CITY OF BLOOMINGTON, COMMON COUNCIL JACK HOPKINS SOCIAL SERVICES FUNDING COMMITTEE

2014 GRANT APPLICATION

AGENCY INFORMATION

Lead Agency Name Amethyst House, Inc.

Is Lead Agency a 501(c)(3) ◯ yes ◯ no

Number of Employees

Full -time 10 Part-time 9 Volunteers 8

Address 645 N. Walnut St.

Bloomington, IN

Zip Code 47404

Phone 812-336-3570

Agency E-mail amethyst@amethysthouse.org

Website www.amethysthouse.org

President of Board of Directors Mike Long

Executive Director Mike Long

Title Executive Director

Phone 812-336-3570

E-Mail mdelong@amethysthouse.org

Name of Person to Present Proposal to the Committee (If not the Executive Director) Sarah Owen

Title Outpatient Counselor

Phone 812-336-3570 ext 209

E-Mail sowen@amethysthouse.org

Name of Grant Writer Sarah Owen

Phone 812-336-3570 ext 209

E-mail sowen@amethysthouse.org

Agency's Mission Statement (150 words or less**)**

"Amethyst House partners with individuals, families, and communities impacted by addictions and substance abuse by providing quality recovery services and guidance for clean, sober, and healthy living."

PROJECT INFORMATION

Project Name	Amenities Improvements for Men's and Women's Halfway Houses
Is this a collaborative project?	◯ yes ◯ no
If a collaborative project, list name(s) of non-lead agency partner(s)	N/A
Address where project will be housed	322 W. 2nd Street, 215 N. Rogers Street, & 416 W. 4th Street
Total Cost of Project	$11,316.97
Requested JHSSF Funding	$9,816.00
Other Funds Expected for this Project (Source, Amount and Confirmed or Pending)	Fundraising (e.g. private donors, events, Homeward Bound) $1,500 - confirmed
Number of Total Clients Served by this Project in 2014	Approx 110
Total Number of City Residents Served by this Project in 2014	Approx 110
Is this a request for operational funds?	◯ yes ◯ no
If "yes," indicate whether the request is for a pilot project, bridge funding or a collaborative project.	◯ pilot ◯ bridge ◯ collaborative
Please indicate the period in which you intend to draw down funds, if granted	◯ July-September 2014 ◯ October-December 2014

Please describe when you plan to submit your claims for reimbursement and what steps precede a complete draw down of funds.

If granted is approved by the Jack Hopkins committee, Amethyst anticipates submitting claims immediately, as soon as funds become available. The purchase of mattresses and the energy efficient refrigerator would be scheduled for July, whereas the bathroom renovations are expected to be completed by the end of August.

If completion of your project depends on other anticipated funding, please describe when those funds are expected to be received.

Fundraising support will primarily be based on donations received via Homeward Bound. Amethyst is expected to receive those funds by the end of May.

Do you own or have site control of the property on which the project is to take place?

- ◯ yes
- ◯ no
- ◯ n/a

Is the property zoned for your intended use?

- ◯ yes
- ◯ no
- ◯ n/a

If "no," please explain.

N/A

If permits, variances, or other forms of approval are required for your project, please indicate whether the approval has been received. If it has not been received, please indicate the entity from which the permitting or approval is sought and the length of time it takes to secure the permit or approval.
NOTE: Funds will not be disbursed until all requisite variances or approvals are obtained..

N/A

Due to limited funds, the Committee may recommend partial funding for a program. In the event the Committee is unable to meet your full request, will you be able to proceed with partial funding?

- ◯ yes
- ◯ no

If "yes," please provide an itemized list of program elements, ranked by priority and cost.

Priority #1 (Item and Cost)	New mattresses - $6,766 (34 mattresses @ $199/mattress)
Priority #2 (Item and Cost)	Bathroom renovation - $3,233
Priority #3 (Item and Cost)	Energy efficient refrigerator - $1,317.97
Priority #4 (Item and Cost)	
Priority #5 (Item and Cost)	
Priority #6 (Item and Cost)	
Priority #7 (Item and Cost)	

PROJECT SYNOPSIS (250 words or less)
Please provide a brief overview of your project. Assume that this synopsis will be used in a summary of your proposal.

Amethyst House is requesting $9,816.00 from the Jack Hopkins Social Services Fund for the sake of continued improvements to our long-term residential programs, including both of our halfway houses as well as our Men's Three-Quarter Way House. These improvements include new twin mattresses for every resident at all three transitional housing locations, the purchase and installation of shower stall doors for our Men's Halfway House bathroom, and a new energy-efficient refrigerator for our Women's Halfway House. Respectively, these improvements will serve Amethyst House in the long term in the form of an improved standard of living for our residents, preventative measures toward structural water damage, and reduced utilities costs.

