as of December 31, 2008, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The Board has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Board's financial statement. The U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* requires presenting a federal awards expenditure schedule. The schedule is not a required part of the financial statement. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the financial statement. In our opinion, this information is fairly stated in all material respects in relation to the financial statement taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

September 8, 2009



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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$ -	\$ 1,228,437	\$ 1,228,437
Intergovernmental	-	163,363	163,363
State Grants	3,542,081	-	3,542,081
Federal Grants	-	2,931,047	2,931,047
Reimbursements	43,602	200,361	243,963
Other Receipts	61,414	7,254	68,668
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	3,647,097	4,530,462	8,177,559
<b>Cash Disbursements:</b>			
Current:			
Salaries	175,695	151,386	327,081
Benefits	22,239	40,191	62,430
Supplies	12,275	83	12,358
Equipment	3,000	2,021	5,021
Contracts - Services	3,395,638	4,413,276	7,808,914
Advertising and Printing	185	1,505	1,690
Travel and Expense	2,418	11,034	13,452
Public Employee's Retirement	28,639	25,344	53,983
Workers' Compensation	439	367	806
Communications	-	11,692	11,692
Utilities	-	20,623	20,623
Levy Expense	-	10,000	10,000
Other	1,733	75,015	76,748
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	3,642,261	4,762,537	8,404,798
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	4,836	(232,075)	(227,239)
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	-	74,761	74,761
Transfers-Out	(74,761)	-	(74,761)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(74,761)	74,761	-
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(69,925)	(157,314)	(227,239)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	1,874,331	1,278,577	3,152,908
<b>Fund Cash Balances, December 31</b>	<hr/>	<hr/>	<hr/>
	<b>\$ 1,804,406</b>	<b>\$ 1,121,263</b>	<b>\$ 2,925,669</b>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$ 469,223	\$ 559,617	\$ 1,028,840

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

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

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2008**

**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, Ohio, (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 this financial statement presents all activities for which the Board is financially accountable.

**B. Basis of Accounting**

This financial statement follows the basis of accounting 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 all financial resources except those required to be accounted for in another fund.

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

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Board had the following significant Special Revenue Funds:

*Crawford and Marion Levy Funds* – These funds receive property tax levy monies to provide contract services to citizens.

*Title XIX Funds* – These funds receive monies for Medicaid disbursements.

**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 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 2008 budgetary activity appears in Note 2.

**F. 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.

**G. 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, 2008  
(Continued)**

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2008 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,549,995	\$3,647,097	\$97,102
Special Revenue	4,433,983	4,605,223	171,240
Total	<u>\$7,983,978</u>	<u>\$8,252,320</u>	<u>\$268,342</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,490,096	\$4,186,245	\$303,851
Special Revenue	5,362,598	5,322,154	40,444
Total	<u>\$9,852,694</u>	<u>\$9,508,399</u>	<u>\$344,295</u>

**3. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopts 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**4. RETIREMENT SYSTEM**

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 2008, 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, 2008.

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

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2008  
(Continued)**

**5. RISK MANAGEMENT**

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.

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

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Mental Health</i>			
Promoting Safe and Stable Families	31-6400076	93.556	\$44,924
Social Services Block Grant	31-6400076	93.667	56,773
Block Grants for Community Mental Health Services	31-6400076	93.958	104,600
State Children's Insurance Program	31-6400076	93.767	199,243
Medical Assistance Program	31-6400076	93.778	1,742,862
Crisis Counseling	31-6400076	97.032	9,625
<i>Passed Through Ohio Department of Alcohol &amp; Drug Addiction Services</i>			
Medical Assistance Program	31-6400076	93.778	269,626
<b>Total Medical Assistance Program</b>			<b>2,012,488</b>
State Children's Insurance Program	31-6400076	93.767	92,485
<b>Total State Children's Insurance Program</b>			<b>291,728</b>
Block Grants for Prevention and Treatment of Substance Abuse	31-6400076	93.959	333,940
<b>Total Federal Awards Expenditures</b>			<b>\$2,854,078</b>

*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 EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Board's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - SUBRECIPIENTS**

The Board passes-through certain Federal assistance received from the Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services to other governments or not-for-profit agencies (subrecipients). As described in Note A, the Board records expenditures of Federal awards to subrecipients when paid in cash.

For each federal program listed on the Schedule, 100% of the expenditures were passed through to subrecipients.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the Board is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

Effective July 1, 2008, the Board's pass-through agencies, the Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services have determined that the Board's Medicaid subrecipients should be treated as vendors and not subrecipients; therefore, subrecipient monitoring is no longer required.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require that the Board contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Board has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 the financial statement 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, 2008, and have issued our report thereon dated September 8, 2009, wherein we noted the Board followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not to opine on the effectiveness of the Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Board's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Board's internal control will not prevent or detect a material financial statement misstatement.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above as finding number 2008-001 is also a material weakness.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Board's financial statement is 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, providing an opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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.

We intend this report solely for the information and use of the finance committee, management, members of the Board, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 8, 2009



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To Members of the Board:

#### Compliance

We have audited the compliance of the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio, (the Board) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the Board's major federal program. The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

#### Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a federal program such that there is more than a remote likelihood that the Board's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Board's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

We intend this report solely for the information and use of the finance committee, management, members of the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 8, 2009

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	CFDA #93.778 – Medical Assistance Program
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

<b>Finding Number</b>	<b>2008-001</b>
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**Significant Deficiency/Material Weakness  
Financial Reporting**

Sound financial reporting is the responsibility of the Finance Director and the Board of Directors and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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<b>Finding Number</b>	<b>2008-001 (Continued)</b>
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**Significant Deficiency/Material Weakness (Continued)  
Financial Reporting (Continued)**

The following audit adjustments and reclassifications were made to the December 31, 2008 financial statement and accounting records:

1. Adjustments of \$50,872 to agree the financial statements with the underlying records in the General Fund for the State Grants and Contracts-Services line items.
2. Adjustments of \$20,000 to remove an advance in/out in the General Fund.
3. Adjustments of \$4,906 to agree the financial statements with the underlying records in the Combined Special Revenue Fund for Contracts-Services line item.

The following unadjusted differences were inconsequential to the overall financial statements of the Board and were not posted to the December 31, 2008 financial statements:

1. Reclassifications of \$169,319 of Tangible Personal Property reimbursements in the Combined Special Revenue Fund from Reimbursements to Intergovernmental Receipts.

The adjustments and reclassifications identified above should be reviewed by the Finance Director and Board of Directors to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Board should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Board's activity.

**Officials' Response**

In response to the adjustments and reclassifications noted above, specifically regarding the \$20,000 adjustment and the \$169,319 reclassification, we are now fully aware of the proper designation of these funds and these errors will not occur in the future. Referencing the adjustments for \$50,872 and \$4,906, these errors were caused by calculations between the twelve monthly financial report totals not rolling up correctly in a formula to the yearly financial statement. We have corrected this error moving forward through corrections to our Access Database. These corrections to Access should alleviate the calculation roll up problems that occurred in the CY2008 reporting year.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.



**Mary Taylor, CPA**  
Auditor of State

**BOARD OF ADAMHS FOR CRAWFORD AND MARION 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 6, 2009**