



**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Mental Health and Recovery Services Board  
Seneca County  
600 North River Road  
Tiffin, Ohio 44883-1173

To the Board:

We have audited the accompanying financial statements of the Mental Health and Recovery Services Board, Seneca County, Ohio, (the Board) as of and for the year ended December 31, 2000. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Board prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Board as of December 31, 2000, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the financial statements of the District taken as a whole. The schedule of federal awards expenditures is presented for additional analysis as required by 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. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies, and pass-through entities and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 14, 2001 except for paragraph 6 which is dated December 28, 2001

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Match		\$39,452		\$39,452
Grants	\$504,016	5,216,054		5,720,070
Investment Income			\$699	699
Gifts, Donations, and Bequests	289			289
Other Receipts	760	15,397		16,157
	<u>505,065</u>	<u>5,270,903</u>	<u>699</u>	<u>5,776,667</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries	149,434			149,434
Supplies	4,444			4,444
Equipment	3,101			3,101
Contracts - Services	272,977	5,069,471		5,342,448
Travel	10,933	8,000		18,933
Public Employee's Retirement	17,555			17,555
Worker's Compensation	473			473
Insurance	21,997			21,997
Other	129,706			129,706
	<u>610,620</u>	<u>5,077,471</u>		<u>5,688,091</u>
Total Receipts Over/(Under) Disbursements	<u>(105,555)</u>	<u>193,432</u>	<u>699</u>	<u>88,576</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	64,731	2,103		66,834
Advances-In	1,015	437,005		438,020
Sale of Fixed Assets		286,800		286,800
Transfers-Out		(66,834)		(66,834)
Advances-Out	(1,015)	(437,005)		(438,020)
	<u>64,731</u>	<u>222,069</u>		<u>286,800</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(40,824)	415,501	699	375,376
Fund Cash Balances, January 1	314,843	2,315,245	20,971	2,651,059
<b>Fund Cash Balances, December 31</b>	<b><u>\$274,019</u></b>	<b><u>\$2,730,746</u></b>	<b><u>\$21,670</u></b>	<b><u>\$3,026,435</u></b>
Reserves for Encumbrances, December 31	<u>\$43,368</u>	<u>\$2,526,262</u>		<u>\$2,569,630</u>

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

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Mental Health and Recovery Services Board (MHRS), Seneca County, (the Board) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board is a joint county community mental health service district as defined by §340.01, Ohio Revised Code. The Board operates under the direction of an eighteen-member board. Ten members of the Board are appointed by the boards of county commissioners from the respective counties of which members are residents, four members are appointed by the State of Ohio, Department of Mental Health and four members are appointed by the State of Ohio, Department of Alcohol and Drug Addiction Services.

The Board provides services to and is a joint venture of Sandusky, Seneca, and Wyandot Counties. The counties share in the equity of the MHRS based on the percentages of the population within the three counties. The population for each of the joint venture participants is: Sandusky County, 61,963 (43%), Seneca, 59,733 (41%), and Wyandot, 22,254 (16%).

The Seneca County Auditor and the Seneca County Treasurer are responsible for accountability of records and cash assets of the Board which are maintained in the funds described below. The Board provides community mental health facilities, services and programs to the service district. This is accomplished primarily by contracts with private and public agencies.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

As required by Ohio Revised Code, the Board's cash is held and invested by the Seneca County Treasurer, who acts as custodian for Board monies. The Board's assets are held in the County's cash and investment pool, and are valued at the County 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:

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

*Medicaid Fund* - receives federal monies for mental health services rendered by provider agencies.

*408 Fund* - receives state monies for the local match for medicaid expenditures and support services for disabled adults and children.

**3. Fiduciary Fund (Trust Fund)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Board is acting in an agency capacity. The Board had the following Fiduciary Fund:

*Donelson Trust* - This money was left to the Board in a will. It earns interest and has never been spent.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

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

**2. Estimated Resources**

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

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Board.

**2. CHANGE IN ACCOUNTING BASIS**

The Board had previously reported their financial statements in accordance with general accepted accounting principles (GAAP). In fiscal year 2000, the Board adopted a policy of preparing its financial statements on a comprehensive basis of accounting other than generally accepted accounting principles.