CRITERIA

In the spaces below, please explain how your project meets the Jack Hopkins Funding criteria. Assume that your responses will be used in a summary of your proposal.

NEED (200 words or less)
Explain how your project addresses a previously-identified priority for social services funding as documented in the Service Community Assessment of Needs, the City of Bloomington, Housing and Neighborhood Development Department's 2010-2014 Consolidated Plan, or any other community-wide survey of social services needs.

Amethyst House is currently in its 33rd year of operation, serving as many as 34 residential clients at any given time, both men and women (sometimes accompanied by their young children) who are recovering from the profound impact of drug and alcohol addiction. Our residential program requires a minimum six-month commitment from our clients, yet offers housing up to two years' time, if clients wish to stay beyond the six months. The at-risk population which we serve often experiences chronic homelessness and incarceration/institutionalization as a result of their addictions; Amethyst strives to help clients break this cycle with stable housing and aiding them in maintaining sobriety and building financial independence (in accordance with #7 "Meeting Essential Needs" in United Way's SCAN report).

The Jack Hopkins funding initiative has served Amethyst on numerous occasions, including major renovations and improvements, new appliances, and upgrades for wheelchair accessibility. We hope that we will once again be considered by the Jack Hopkins Committee as we continue to upgrade our living facilities to better serve our clientele.

ONE-TIME INVESTMENT (100 words or less)
Jack Hopkins Funds are intended to be a one-time investment. If you are requesting operational funds, explain if the request is for pilot or bridge funding and please explain your plan for future funding.

N/A

FISCAL LEVERAGING (100 words or less)
Describe how your project will leverage other resources, such as other funds, in-kind contributions, etc.

As noted above, Amethyst will utilize the donations of the annual Homeward Bound event to supplement this proposed project. In addition to Homeward Bound, a local business (Flannelgraph Records) has committed to a small fundraising initiative for Amethyst, and will donate proceeds from upcoming CD sales; the anticipated amount to be received is around $100.

LONG-TERM BENEFITS (200 words or less)
Explain how your program will have broad and long-lasting benefits for our community.

Over the past 33 years, Amethyst House has managed to sustain itself on a modest budget and with limited staff and resources. Every year, we become an increasingly unique organization in that we remain one of the few non-profit, long-term residential facilities within the state of Indiana for substance abuse treatment. Furthermore, we are one of just a handful of treatment facilities which are financially accessible for those who do not have private health insurance to absorb the cost.

However, in utilizing older buildings for our residential houses, Amethyst is often faced with repairs, upkeep, and improvements. And every year, given new grant funding opportunities, we look for ways in which we can request assistance for bettering our facilities. We remain proactive in renovations and repairs that will prevent larger-scale and/or long term damage to our houses; this helps minimize financial impact to our organization and allows us to continue to serve as a critical resource for those battling substance abuse.

JACK HOPKINS GRANT NARRATIVE
Submitted by Amethyst House, Inc.
Jack Hopkins Social Service Funding Committee
March 31, 2014

Amethyst is requesting $9,816 from the Jack Hopkins Social Services Fund for the purpose of various upgrades to our residential facilities. These include new mattresses provided to residents at all three of our transitional housing locations, the installation of shower stall doors at our Men's Halfway House, and the purchase of a new energy-efficient refrigerator at our Women's Halfway House. These three initiatives are intended to continuously improve the standard of living for our residents, provide for minor repair of subfloor moisture damage and to prevent further damage, as well as lower utilities costs for the agency. If granted funds by the Jack Hopkins Committee, Amethyst would pursue these improvements at the earliest possible date. We would anticipate the purchase and installation of the new mattresses and new refrigerator by the end of July, and the bathroom renovations by the end of August.

As indicated on our application, we have prioritized the purchase of new mattresses because our current mattresses have reportedly caused our residents undue pain and discomfort. Unfortunately, these mattresses are only approximately five years old; at the time of original purchase, Amethyst supplied the funds fully out of its annual operating budget and we therefore attempted to secure mattresses at below-average cost for the sake of economizing. However, it was only a short period of time before the current mattresses proved to be poor quality and multiple residents have complained of not being able to sleep well. With the support of Jack Hopkins funds, we have sought out mattresses that are much better quality so that they will last us for many years.

With regard to the installation of shower stall doors, our contracted repair man recently brought to our attention the fact that there are early signs of water damage in the bathroom subflooring at the Men's Halfway House. This has been the result of our current shower curtains failing to properly contain water, whereas the utilization of shower stall doors would prevent this entirely. The project estimate also includes materials and labor for repairs to the subflooring that are already required; thankfully this damage is limited, and no major problems (e.g. mold) have been detected at this point, but we wish to be proactive in securing these repairs as soon as possible to prevent more costly repairs in the future.

