

**EASTERN MIAMI VALLEY ALCOHOL,
DRUG ADDICTION AND MENTAL HEALTH
SERVICES (ADAMHS) BOARD**

Financial Statements

June 30, 1999

**EASTERN MIAMI VALLEY ALCOHOL,
DRUG ADDICTION AND MENTAL HEALTH
SERVICES (ADAMHS) BOARD**

Financial Statements

June 30, 1999

with

Independent Auditors' Report

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES BOARD**

For the Fiscal Year Ended June 30, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Trustees
Eastern Miami Valley ADAMHS Board
Springfield, Ohio

We have reviewed the Independent Auditor's Report of the Eastern Miami Valley ADAMHS Board, Clark County, prepared by Clark, Schaefer, Hackett & Co. for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Eastern Miami Valley ADAMHS Board is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

April 18, 2000

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Trustees
Eastern Miami Valley ADAMHS Board
Springfield, Ohio

We have audited the accompanying financial statements of the Eastern Miami Valley ADAMHS Board (the Board) as of and for the year ended June 30, 1999. 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 generally accepted auditing standards 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 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 described 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 principals.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Eastern Miami Valley ADAMHS Board as of June 30, 1999, 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 also have issued our report dated March 22, 2000 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Board, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of 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. Such information has been subjected 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.


Springfield, Ohio
March 22, 2000

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION AND
MENTAL HEALTH SERVICES BOARD**

Combined Statement of Cash Receipts, Cash Disbursements, and Changes
In Fund Cash Balances - All Governmental and Fiduciary Fund Types
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Fiduciary Funds	
Cash Receipts:				
Taxes	\$ 4,561,858	-	-	4,561,858
Intergovernmental	-	13,088,661	2,049,652	15,138,313
Rental Income	379,894	-	-	379,894
Charges for Services	73,335	-	-	73,335
Miscellaneous	65,922	-	4,353	70,275
Total Cash Receipts	<u>5,081,009</u>	<u>13,088,661</u>	<u>2,054,005</u>	<u>20,223,675</u>
Cash Disbursements:				
Salaries	941,565	-	259,638	1,201,203
Benefits	119,404	-	44,922	164,326
Supplies and Materials	38,623	-	16,967	55,590
Capital Outlay/Equipment	281,179	-	2,715	283,894
Repairs	18,991	-	95	19,086
Purchased Services	3,332,334	13,146,401	1,746,201	18,224,936
Rental Expenses	69,036	-	8,236	77,272
Advertising and Printing	5,692	-	3,837	9,529
Travel Expense	25,140	-	20,300	45,440
Miscellaneous	24,246	-	9,196	33,442
Total Cash Disbursements	<u>4,856,210</u>	<u>13,146,401</u>	<u>2,112,107</u>	<u>20,114,718</u>
Total Receipts Over/(Under) Disbursements	224,799	(57,740)	(58,102)	108,957
Other Financing Receipts/(Disbursements):				
Advances - In	-	57,740	-	57,740
Advances - Out	(57,740)	-	-	(57,740)
Total Other Financing Receipts/ (Disbursements)	<u>(57,740)</u>	<u>57,740</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	167,059	-	(58,102)	108,957
Fund Balances at Beginning of Year	<u>1,356,995</u>	<u>-</u>	<u>75,179</u>	<u>1,432,174</u>
Fund Balances at End of Year	<u>\$ 1,524,054</u>	<u>-</u>	<u>17,077</u>	<u>1,541,131</u>

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

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES BOARD**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 1999

1. Summary of Significant Accounting Policies:

Reporting entity

The Eastern Miami Valley Alcohol, Drug Addiction and Mental Health Services Board of Clark, Greene and Madison Counties (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 directed by an eighteen-member Board. Board members are appointed by the Board's Director and the legislative authorities of the political subdivisions making up the Board. Those subdivisions are the Clark, Greene and Madison County Commissioners, Ohio Department of Alcohol and Drug Addiction Services (ODADAS), and Ohio Department of Mental Health (ODMH). The Board provides alcohol, drug addiction, and mental health services and programs to citizens in Clark, Greene and Madison Counties primarily through contracts with private and public agencies.

