



**TRI-COUNTY ALCOHOL, DRUG ADDICTION AND MENTAL  
HEALTH SERVICES BOARD  
MERCER COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



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

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**STATE OF OHIO**



**TRI-COUNTY ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Tri-County Alcohol, Drug Addiction and Mental Health Services Board  
Mercer, Van Wert, and Paulding Counties  
1054 South Washington Street, Suite A  
Van Wert, Ohio 45891

To Members of the Board:

We have audited the accompanying financial statement of Tri-County Alcohol, Drug Addiction, and Mental Health Services Board, Mercer, Van Wert and Paulding Counties, (the Board) as of and for the year ended June 30, 2000. This financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with 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 Note 1, the Board prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the fund cash balance and reserves for encumbrances of the Tri-County Alcohol, Drug Addiction, and Mental Health Services Board, Mercer, Van Wert and Paulding Counties, as of June 30, 2000, and its 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 September 19, 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. 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.

Our audit was performed for the purpose of forming an opinion on the financial statement of the Board, taken as a whole. The accompanying schedule of federal awards expenditures 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 statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under Section 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

September 19, 2000

**TRI-COUNTY ALCOHOL, DRUG ADDICTION AND  
MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GOVERNMENTAL FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<b>General</b>
<b>Cash Receipts:</b>	
Taxes	\$908,369
Grants	3,692,316
Gifts, Donations, and Bequests	7,300
Other Receipts	10,921
Total Cash Receipts	4,618,906
<b>Cash Disbursements:</b>	
Current:	
Salaries	175,738
Supplies	6,578
Equipment	45,461
Grants	4,171,759
Rentals	13,739
Advertising and Printing	3,044
Travel	8,342
Public Employee's Retirement	36,256
Workers Compensation	108
Other	102,182
Total Disbursements	4,563,207
Total Receipts Over/(Under) Disbursements	55,699
<b>Other Financing Receipts/(Disbursements):</b>	
Refunds	78,939
Shared Provider Costs	(78,939)
Total Other Financing Receipts/(Disbursements)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	55,699
Fund Cash Balance, July 1	796,202
<b>Fund Cash Balance, June 30</b>	<b>\$851,901</b>
Reserves for Encumbrances, June30	\$338,583

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

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**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Tri-County Alcohol, Drug Addiction and Mental Health Services Board, Mercer, Van Wert, and Paulding 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 was organized for the purpose of establishing community alcohol, drug addiction and mental health service programs, and to provide community services for mentally ill and emotionally disturbed persons, and community alcohol and drug awareness and prevention programs.

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. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Mercer, Van Wert, and Paulding Counties. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. These services are provided primarily through 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**

As required by Ohio Revised Code, the Board's cash is held and invested by the Mercer 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:

**Governmental Fund Type**

**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.

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000  
(Continued)**

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

**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 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. 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 2000 budgetary activity appears in Note 2.

**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. BUDGETARY ACTIVITY**

Budgetary activity for the year ending June 30, 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,459,363	\$4,697,845	\$238,482

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,827,799	\$4,980,729	(\$152,930)

**3. 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 reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual 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 taxing district.

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

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

**4. RETIREMENT 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 13.55% of participants' gross salaries. The Board has paid all contributions required through June 30, 2000.

**5. RISK MANAGEMENT**

The Board has obtained commercial insurance for the following risks:

- Comprehensive property
- General Liability
- Employee Benefit Plan Wrongful Acts
- Professional Liability
- Vehicles
- Crimes

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

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000  
(Continued)**

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. 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