Finally, the purchase and installation of a new energy-efficient refrigerator is being requested for our Women's Halfway House, which will help reduce monthly electric costs, as well as food waste (due to spoilage). In 2011, the Jack Hopkins committee approved the purchase of high efficiency washers and dryers for both of our halfway houses, thereby helping to reduce the cost of water and helping the Amethyst facilities become more environmentally-friendly. We as an agency have attempted greener initiatives in recent years, including Energy Star appliances, compact fluorescent lighting, increased recycling efforts, and even partnering with Centerstone's Recovery Engagement Center to start our own personal vegetable gardens. Our long-term goal

is to replace our current appliances with more energy efficient ones, and to substantially reduce our energy consumption.

With these proposed projects impacting all three transitional housing facilities, the standard of living will be improved for approximately 110 clients within the 2014 year alone. Moreover, these proposals are in accordance with the one-time funding criteria of John Hopkins, as each initiative is intended to last for the next 10-15 years at minimum. Future replacement and/or maintenance of these improvements would be funded through the Amethyst operating budget, fundraising, and donations.

The Jack Hopkins funding provided to our agency contributes, in turn, to our annual outcome measures. Amethyst's outcomes are determined by the Substance Abuse and Mental Health Services Administration's National Outcome Measures (NOMS), including Reduced Morbidity, Social Connectedness, Employment/Education, and Stability in Housing. Our outcome goals for the 2014 are as follows:

Reduced Morbidity – 70% of clients leaving the program will have maintained abstinence from drugs/alcohol fro a minimum of three months at the time of discharge. This will be measured by monitoring progress and behavior while a resident. Urine screening will be required as clinically necessary (minimum of one screening each month, in conjunction with random testing process). Amethyst House has the ability to screen for 14 drugs including ETG (longer-term alcohol testing), Ivory, K2/Spice, and Suboxone.

Social Connectedness – 80% of clients discharged will have established a network of support in a recovery community that is supportive of a sober lifestyle. Success will be measured by thorough documentation of participation in supportive activates. Residents will focus on recovery/discharge planning throughout their program involvement and will fill out forms necessary to measure social support involvement.

Employment/Education – 70% of residents leaving the program will have increased their income significantly or have entered college carrying a minimum of six hours per semester. Success is measured by documenting level of income at admission and discharge and monitoring college involvement.

Stability in Housing – 65% of residents leaving the program will have secured stable housing. Success is measured through confirmation by case mangers of address and living arrangements. Residents who have supportive family members available to them will be offered regular family sessions to assist in addressing family and recovery needs and to help coordinate efforts for housing following program completion.

The staff of Amethyst House wishes to thank the Jack Hopkins Committee for their generous support of our program and initiatives. We appreciate your time and consideration of our current request.

Amethyst House Project Budget

Amenities Improvements

Expenses:	**Grant:**	**Leverage**	**Total:**
New mattress	$ 5,746.00	$ 1,020.00	$ 6,766.00
Shower doors & repair	$ 2,872.00	$ 361.00	$ 3,233.00
Refrigerator & warranty	$ 1,198.00	$ 119.97	$ 1,317.97
Total Expenses:	**$ 9,816.00**	**$ 1,500.97**	**$ 11,316.97**

Amethyst house

34 Therapedic Sussex plush twin mattresses

$199.00 each

$6766.00 is total

Mark Thompson

Mark Thompson owner

Thompson Furniture

"Where Quality Furniture Is Always Affordable"

Mark Thompson

Phone: (812) 876-2692
(812) 876-8991
Fax: (812) 935-7864
6525 Hwy. 37 North
Bloomington, IN 47404

Store Hours

Mon-Fri	10 A.M.-7P.M.
Saturday	10A.M.-6P.M.
Sunday	Closed

Currently We have a Bathroom in the Mens house that has 4 showers that needs to be refurbished - Due to neglect taking showers Water has Damaged Floor, subfloor, walls separating showers and tile. Curtains are currently being used to keep water in shower. Not Adequate

Proposal is to Demo Floor - locate rotting subfloor, joist, install center drain and that will prevent further damage to structure,

Currently, the showers have curtains and then men are not fully watching the water coming out of shower onto floor. Which then seeps into Damaged Floor and drains into Downstairs Case managers room and we have a ceiling light that cannot be utilized Due to possible water running into it,

There are indications that flooring under 2 showers is damaged (sub floor) so at least 1 shower might have to be raised up to repair.