The Clark County Auditor and the Clark County Treasurer serve respectively as fiscal officer and custodian of all public funds. The Board's management believes these financial statements present all activities for which the Board is financially accountable.

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 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 financials are not comparable to prior year audited financials, because management elected to change from the accrual to a cash basis method of accounting.

Cash

As required by Ohio Revised Code, the Board's cash is held and invested by the Clark County Treasurer, who acts as custodian for the Board's money. The Board's assets are held in the County's cash and investment pool, and are valued by the County Treasurer carrying amount.

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:

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

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES BOARD**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 1999

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary (Agency) Funds - These funds are used to account for resources restricted by funds for which the Board is acting in an agency capacity. The Board's Fiduciary Funds include the Clark County Family and Children First Council and the Prevention Academy, which are independent organizations of which the Board serves as fiscal officer.

Budgetary process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, or account 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 July 1. The County Budget Commission must also approve estimated resources.

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 fiscal year 1999 budgetary activity appears in Note 2.

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.

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 cash basis of accounting used by the Board.

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES BOARD**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 1999

2. Budgetary Activity:

Budgetary activity for the year ending June 30, 1999 follows:

<u>1999 Budgeted vs. Actual Receipts</u>			
<u>Budgeted Fund Type</u>	<u>Actual Receipts</u>	<u>Receipts</u>	<u>Variance</u>
General	\$ 0	5,081,009	5,081,009
Special revenue	<u>0</u>	<u>13,088,661</u>	<u>13,088,661</u>
Total	<u>\$ 0</u>	<u>18,169,670</u>	<u>18,169,670</u>

<u>1999 Budgeted vs. Actual Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,196,505	4,861,988	(3,665,483)
Special revenue	<u>0</u>	<u>13,146,401</u>	<u>(13,146,401)</u>
Total	<u>\$1,196,505</u>	<u>18,008,389</u>	<u>(16,811,884)</u>

The Board did not approve a complete tax budget as noted in the compliance report, except as submitted via the funding source (OMDH/ODADAS) budget format.

3. Long-Term Obligations:

Long-term obligations of the Board as of June 30, 1999, were as follows:

The Board received five mortgage loans payable with original balances of \$100,000, \$58,146, \$128,006, \$225,200 and \$131,000 from the State of Ohio to fund construction projects. These loans are being forgiven by the State over 40 years. The loans are exempt from the debt limitations established by Section 5705.19 of the Ohio Revised Code.

Promissory Note for the purchase of property totaling \$216,000, issued on June 30, 1999, to The Ohio Bank beginning at 8.530% interest, for a period of 20 years, with final maturity in fiscal year 2019.

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES BOARD**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 1999

Principal and interest requirements to at June 30, 1999, are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 4,182	18,568	22,750
2001	4,611	18,140	22,751
2002	5,025	17,725	22,750
2003	5,468	17,282	22,750
2004	6,024	16,727	22,751
2005-2009	38,353	76,909	115,262
2010-2014	61,251	54,011	115,262
2015-2019	<u>21,086</u>	<u>24,175</u>	<u>115,261</u>
Total	\$ <u>216,000</u>	<u>243,537</u>	<u>459,537</u>

4. Property Tax:

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reported in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semi annual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Board.

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

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

5. 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 1999, PERS members contributed 8.5% of their gross salaries. The Board contributed an amount equal to 13.31% of participants' gross salaries. The Board has paid all contributions required through June 30, 1999.

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES BOARD**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 1999

6. Ohio Deferred Compensation Program:

Employees of the Board may elect to participate in the Ohio Public Employees Deferred Compensation Program. The program is a deferred compensation plan under Internal Revenue Code Section 457. Employees may elect to defer a portion of their pay until a later date, normally retirement.

7. Risk Management:

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

8. Contingencies:

The Board received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

9. Change in Financial Statement Presentation:

The 1998 financial statements of the Board were presented on the modified accrual basis of accounting. The 1999 financial statements have been prepared on cash basis. Refer to Note 1 for a description of this basis of accounting.

EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD
CLARK, GREENE AND MADISON COUNTIES
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 1999

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Number</u>	<u>Grant Receipts</u>	<u>Grant Disbursements</u>
U.S. Department of Education:				
Pass-through Ohio Department of Alcohol and Drug Addiction:				
Sharing Time and Talent	84.186A	12-12924-02- DFS-P-99-9836	\$ 30,750	25,239
Clark County Prevention Academy's Parent Power Project	84.186A	12-12924-03- DFS-P-99-9067	41,000	1,000
Big Brothers/Big Sisters Serving Madison County	84.186A	12-12280-01- DFS-P-99-9837	<u>23,595</u>	<u>23,595</u>
Total U.S. Department of Education			95,345	49,834
U. S. Department of Health and Human Services:				
Pass-through Ohio Department of Mental Health:				
Block Grants:				
Housing Assistance Grant	93.958	(1)	8,170	8,170
Community Plan	93.958	(1)	115,785	115,785
Child Development	93.958	(1)	57,895	57,895
Recovery	93.958	(1)	4,000	4,000
Title XX	93.667	(1)	227,541	227,541
Title XIX	93.778	(1)	3,835,310	3,835,310
Pass-through Ohio Department of Alcohol and Drug Addiction:				
Block Grants:				
HIV Early Intervention	93.959	(1)	73,755	73,755
Women and Children's Treatment Program	93.959	12-12643-01- W-T-99-9925	205,000	205,000
Women's Recovery Center (2)	93.959	12-12622-02- WFS-T-99-9045	275,562	239,983
Drug Treatment, Prevention and IV Users	93.959	(1)	1,053,813	1,053,813
Wee Too Plus	93.959	12-12508-01-DCOMNET -P-99-9936	61,872	61,872
Teens Getting it Together	93.959	12-12508-01- W-T-99-9905	35,579	35,579
Ohio Violence Prevention Training	93.959	(1)	4,000	-
Title XIX	93.778	(1)	<u>256,609</u>	<u>256,609</u>
Total U.S. Department of Health and Human Services			<u>6,214,891</u>	<u>6,175,312</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 6,310,236</u>	<u>6,225,146</u>

(1) Pass-through; number not available

(2) This grant was received for the benefit of Women's Recovery Center. These funds support persons other than traditional Board clients. Sixty-nine percent of these funds support non-EMV clients.

Significant Accounting Policies:

The accompanying schedule of federal award expenditures is a summary activity of all federal awards programs of the Eastern Miami Valley ADAMHS Board. The schedule has been prepared on the cash basis of accounting.

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To Members of the Board of Trustees
of the Eastern Miami Valley ADAMHS Board

We have audited the financial statements of the Eastern Miami Valley ADAMHS Board (the Board), as of and for the year ended June 30, 1999, and have issued our report thereon dated March 22, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 1999-52851-001 through 003.

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. However, we noted certain matters involving the internal control over financial reporting 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 financial reporting that, in our judgment, could adversely affect the Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 1999-52851-004.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in this internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Board in a separate letter dated March 22, 2000.

This report is intended solely for the information and use of Board of Trustees, management, others within the organization, 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.

Clark Schaefer, Hackett & Co.
Springfield, Ohio
March 22, 2000

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

To Members of the Board of Trustees
of the Eastern Miami Valley ADAMHS Board

Compliance

We have audited the compliance of the Eastern Miami Valley ADAMHS Board (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 June 30, 1999. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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 generally accepted auditing standards; 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 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 of 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 each of its major federal programs for the year ended June 30, 1999.

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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 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. We noted no matters involving the internal control over compliance and its operation that we consider material weaknesses.