	General Fund	Special Revenue Funds	Trust Fund
GAAP Fund Balance at 12/31/99	\$298,868	\$2,237,851	\$21,055
Receivables		(2,887)	(84)
Payables	15,975	80,281	
Fund Balance 1/1/00	\$314,843	\$2,315,245	\$20,971

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$548,625	\$569,796	\$21,171
Special Revenue	6,514,613	5,559,806	(954,807)
Fiduciary	665	699	34
Total	\$7,063,903	\$6,130,301	(\$933,602)

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$800,234	\$653,988	\$146,246
Special Revenue	9,717,196	7,670,567	2,046,629
Total	\$10,517,430	\$8,324,555	\$2,192,875

Several funds had estimated receipts exceeding actual receipts. This is against Ohio Revised Code § 5705.36.

**4. RETIREMENT SYSTEMS**

The Board's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000, PERS members contributed 8.5% of their gross salaries. The Board contributed an amount equal to 10.84% of participants' gross salaries for 2000. The Board has paid all contributions required through December 31, 2000.

**5. RISK MANAGEMENT**

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

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

**6. RELATED PARTY TRANSACTIONS**

A Board member was a teacher at Terra Community College who received payment through the Bi Lingual/Bi Cultural Service Demonstration Projects in Minority Health Grant. He was compensated \$1,000 for his participation at Terra.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

<b>Federal Grantor</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. Department of Health and Human Services</b>			
<i>Passed Through Ohio Department of Mental Health:</i>			
Medicaid Assistance Program - Title XIX	ADA-FY99	93.778	\$37,712
	ADA-FY00		229,280
	ADA-FY01		39,538
	MH-FY99		14,189
	MH-FY00		951,422
	MH-FY01		<u>216,217</u>
Total Medicaid Assistance Program - Title XIX			<u>1,488,358</u>
Social Services Block Grant - Title XX	MH-42-0200	93.667	80,479
Block Grant For Prevention and Treatment of Substance Abuse			
	SAPT 99	93.959	22,064
	SAPT 00		<u>243,534</u>
Total Block Grant For Prevention and Treatment of Substance Abuse			<u>265,598</u>
Community Plan Block Grant	CPBG 00	93.992	20,960
	CPBG 01		20,955
	CPBG 00		<u>38,844</u>
Total Community Plan Block Grant			<u>80,759</u>
Block Grants for Community Mental Health Services	CABG 99	93.958	23,172
Project for Assistance in Transition from Homelessness	HAP-BG-00	93.150	44,161
Bi Lingual/Bi Cultural Service Demonstration Projects in Minority Health	43-CS-00	93.105	10,250
	43-CS-01		<u>10,250</u>
Total Bi Lingual/Bi Cultural Service Demonstration Projects in Minority Health			<u>20,500</u>
<b>Total</b>			<b><u><u>\$2,003,027</u></u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2000**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - SUBRECIPIENTS**

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

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

**NOTE C - MATCHING REQUIREMENTS**

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



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Mental Health and Recovery Services Board  
Seneca County  
600 North River Road  
Tiffin, Ohio 44883-1173

To the Board:

We have audited the accompanying financial statements of the Mental Health and Recovery Services Board, Seneca County, Ohio (the Board), as of and for the year ended December 31, 2000, and have issued our report thereon dated August 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-60574-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Board in a separate letter dated August 14, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Board in a separate letter dated August 14, 2001.

Mental Health and Recovery Services Board  
Seneca County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 14, 2001



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mental Health and Recovery Services Board  
Seneca County  
600 North River Road  
Tiffin, Ohio 44883-1173

To the Board:

**Compliance**

We have audited the compliance of the Mental Health and Recovery Services Board, Seneca County, Ohio, (the Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings as item 2000-60574-002.

### **Internal Control Over Compliance**

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Board's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings as items 2000-60574-003 and 2000-60574-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2000-60574-003 and 2000-60574-004 to be material weaknesses. We also noted a matter involving the internal control over federal compliance that did not require inclusion in this report, that we have reported to management of the Board in a separate letter dated August 14, 2001.