Cost of Materials 4 Doors
subfloor 3/4 OSB / glue / screws, = $55.00
2x4's x8 - = 6 x 2.92 =
11.00 6@ 2.19 6@ 3.80 = 22 (60.00) $18.00
greenboard / curvers / rubber base / Paint - Latex/Lowes/eggshell
38.00 tile 13 x 13
36.00 grout / mortar 33
11.00 sealer
65.00 Drain and pipe to install
Labor to Demo & repair, and install

Demo 2 Days
Repair 4 days (walls, floors, drywall, tile, grout/seal 2 day's & showers doors 1 day - 1 day to repaint.

7-8 working days
possible - 9-10 days max

COST of shower doors 178.00 x 4 = 712 + Tax 49.84
Cost of materials = 361 Tax 25.27 = 386.27
Labor $2160.00

761.84
+386.27
2160.
cost of Job $3,308.11
- 75.11 (agency is sales tax exempt)
$3,233

Thanks Randy Brooks
812 360 4179
Insured

Gm - Lovell
Admin dir

Sterling Silver Framed Pivot Shower Door

Enter **ZIP code** to see price.

Item #: 60801 | Model #: 1500D-36S

Shower not included

Tweet 0

Description

Silver Framed Pivot Shower Door

- 36" x 65-1/2"
- Door swings outward
- Full-length magnetic door latch
- Minimum 3-1/2" width adjustability with in-line panel

Specifications

Frame Color/Finish	Silver	Towel Bar	No
Shower Door Type	Pivot	Items Required for Standard Installation	Power drill, utility knife, level, safety glasses, hammer, screwdrivers, hack saw, file, silicone, calk, center punch, masking tape, tape measure
Glass Pattern Name	Pebbled glass texture	Color/Finish Family	Gray/Silver
Framed or Frameless	Framed	Hardware Included	Yes

$178.00 +TAX

© 2014 Lowe's. All rights reserved. Lowe's and the gable design are registered trademarks of LF, LLC

Your Store:
Bloomington, IN

Your Store: **Bloomington, IN**

Whirlpool Gold 21.9-cu ft Bottom-Freezer Refrigerator with Single Ice Maker (White) ENERGY STAR

Item #: 142668 | Model #: GB2FHDXWQ

★★★★☆

$1,198.00

Get 5%* Off Every Day or Special Financing**
Minimum Purchase Required

FREE
Store Pickup
Your order can be available for pickup in **Lowe's Of Bloomington, IN** today.

FREE
Lowe's Truck Delivery
Your order will be ready for delivery to you from your selected store.

Parcel Shipping
Unavailable for This Order
Sent by carriers like UPS, FedEx, USPS, etc.

Whirlpool Gold 21.9-cu ft Bottom-Freezer Refrigerator with Single Ice Maker (White) ENERGY STAR **$1,198.00**

3-Year Major Appliance Extended Protection Plan ($1,000-$1,499.99)	$79.97
5-Year Major Appliance Extended Protection Plan ($1,000-$1,499.99)	$119.97

Tweet 0 | g+1 0

Description

Gold 21.9-cu ft Bottom-Freezer Refrigerator with Single Ice Maker (White) ENERGY STAR

- Resource Saver™ refrigerator exceeds the minimum federal energy standard by 50% and uses less energy each year than a 60-watt light bulb
- Adaptive Defrost System (ADS): depending upon usage, ADS models can have fewer defrosts, saving energy and preserving food more efficiently
- Accu-Chill™ Temperature Management System
- Humidity-controlled crispers helps you preserve the freshness of your favorite fruits and vegetables with controlled humidity levels in the clear, extra-deep crisper
- Half-width adjustable slide-out shelves
- Adjustable 1-gallon sized door bins give you the flexibility to store beverages anywhere in the refrigerator door by moving bins where and when you need them
- Drawer freezer door - generous storage baskets in the drawer slide out for easy access to items in the back
- Upper slide-out freezer basket makes it even easier to quickly spot and grab what you're looking for
- Electronic temperature controls - easily navigate with just a touch to instantly adjust refrigerator and freezer temperatures

Specifications

Appliance Color/Finish	White	Freezer Baskets	2
Overall Capacity (Cu. Feet)	21.9	Freezer Shelves	0
Refrigerator Capacity (Cu. Feet)	15.6	Freezer Door Style	Pull-out drawer
Freezer Capacity (Cu. Feet)	6.3	Frost-Free	Yes
Door Texture	Smooth	ENERGY STAR Qualified	Yes
Door Style	Flat	CEE Tier Qualified	CEE Tier III
Hidden Hinge	No	Height to Top of Case (Inches)	68.5
Handle Type	Standard	Height to Top of Door Hinge (Inches)	69.9375
Water Filtration	No	Width (Inches)	32.625
Dispenser Options	N/A	Depth (Including Handles) (Inches)	33.375
Child Safety Locks	No	Depth (Excluding Handles) (Inches)	30.875
Water Filter Indicator	No	Depth (Less Door) (Inches)	28.125
Door Alarm	No	Depth with Door Open (Inches)	62.0
Dispenser Light	No	Cabinet Color	White
Ice Maker	Single	Door Handle(s) Color	White
Space-Saving In-Door Ice	No	Manufacturer Color/Finish	White
Air Filtration	No		
Dual Evaporator Cooling System	No		