This report is intended solely for the information and use of members of the Board of Trustees, management, others within the organization and 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 22, 2000

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION, AND
MENTAL HEALTH SERVICES BOARD**

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505

JUNE 30, 1999

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Title XIX CFDA # 93.778 Block Grants CFDA # 93.959
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

Finding Number	1999-52851-001
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A joint county mental health board, as the taxing authority of a subdivision, is responsible for their preparation of a tax budget. Ohio Revised Code Section 5705.28 requires each taxing authority to adopt a tax budget by January 15 of each year for the ensuing fiscal year. The budget must be submitted to the county auditor, their fiscal agent, on or before January 20. In addition, the Board must submit an estimate of contemplated revenues and expenditures for each county in which an appropriation is desired. The county auditor must certify to the budget commission the total amount from all sources available for expenditure from each fund set up in the tax budget, with unencumbered balances from the preceding year, in accordance with Ohio Revised Code Section 5705.36. An annual appropriation resolution must be adopted at the end of each year in order for expenditures to be made in the following year. Pursuant to Ohio Revised Code Section 5705.40, the Board must certify the total amount of revenues from all sources available for expenditure from each fund along with balances that existed at the end of the preceding year to the county auditor. Currently, only the budget related to general fund administrative expenditures are adopted and approved by the Board. Budget amounts for resources and other expenditures are prepared by the County at the beginning of each year; however, these budgeted amounts are not adopted by the Board.

We recommend the Board adopt guidelines and procedures to ensure all legally required budget documents are prepared and submitted to the appropriate authority within the timeframe specified.

Finding Number	1999-52851-002
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The Board is required by Ohio Revised Code Section 5705.09 to establish a general fund and special revenue fund for each class of revenues derived from a source, other than general property tax, which the law requires to be used for specific purpose.

The entire financial activity of the Board is commingled within one fund on the County's accounting records and the accounting records of the Board does not adequately segregate the financial activity of various special purpose grants from the general fund activity.

We recommend the Board establish a general fund and required special revenue funds within the accounting records as required by Ohio Revised Code Section 5705.09.

Finding Number	1999-52851-003
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Ohio Rev. Code Section 5705.41(B) prohibits the expending of money unless it has been appropriated. As shown in Note 2 to the financial statements, expenditures exceed appropriations in both the general and special revenue fund types at the Board.

We recommend the Board ensure all funds and accounts are properly included in the adopted annual appropriation measure before any expenditures are processed.

Finding Number	1999-52851-004
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The accounting records maintained by the Board do not adequately substantiate the amounts reported on the financial statements. After efforts failed to reconcile the activity recorded and reported through the Board's accounting records, a decision was made to use the financial records of the statutory fiscal agent to construct cash basis financial statements for fiscal year 1999. Given that the fiscal agent and the Board report on two different fiscal periods, and the level of detail captured by the fiscal agent does not fully support the preparation of financial statements, management was required to make certain allocation of cash disbursements among the different funds reported. Such allocations could result in certain financial activity being improperly reported in the financial statement.

The Board must resolve the current deficiencies in the accounting records and maintain adequate and detailed accounting records to capture and report the financial activity of the Board in the appropriate form. The Board's financial records should be reconciled with those of the fiscal agent on a timely basis, and any discrepancies resolved.

**EASTERN MIAMI VALLEY ALCOHOL, DRUG ADDICTION, AND
MENTAL HEALTH SERVICES BOARD**

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

JUNE 30, 1999

Finding Number	Finding Summary	Fully Corrected?	Implementation Status
1998-52851-001	Ohio Rev. Code Section 5705.28 - Tax Budget	No	Not Corrected - Compliance Finding Repeated in Current Year Audit.
1998-52851-002	Ohio Rev. Code Section 5705.09 - Establishment of Funds	No	Not Corrected - Compliance Finding Repeated in Current Year Audit.
1998-52851-003	Ohio Rev. Code Section 307.86 - Contract Compliance	N/A	Finding No Longer Valid - Interpretation regarding the applicability of this section changed with revised compliance supplement.
1998-52851-004	Ohio Rev. Code Section 4115.04 - Prevailing Wage	N/A	Finding No Longer Valid - Interpretation regarding the applicability of this section changed with revised compliance supplement.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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EASTERN MIAMI VALLEY A.D.A.M.H.S. BOARD

CLARK 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.

By: Susan Babbitt

Date: MAY 2, 2000