**TRI-COUNTY ALCOHOL AND DRUG ADDICTION AND  
MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE PERIOD ENDED JUNE 30, 2000**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Project Number</b>	<b>Award Amount</b>	<b>Disbursements</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through Ohio Department of Mental Health:</i>				
Community Block Grant	93.958	SFY00	65,482	\$65,482
Children/Adolescent Block Grant	93.958	SFY00	26,365	<u>26,365</u>
Total Block Grants for Community Mental Health Services				91,847
Social Services Block Grant	93.667	SFY00	N/A	46,363
Medical Assistance Program	93.778	SFY00	N/A	<u>682,305</u>
Total Passed Through the Ohio Department of Mental Health				820,515
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services</i>				
Alcohol, Drug and Rehabilitation Block Grant	93.959	SFY00	296,438	296,438
Women's Set Aside Grant	93.959	54-54553-01-W-T-00	232,977	<u>218,597</u>
Total Substance Abuse Prevention and Treatment Block Grant				515,035
Medical Assistance Program	93.778	SFY00	N/A	<u>83,627</u>
Total Passed Through the Ohio Department of Alcohol and Drug Addiction Services				<u>598,662</u>
Total U.S. Department of Health and Human Services				1,419,177
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services</i>				
Drug Free Schools	84.186A	54-54537-01-DFS-P-00	51,250	<u>51,250</u>
Total U.S. Department of Education				51,250
Total Federal Assistance				<u><u>\$1,470,427</u></u>

The notes to the Schedule of Federal Awards Expenditures are an integral part of this schedule.

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The Schedule of Federal Awards Expenditures is presented on a cash basis of accounting. All grants are reimbursing grants, therefore expenditures are recognized when the revenues are received.

**2. SUB-RECIPIENTS**

The Board obtains grants through the Ohio Department of Mental Health (ODMH) and the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) and contracts with sub-recipient agencies for providing services.

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.

**Ohio Department of Mental Health**

Grants from the ODMH are passed through the Board to the Foundations Behavioral Health Services (Mercer County Mental Health service provider agency), Paulding County Comprehensive Mental Health Services, Inc., and The Stepping Stones Center (Van Wert County Mental Health service provider agency).

Total Board Subsidy expenditures to ODMH provider agencies for 2000 were:	
Foundations Behavioral Health Services	\$299,994
Paulding County Comprehensive Mental Health Services, Inc.	159,001
The Stepping Stones Center	303,232

**Ohio Department of Alcohol and Drug Addiction Services**

Grants from the ODADAS are passed through the Board to the Mercer County Alcohol and Drug Abuse Center, Inc. (dba Gateway Outreach Center), Paulding County Alcohol and Drug Services, Inc., and Fountainview Center (Van Wert County Alcohol and Drug Addiction service provider agency).

Total Board Subsidy expenditures to ODADAS provider agencies for 2000 were:	
Mercer County Alcohol and Drug Abuse Center, Inc.	\$209,322
Paulding County Alcohol and Drug Services, Inc.	218,798
Fountainview Center	176,741



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

Tri-County Alcohol, Drug Addiction and Mental Health Services Board  
Mercer, Van Wert, and Paulding Counties  
1054 South Washington Street, Suite A  
Van Wert, Ohio 45891

To Members of the Board:

We have audited the accompanying financial statements of the Tri-County Alcohol, Drug Addiction and Mental Health Services Board, Mercer, Van Wert and Paulding Counties, Ohio (the Board ), as of and for the year ended June 30, 2000, and have issued our report thereon dated September 19, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-60254-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Board in a separate letter dated September 19, 2000.

**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 one matter involving the internal control over financial reporting that did not require inclusion in this report, that we have reported to management of the Board in a separate letter dated September 19, 2000.

Tri-County Alcohol, Drug Addiction and Mental Health Services Board  
Mercer, Van Wert and Paulding Counties  
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, 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.

**Jim Petro**  
Auditor of State

September 19, 2000





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

Tri-County Alcohol, Drug Addiction and Mental Health Services Board  
Mercer, Van Wert, and Paulding Counties  
1054 South Washington Street, Suite A  
Van Wert, Ohio 45891

To Members of the Board:

**Compliance**

We have audited the compliance of the Tri-County Alcohol, Drug Addiction and Mental Health Services Board, Mercer, Van Wert and Paulding Counties, Ohio (the Board ) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The Board's major federal programs are 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 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 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 each of its major federal programs for the year ended June 30, 2000. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of Board in a separate letter dated September 19, 2000.