Refrigerator Interior Lighting	Incandescent	Toe Grille Color	White
Electronic Temperature Control	Yes	Reversible Door	Yes
Shelf Options	Glass shelves	Custom Door Kit Compatible	No
		Lowe's Exclusive	No
Temperature Controlled Drawer	Yes	Manufacturer's Warranty (Labor)	1-year limited
Snack/Deli Drawer	Yes		
Pantry Drawer	No	Manufacturer's Warranty (Parts)	1-year limited
Door Shelves	3.0		
Gallon Door Storage	Yes	Color/Finish Family	White
Humidity-Controlled Crispers	2	CSA Safety Listing	No
Freezer Door Bins	0	ETL Safety Listing	No
Freezer Door Shelves	0	UL Safety Listing	Yes
		ADA Compliant	No
		Sub-Brand	Gold
		Series	N/A

© 2014 Lowe's. All rights reserved. Lowe's and the gable design are registered trademarks of LF, LLC

Amethyst
Foundations for Sober Living

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2013 and 2012

AMETHYST HOUSE, INC.

CONTENTS

	Page
FINANCIAL STATEMENTS	
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-10
SUPPLEMENTARY INFORMATION AND OTHER REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	11-12
Schedule of Expenditures of Federal Awards	13-14
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133	15-17
Schedule of Findings and Questioned Costs	18-19

Independent Auditors' Report

Board of Directors
Amethyst House, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Amethyst House, Inc., a not-for-profit organization, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Katz, Sapper & Miller, LLP
Certified Public Accountants
800 East 96th Street, Suite 500
Indianapolis, IN 46240
Tel 317.580.2000
Web ksmcpa.com
An Affiliate of
KSM Business Services, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amethyst House, Inc. at June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and are not a required part of the financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of Amethyst House, Inc.'s 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 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 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 Amethyst House, Inc.'s internal control over financial reporting and compliance.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
December 19, 2013

AMETHYST HOUSE, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash	$ 35,309	$ 19,008
Accounts receivable, net of allowance for doubtful accounts of $8,000 in 2013 and 2012	2,626	3,742
Grants receivable	70,817	30,739
Prepaid expenses and other	400	1,300
Total Current Assets	109,152	54,789
PROPERTY AND EQUIPMENT		
Land	15,000	15,000
Construction in progress	6,498	
Buildings and improvements	909,863	909,863
Furniture and equipment	86,187	84,587
	1,017,548	1,009,450
Less: Accumulated depreciation	341,102	317,077
Total Property and Equipment	676,446	692,373
TOTAL ASSETS	$ 785,598	$ 747,162

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 23,165	$ 11,259
Accrued expenses	30,024	27,876
Current portion of long-term debt	12,920	16,326
Total Current Liabilities	66,109	55,461
LONG-TERM DEBT	348,345	357,047
Total Liabilities	414,454	412,508
NET ASSETS - UNRESTRICTED	371,144	334,654
TOTAL LIABILITIES AND NET ASSETS	$ 785,598	$ 747,162

See accompanying notes.

AMETHYST HOUSE, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2013 and 2012

	2013	2012
REVENUE AND SUPPORT		
Federal, state, and local grants	$ 626,408	$ 582,029
Donations	9,900	3,488
United Way	24,980	25,531
Program fees - half-way houses	113,077	131,465
Treatment fees	85,298	117,399
Fundraising revenues	57,866	37,352
Miscellaneous income	2,992	5,187
Total Revenue and Support	920,521	902,451
EXPENSES		
Program services	763,863	777,664
Management and general	96,310	123,344
Fundraising	23,858	27,972
Total Expenses	884,031	928,980
INCREASE (DECREASE) IN NET ASSETS	36,490	(26,529)
NET ASSETS		
Beginning of Year	334,654	361,183
End of Year	$ 371,144	$ 334,654

See accompanying notes.

