



Dave Yost • Auditor of State



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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Combined Statement of Cash Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2013 .....	5
Notes to the Financial Statement .....	7
Schedule of Federal Awards Expenditures .....	13
Notes to the Schedule of Federal Awards Expenditures .....	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 Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	17
Schedule of Findings.....	19
Schedule of Prior Audit Findings .....	21

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# 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, 2013.

### ***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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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 this 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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these 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, 2013, 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, 2013, 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(D) permit, described in Note 1.

***Other Matters***

Our audit was conducted to opine on the financial statement taken as a whole.

The Schedule of Federal Award Expenditures presents additional analysis as 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 statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statement. We subjected this schedule to the auditing procedures we applied to the financial statement. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial 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 taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2014, 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 initial "D".

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 25, 2014

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**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, 2013**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$ 1,372,768	\$ -	\$ 1,372,768
Intergovernmental	329,821	-	329,821
State Grants	1,505,334	-	1,505,334
Federal Grants	1,000	630,975	631,975
Reimbursements	15,075	2,435	17,510
Miscellaneous	13,900	-	13,900
<b>Total Cash Receipts</b>	<b>3,237,898</b>	<b>633,410</b>	<b>3,871,308</b>
<b>Cash Disbursements:</b>			
Current:			
Salaries	224,825	57,207	282,032
Benefits	39,145	15,021	54,166
Supplies	7,159	1,562	8,721
Equipment	2,952	-	2,952
Contracts - Services	2,691,924	521,787	3,213,711
Travel	9,908	2,784	12,692
Public Employee's Retirement	41,681	8,211	49,892
Workers Compensation	2,108	-	2,108
Communications	3,628	-	3,628
Utilities	19,029	-	19,029
Other	51,767	-	51,767
<b>Total Cash Disbursements</b>	<b>3,094,126</b>	<b>606,572</b>	<b>3,700,698</b>
Excess of Receipts Over (Under) Disbursements	143,772	26,838	170,610
Fund Cash Balances, January 1	3,234,471	167,673	3,402,144
<b>Fund Cash Balances, December 31:</b>			
Restricted	-	237,972	237,972
Assigned	2,859	-	2,859
Unassigned	3,375,384	(43,461)	3,331,923
<b>Total Fund Cash Balances, December 31</b>	<b>\$ 3,378,243</b>	<b>\$ 194,511</b>	<b>\$ 3,572,754</b>

*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, 2013**

**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. 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.

**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, 2013  
(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 Funds:

*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.

**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 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 2013 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, 2013  
(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, 2013  
(Continued)**

**2. Budgetary Activity**

Budgetary activity for the year ending December 31, 2013 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,947,634	\$3,237,898	\$290,264
Special Revenue	576,628	633,410	56,782
Total	<u>\$3,524,262</u>	<u>\$3,871,308</u>	<u>\$347,046</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,580,391	\$3,096,985	\$483,406
Special Revenue	701,899	606,572	95,327
Total	<u>\$4,282,290</u>	<u>\$3,703,557</u>	<u>\$578,733</u>

Contrary to Ohio law, at December 31, 2013, the ODADAS SIG Grant, ODADAS RSC-VRP3 Project, ODMH FAST Grant, and ODMH Title XX funds had cash deficit balances of \$14,019, \$12,763, \$6,340, and \$10,339, respectively.

**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 2013, OPERS members contributed 10% of their gross salaries and the Board contributed an amount equaling 14% of participants' gross salaries. The Board has paid all contributions required through December 31, 2013.

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

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2013  
(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.

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<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 Addiction Services</i>			
Promoting Safe and Stable Families	5AU-13-100-22-018 / 5AU-14-100-22-017	93.556	\$ 12,760
Social Services Block Grant	31-6400076	93.667	82,023
Block Grants for Community Mental Health Services	31-6400076	93.958	80,728
Block Grants for Prevention and Treatment of Substance Abuse	31-6400076	93.959	278,614
<i>Passed Through Ohio State University Research Foundation</i>			
Block Grants for Community Mental Health Services	31-6400076	93.958	<u>1,000</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><u>455,125</u></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Education-Grants for Infants and Families with Disabilities	31-6400076	84.181	<u>109,783</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><u>109,783</u></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Passed Through Ohio Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2012-JG-C01-6954	16.738	<u>10,807</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u><u>10,807</u></u>
<b>Total Federal Awards Expenditures</b>			<u><u>\$ 575,715</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 SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Board of Alcohol, Drug Addiction and Mental Health Services, Crawford and Marion Counties, Ohio (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.

**NOTE C – OHIO DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES**

On July 1, 2013, the Ohio Department of Mental Health (ODMH) and the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) merged to create one department, the Ohio Department of Mental Health and Addiction Services (OMHAS). The Board received pass through grants from ODMH and ODADAS from January 1, 2013 through June 30, 2013. The Schedule reports all expenditures for the year under the new merged department, OMHAS.



# 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 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, 2013, and the related notes to the financial statement and have issued our report thereon dated August 25, 2014, wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) 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 a 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 deficiencies in internal control 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 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, 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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

***Entity's Response to Findings***

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

August 25, 2014



# 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 Avenue  
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, 2013. The *Summary of Auditor's 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, 2013.

***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

August 25, 2014

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2013**

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

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

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2013  
(Continued)**

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

<b>Finding Number</b>	2013-001
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**Material Noncompliance – Negative Fund Balances**

Ohio Rev. Code § 5705.10 (I) provides 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, 2013, the Board had negative fund balances as follows:

<b>Fund</b>	<b>12/31/13 Fund Balance</b>
ODADAS SIG Grant	(14,019)
ODADAS RSC-VRP3 Project	(12,763)
ODMH FAST Grant	(6,340)
ODMH Title XX	(10,339)

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

**Officials Response:**

The Crawford/Marion Counties Alcohol and Drug Addictions and Mental Health Board (Crawford/Marion ADAMH Board) will adopt a policy to advance a minimum of twenty-five percent of the Federal Award from the Board reserves into the grant fund account at the start of each fiscal year and Advance out same at the end of the fiscal year to avert deficient spending. The full policy (No. F19) will be available at the Crawford/Marion ADAMH Board Office.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



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

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)

DECEMBER 31, 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-001	Ohio Rev. Code §5705.10(I), Negative Fund Balances	No	Partially Corrected. Repeated as Finding 2013-001.

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# Dave Yost • Auditor of State

## BOARD OF ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES OF 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  
SEPTEMBER 30, 2014