**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.

Tri-County Alcohol, Drug Addiction and Mental Health Services Board  
Mercer, Van Wert and Paulding Counties  
Report on Compliance With Requirements Applicable to  
Each Major Federal Program and Internal Control Over  
Compliance in Accordance With OMB Circular A-133  
Page 2

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. 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. The reportable condition is described in the accompanying schedule of findings as item 2000-60254-002.

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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Board, 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.

**Jim Petro**  
Auditor of State

September 19, 2000

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2000**

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

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

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

<b>Finding Number</b>	2000-60254-001
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**Noncompliance Citation**

Ohio Rev. Code Section 5705.09 states that each subdivision is required to establish the following funds:

- C General fund;
- A special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose;

The Board receives several state and federal grants and allocations which require funds to be used for a particular purpose, however the Board does not maintain separate funds.

The lack of separate funds inhibits the ability to adequately track and determine if funds were expended for the purpose intended and prohibits the county auditor from providing the required detail.

A special revenue fund should be created for each source of revenue requiring use for a particular purpose and a General fund created for all local sources of revenue.

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

<b>Finding Number</b>	2000-60254-002
<b>CFDA Title and Number</b>	93.778 - Medical Assistance Program
<b>Federal Award Number / Year</b>	
<b>Federal Agency</b>	U. S. Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Alcohol and Drug Addiction Services & Ohio Department of Mental Health

**REPORTABLE CONDITION**

The contract between the Board and the Ohio Department of Mental Health and the contract between the Board and the Ohio Department of Alcohol and Drug Addiction state "Reimbursement will be made and is subject to the availability of public matching funds. The amount of public matching funds designated as match by the Sub-provider must be sufficient to match the reimbursement level of each service type billed through this contract. For this contract, public funds are defined as those funds received or collected under the color of public office and include such sources as state subsidy and local levy. Public funds do not include sources as donated funds. In the event that appropriate local matching funds are not available, reimbursement will not be made."

The Board does not maintain separate accounting records or funds to adequately identify the source of the matching funds.

Failure to properly identify the source of the matching funds could result in the loss of Federal reimbursement.

A fund should be established for each source of revenue, federal, state, and local, in order to identify the source of the matching funds.

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30 , 2000**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-60254-001	Revised Code 5705.09 - Not establishing special funds.	No	Additional steps are being undertaken to refine the Board's accounting ledgers to create a general fund and a special revenue fund for each source of funds and expenditures from these sources to provide separate identification. See Schedule of Findings item 2000-60254-001.
1999-60254-002	Code of Federal Regulations 45/92.20 (b) (2) - Not properly segregating federal funds.	Partially Corrected	The Board has properly segregated federal revenue and expenditures, with the exception of the federal expenditures related to the Board's share for administration of the grant. See citation issued in the management letter.
1999-60254-003	Source of Matching funds for the Medical Assistance Program	No	Additional steps are being undertaken to refine the Board's accounting ledgers to create a general fund and a special revenue fund for each source of funds and expenditures from these sources to provide separate identification. See Schedule of Findings item 2000-60254-002.

**TRI-COUNTY ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD  
MERCER COUNTY  
June 30, 2000**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-60254-001	Noncompliance Citation: As identified during the June 30, 1998 and 1999 audit, completed on March 21, 2000, it was necessary for this board to establish a general ledger fund and a special revenue fund for each source of funds and expenditures to identify the sources separately. This has been completed effective July 1, 2000 for the Fiscal Year 2001.	07/01/00	Nancy A. Taylor
2000-60254-002	Reportable Condition: As identified during the June 30, 1998 and 1999 audit, completed on March 21, 2000, it was necessary for this board to establish a general ledger fund and a special revenue fund for each source of funds and expenditures to identify the sources separately. This has been completed effective July 1, 2000 for the Fiscal Year 2001. This will allow tracking and verification that contracts between the board and state departments requiring that reimbursement be made as subject to the availability of public matching funds can be confirmed.	07/01/00	Nancy A. Taylor



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**TRI-COUNTY ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD**

**MERCER 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  
NOVEMBER 28, 2000**