AMETHYST HOUSE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2013 and 2012

	Program Services		Management and General		Fundraising		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Salaries	$ 401,408	$ 439,567	$ 21,816	$ 23,890	$ 13,089	$ 14,334	$ 436,313	$ 477,791
Payroll taxes	37,404	38,639	2,033	2,100	1,220	1,260	40,657	41,999
Health insurance	28,618	29,399	1,555	1,598	933	959	31,106	31,956
Insurance	19,888	21,385	3,324	4,507			23,212	25,892
Dues and subscription	929	914	1,301	1,210	2,268	2,160	4,498	4,284
Telephone	9,328	10,687	1,737	1,824			11,065	12,511
Occupancy	10,800	9,693	10,800	20,700			21,600	30,393
Marketing and advertising	2,017	2,078	598	1,175	405		3,020	3,253
Conferences and training	4,059	8,199	3,526	5,780		178	7,585	14,157
Professional services	4,400	6,492	19,814	28,696			24,214	35,188
Repairs and maintenance	17,139	13,196	1,805	2,919			18,944	16,115
Program costs and supplies	90,441	107,212	11,744	10,071		400	102,185	117,683
Office supplies and postage	4,647	4,956	2,729	3,500	400	350	7,776	8,806
Depreciation	19,220	20,550	4,805	5,138			24,025	25,688
Interest	6,049	5,767	6,049	6,405			12,098	12,172
Subcontract	77,530	24,115		593			77,530	24,708
Fundraising					5,543	8,331	5,543	8,331
Equipment rental	8,760	13,135	604	768			9,364	13,903
Utilities	21,226	21,680	2,070	2,470			23,296	24,150
TOTAL EXPENSES	$ 763,863	$ 777,664	$ 96,310	$ 123,344	$ 23,858	$ 27,972	$ 884,031	$ 928,980

See accompanying notes.

AMETHYST HOUSE, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012

	2013	2012
OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 36,490	$ (26,529)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	24,025	25,688
(Increase) decrease in certain current assets:		
Accounts and grants receivable	(38,962)	22,192
Prepaid expenses and other	900	900
Increase (decrease) in certain current liabilities:		
Accounts payable	11,906	2,334
Accrued expenses	2,148	(5,873)
Net Cash Provided by Operating Activities	36,507	18,712
INVESTING ACTIVITIES		
Purchases of property and equipment	(8,098)	(3,262)
Net Cash Used by Investing Activities	(8,098)	(3,262)
FINANCING ACTIVITIES		
Principal payments on long-term debt	(12,108)	(10,541)
Proceeds from line of credit	33,000	85,000
Payments on line of credit	(33,000)	(85,000)
Net Cash Used by Financing Activities	(12,108)	(10,541)
NET INCREASE IN CASH	16,301	4,909
CASH		
Beginning of Year	19,008	14,099
End of Year	$ 35,309	$ 19,008
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 12,098	$ 12,172

See accompanying notes.

AMETHYST HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Amethyst House, Inc. (the Organization) is an Indiana not-for-profit organization that provides outpatient treatment services for chronically addicted persons in Monroe County, Indiana and in Vanderburgh County, Indiana, as well as half-way house programs in Monroe County, Indiana. The Organization is supported by the State Hoosier Assurance Program, client fees, other grants, and donations.

Government funding provided to the Organization comes from the State of Indiana Family and Social Services Administration Division of Mental Health. A portion of the funding comes from the U.S. Department of Health and Human Services and U.S. Department of Housing and Urban Development.

Basis of Accounting: The Organization prepares its financial statements using the accrual basis of accounting. Accrual accounting requires the recognition of revenues when they are earned and measurable in the accounting period when services are provided, and the recognition of expenses in the period in which they occur.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets By Class: Temporarily or permanently restricted net assets are created by donor-imposed restrictions on their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions lapse, expire, or are otherwise met in the same reporting period as the contribution was received are recorded as unrestricted support. All other net assets, including board-designated or appropriated amounts are reported as part of the unrestricted class. The Organization did not have any temporarily or permanently restricted net assets as of June 30, 2013 and 2012.

Functional Expenses: Expenses have been allocated directly or indirectly between program, management and general, and fundraising services as listed in the statements of functional expenses. Expenses that can be identified with a specific program or supporting service are allocated based on an analysis of personnel time utilized for the related activities.

Cash: Cash is maintained in bank deposit accounts which, at times, may exceed federally insured limits. There have been no losses in such accounts.

Accounts Receivable and Credit Policies: Accounts receivable represent uncollateralized obligations due to the Organization from clients for treatment services and residency in the halfway and three-quarter way houses. The balances are due and payable within 30 days of the billing date. Accounts receivable are stated at the amount billed to the client.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization does not charge late fees or interest due to the nature of its clientele and treatment services. However, those with overdue balances receive warnings, and when balances reach $200 for outpatient session fees and $800 for residency fees, services are subject to stoppage. A client with a balance due must pay the balance or make arrangements acceptable to management prior to treatment resuming.