This report is intended for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 14, 2001

**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2000**

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

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

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

**FINDING NUMBER 2000-60574-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.36 allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. The Board did not obtain reduced amended certificates for the following funds when the amount of deficiency would have reduced available resources below the current level of appropriation.

**FINDING NUMBER 2000-60574-001  
 (Continued)**

As of August 31, 2000 the following funds should have received a reduced certificate:

<u>Fund Type</u> <u>Fund Name</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General Fund	\$483,000	\$384,929	(\$98,071)
Special Revenue Funds:			
Medicaid	1,977,890	955,786	(1,022,104)
Cultural Competency	235,000	1,060	(233,940)
408	1,938,176	1,471,900	(466,276)
State Per Capita	492,479	281,536	(210,943)
Federal ADAMHS Block Grant	472,065	234,014	(238,051)

As of December 31, 2000 the following funds should have received a reduced certificate:

<u>Fund Type</u> <u>Fund Name</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
Special Revenue Fund:			
Medicaid	\$1,977,890	\$1,389,664	(\$588,226)

We recommend the MHRS obtain reduced amended certificates when required.

**3. FINDINGS FOR FEDERAL AWARDS**

**Noncompliance**

<b>Finding Number</b>	2000-60574-002
<b>CFDA Title and Number</b>	Medicaid CFDA #93.778
<b>Federal Award Number / Year</b>	MH-FY99 and MH-FY00
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Mental Health

Payment to Providers

Beginning January 1, 2000, the Mental Health and Recovery Service was required to pay providers within thirty days of issuance of the Electronic Remittance Advice by the Ohio Department of Mental Health (ODMH) and the Ohio Department of Alcohol and Drug Addiction Services (ODADAS). This requirement is pursuant to a letter of interpretation by ODADAS's and ODMH's Directors relating to Contract B, Section C1. None of the reimbursements were paid to providers within thirty days. It is recommended providers be paid within the thirty day interpretation requirement.

**3. FINDINGS FOR FEDERAL AWARDS (Continued)**

**Material Weakness**

<b>Finding Number</b>	2000-60574-003
<b>CFDA Title and Number</b>	Medicaid CFDA #93.778
<b>Federal Award Number / Year</b>	MH-FY99 and MH-FY00
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Mental Health

Year End Reconciliations

The Mental Health and Recovery Services had not prepared their year end reconciliation report (DMH-MED-020; "Actual Cost of Service Form") as of July 2001. Noncompliance with grant requirements could result in the grantor discontinuing funding. It is recommended that the DMH-MED-020 form be completed.

**Material Weakness**

<b>Finding Number</b>	2000-60574-004
<b>CFDA Title and Number</b>	Medicaid CFDA #93.778
<b>Federal Award Number / Year</b>	MH-FY99 and MH-FY00
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Mental Health

Medicaid Compliance Reviews

The Mental Health and Recovery Services contracted to have Medicaid Compliance Reviews performed for agencies providing Medicaid services to clients for FY2000. As of July 2001, the Reviews had not been completed. Noncompliance with grant requirements could result in loss of funding. It is recommended that the Medicaid Compliance Reviews be performed timely.

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-60574-001	§ 5705.36, ORC	No	New Executive Director will be watching this more closely.
1999-60574-002	§ 5705.41(B), ORC	Yes	Supplemental appropriations have been approved by the Board.

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD  
SENECA COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-60574-001	The Mental Health and Recovery Services began paying providers within thirty days of the Electronic Remittance Advice at the beginning of fiscal year 2001	Corrected during 2001	Nancy Cochran, Executive Director
2000-60574-002	The Executive Director will be preparing the year end reconciliation report in the near future.	12/31/01	Nancy Cochran, Executive Director
2000-60574-003	Several surrounding agencies are members of a consortium called Behavioral Health Generation (BHG). The consortium plans to contract for provider reviews through BHG.	12/31/01	Nancy Cochran, Executive Director





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD**

**SENECA 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  
JANUARY 15, 2002**