The Organization establishes an allowance for uncollectible accounts receivable based on historical collection experience, economic conditions and management's evaluation of collectibility of outstanding balances. Management periodically reviews the status of delinquent accounts and writes off uncollectible accounts after reasonable collection efforts have been exhausted.

Grants Receivable: The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2013 and 2012, have been recorded as receivables.

Property and Equipment: Property and equipment are recorded at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, which range up to 40 years for buildings and improvements and from 3 to 10 years for furniture and equipment. The Organization's policy is to capitalize and depreciate asset acquisitions of $500 and greater.

Long-lived Assets, including the property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. To date, no adjustments to the carrying amount of long-lived assets have been required.

Government Grants: Support funded by grants is recognized as the Organization performs the contracted services under grant agreements. Grant revenue is recognized as earned as the services are performed or eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Advertising: The Organization expenses all advertising costs as they are incurred.

Income Taxes: The Organization is exempt from taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended June 30, 2013 and 2012.

The Organization files information tax returns in the U.S. federal jurisdiction and in the state of Indiana. The Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before 2010.

Reclassifications: Certain 2012 balances have been reclassified to conform to the 2013 financial statement presentation.

Subsequent Events: The Organization has evaluated the financial statements for subsequent events occurring through December 19, 2013, the date the financial statements were available to be issued. See Note 3.

NOTE 2 - LEASE COMMITMENTS

The Organization leases office space and equipment under long-term noncancellable operating leases expiring through December 2018. Future minimum rental payments as of June 30, 2013, are as follows:

Payable In Year Ending June 30,	Rental Payments
2014	$ 28,711
2015	26,248
2016	25,956
2017	24,504
2018	21,600
2019	10,800
	$137,819

As provided in the office lease agreement, the Organization is assessed monthly operating expense fees. The monthly charges are based upon the Organization's square footage in the building. Total rent expense was $30,964 and $44,296 for the years ended June 30, 2013 and 2012, respectively.

NOTE 3 - DEBT AND CREDIT ARRANGEMENTS

Long-term debt consisted of the following at June 30, 2013 and 2012:

	2013	2012
Mortgage payable to United Commerce in monthly installments of $165, including interest computed at prime plus 1% (4.25% at June 30, 2013), through September 12, 2023. Secured by real estate.	$ 16,363	$ 17,597
Mortgage payable to United Commerce in monthly installments of $835, including interest computed at prime (3.25% at June 30, 2013), through October 11, 2026. Secured by real estate.	107,967	114,281
Term note payable to United Commerce in monthly installments of $1,005, including interest computed at 5% through September 1, 2014 and prime plus 1% thereafter, through July 1, 2031. Secured by real estate.	143,435	147,995
Noninterest-bearing note payable to City of Bloomington in 2018. The note is forgivable at maturity in the event the Organization does not default on provisions of the loan agreement.	93,500	93,500
	361,265	373,373
Less: Current maturities	12,920	16,326
Total Long-term Debt	$348,345	$357,047

NOTE 3 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)

At June 30, 2013, the aggregate maturities in each of the next five years for the above long-term obligations were as follows:

Payable In Year Ending June 30,	Principal
2014	$12,920
2015	13,446
2016	13,995
2017	14,567
2018	15,163

The Organization has entered into a line of credit agreement that provides for short-term borrowings up to a maximum amount of $100,000. Interest on the line of credit borrowings is payable monthly and is computed at 6%. The line of credit, which was renewed after June 30, 2013 through September 1, 2014, is secured by real estate. No borrowings were outstanding on the line of credit at June 30, 2013.

NOTE 4 - CONCENTRATIONS

The Organization received 68% in fiscal year 2013 and 64% in fiscal year 2012 of its total revenues and support from Government grants. The Organization is dependent on federal grant funding to continue its operations. Such grants have been renewed for fiscal year 2014.

The Organization is primarily providing services within Monroe County, Indiana.

NOTE 5 - ASSETS HELD AT COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY

The Organization established an endowment as part of the Community Foundation of Bloomington and Monroe County (Community Foundation) Matchstick program. The Matchstick program allows for donors to contribute money towards the Amethyst House Endowment, and for every two dollars raised a dollar is matched by the Community Foundation. The Organization has granted variance power to the Community Foundation. At June 30, 2013 and 2012, the funds approximated $30,300 and $28,000, respectively, based on information available from the Community Foundation.

SUPPLEMENTARY INFORMATION AND OTHER REPORTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Amethyst House, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Amethyst House, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated December 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amethyst House, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amethyst House, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Amethyst House, Inc.'s 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 entity's financial statements 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 may exist that have not been identified.

Katz, Sapper & Miller, LLP
Certified Public Accountants
800 East 96th Street, Suite 500
Indianapolis, IN 46240
Tel 317.580.2000
Web ksmcpa.com
An Affiliate of
KSM Business Services, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amethyst House, Inc.'s financial statements are free of 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 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 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.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
December 19, 2013

AMETHYST HOUSE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Indiana Family and Social Services Administration, Division of Mental Health and Addiction:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	A55-3-53-13-HO-2739	$ 252,856
		A55-3-53-13-WF-2739	120,000
			372,856
Substance Abuse and Mental Health Services-Access to Recovery	93.275	INATR-003	28,668
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct programs:			
Supportive Housing Program	14.235		87,742
Passed through the City of Bloomington:			
HOME Investment Partnerships Program	14.239	M04MC18022	93,500
Community Development Block Grants/Entitlement Grants	14.218		3,528
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the United Way of Monroe County:			
Emergency Food and Shelter National Board Program	97.024	None Assigned	2,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 588,294

See accompanying notes to schedule of expenditures of federal awards.

AMETHYST HOUSE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Amethyst House, Inc. (the Organization) and other programs of the federal government for the year ended June 30, 2013. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through Entity Identifying Numbers are presented where available.

NOTE 3 - NON-CASH ASSISTANCE

The amount reported in the Schedule under CFDA Number 14.239 represents an outstanding loan of $93,500.

NOTE 4 - SUBRECIPIENT AWARDS

Included in the federal expenditures presented in the Schedule are federal awards provided to subrecipients by the Organization in the amount of $77,500 under CFDA Number 93.959. This amount is presented on the accrual basis of accounting.

Independent Auditors' Report on Compliance
for Each Major Federal Program and Report on
Internal Control Over Compliance Required by OMB Circular A-133

Board of Directors
Amethyst House, Inc.

Report on Compliance for Each Major Federal Program

We have audited Amethyst House, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2013. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Katz, Sapper & Miller, LLP
Certified Public Accountants
800 East 96th Street, Suite 500
Indianapolis, IN 46240
Tel 317.580.2000
Web ksmcpa.com
An Affiliate of
KSM Business Services, Inc.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major federal program is not modified with respect to this matter.

The Organization's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Organization's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency in internal control over compliance described in the accompany schedule of findings and questioned costs as item 2013-001 to be a material weakness.

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.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
December 19, 2013

AMETHYST HOUSE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

SECTION I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued [*unmodified, qualified, adverse, or disclaimer*]: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ___✓___ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes ___✓___ none reported
- Noncompliance material to financial statements noted? _____ yes ___✓___ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___✓___ yes _____ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes ___✓___ none reported

Type of auditors' report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ___✓___ yes _____ no

Identification of major program:

CFDA Numbers	Name of Federal Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? _____ yes ___✓___ no

AMETHYST HOUSE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2013

SECTION II – Financial Statement Findings

None

SECTION III – Federal Award Findings and Questioned Costs

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

2013-001 Block Grants for Prevention and Treatment of Substance Abuse

Noncompliance and Material Weakness in Internal Control Over Compliance – Eligibility of Participants

Criteria: According to guidelines from the Family and Social Services Administration (FSSA), a person may be eligible to have their treatment paid by the Hoosier Assurance Plan if the person shows that they qualify for Medicaid, food stamps, or fall at or below 200% of the poverty level. Also, the person must meet certain evaluation criteria that are determined by a mental health professional, provide proof of income, and provide a Social Security number.

Condition and Context: We sampled 37 participant files and noted that two of the 37 were above the poverty level guidelines for being able to receive treatment and be covered by the Hoosier Assurance Plan funding.

Cause and Effect: Employees did not properly check the wages of each participant against the poverty level guidelines. Therefore, participants were incorrectly covered through the Hoosier Assurance Plan funding. Internal control over compliance was not sufficient to ensure all participants were eligible under FSSA guidelines.

Recommendation: We recommend that employees responsible for determining participant eligibility receive additional training to ensure requirements are understood. Further, we recommend employees perform secondary reviews of each other's client files on a periodic basis to ensure selected clients meet eligibility requirements.

Management Response: The Organization started a new process on September 1, 2013 related to the orientation of new outpatient clients. The Organization has created a financial orientation which is separate from the clinical orientation and completed by one of the three staff members from the billing department. The Organization will be implementing the following process for new residential clients. After new residential clients have completed their intake paperwork, case managers will fax the Division of Mental Health and Addiction Supported Consumer (DSC) eligibility form along with the DSC enrollment form to the billing team to review before the new client is enrolled into Data Assessment Registry for Mental Health and Addiction (DARMHA). The billing department can better monitor that the Organization is enrolling only clients that are DSC eligible into the DARMHA system. This new system of double checking will reduce the chance of future errors and takes the burden off the clinical staff. The Organization is committed to following the Division of Mental Health and Addiction's contract guidelines.