



**TRI-COUNTY BOARD OF RECOVERY  
AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



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

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**STATE OF OHIO**



**TRI-COUNTY BOARD OF RECOVERY  
AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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## REPORT OF INDEPENDENT ACCOUNTANTS

Tri-County Board of Recovery  
and Mental Health Services  
Miami County  
405 Public Square, Suite 330  
Troy, Ohio 45373

To the Board Members:

We have audited the accompanying financial statement of the Tri-County Board of Recovery and Mental Health Services, Miami County, (the Board) as of and for the year ended December 31, 1999, as listed in the table of contents. 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 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 the 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 fund cash balance of the Tri-County Board of Recovery and Mental Health Services, Miami County, as of December 31, 1999, and its cash basis receipts and disbursements for the year ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 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 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.

Tri-County Board of Recovery  
and Mental Health Services  
Miami County  
Report of Independent Accountants  
Page 2

This report is intended solely for the information and use of the finance 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

**Jim Petro**  
Auditor of State

July 17, 2000

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>General</b>
<b>Cash receipts:</b>	
Taxes	\$1,365,979
Intergovernmental	5,828,529
Rental/Lease Income	52,500
Other Receipts	16,470
Total cash receipts	7,263,478
<b>Cash disbursements:</b>	
Current:	
Salaries and Employee Benefits	287,568
Supplies	10,484
Materials	1,261
Equipment	23,680
Contracts - repair	5,316
Contracts - services	6,990,058
Rentals	13,890
Advertising and printing	1,201
Travel	7,740
Public employee's retirement	38,300
Worker's compensation and Insurance	26,223
Other	63,789
Total disbursements	7,469,510
Total receipts (under) disbursements	(206,032)
<b>Other financing receipts:</b>	
Refunds	64,368
Reimbursements	129,143
Total other financing receipts	193,511
Excess of cash receipts and other financing receipts (under) cash disbursements	(12,521)
Fund cash balance, January 1	2,814,069
<b>Fund cash balance, December 31</b>	<b>\$2,801,548</b>
Reserve for Encumbrances, December 31	\$49,355

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

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**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Tri-County Board of Recovery and Mental Health Services is a combined board comprised of eighteen members from Miami, Darke, and Shelby counties. The Miami County Auditor and Treasurer are responsible for fiscal control of the resources of the Tri-County Board of Recovery and Mental Health Services which are maintained in the fund described below. Drug & Mental Health Services include: planning, funding, coordinating and evaluating community mental health, drug and alcohol program services for Miami, Darke, and Shelby counties.

Management believes the financial statements included in this report represent all of the funds of the Tri-County Board of Recovery and Mental Health Services over which the members of the Tri-County Board of Recovery and Mental Health Services have the ability to exercise direct operating control.

**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 Miami 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 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 BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1999  
(Continued)**

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

**E. BUDGETARY PROCESS**

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

**Appropriations**

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

**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.

**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 1999 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 December 31, 1999 follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$6,954,271	\$7,456,989	\$502,718

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1999  
(Continued)**

**3. BUDGETARY ACTIVITY**

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$9,830,797	\$7,518,865	\$2,311,932

**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 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.

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 13.55% of participants' gross salaries. The Board has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The Board has obtained commercial insurance for the following risks; Comprehensive property and general liability, Errors and omissions.

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

**7. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit 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 not determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**TRI-COUNTY BOARD OF RECOVERY & MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR YEAR ENDED DECEMBER 31, 1999**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
(Passed through Ohio Department of Mental Health)			
Social Service Block Grant	MH-33	93.667	\$118,849
Block Grants For Community Mental Health Services			
Special Project-Crisis Center	N/A	93.958	71,945
Special Project-Housing (HAP)	N/A	93.958	13,475
Special Project-Child & Adolescence	N/A	93.958	32,985
Special Project-Education	N/A	93.958	<u>3,000</u>
Total Block Grants For Community Mental Health Services			121,405
Mental Health Services to the Homeless (PATH)	34-PATH-98-01-A	93.150	15,226
Medical Assistance - Title XIX	N/A	93.778	<u>902,502</u>
Total Ohio Department of Mental Health			1,157,982
(Passed through Ohio Department of Alcohol & Drug Addiction Services)			
Block Grants For Prevention and Treatment of Substance Abuse			
Women's Grant	WFS-T-99-8971 WFS-T-00-8971	93.959	33,344 <u>33,343</u>
			66,687
Alcohol, Drug, & Mental Health Block Grant	N/A	93.959	<u>628,706</u>
Total Block Grants For Prevention and Treatment of Substance Abuse			695,393
Medical Assistance - Title XIX	N/A	93.778	<u>53,242</u>
Total Ohio Department of Alcohol & Drug Addiction Services			<u>748,635</u>
<b>Total Federal Disbursements</b>			<b><u><u>\$1,906,617</u></u></b>

*The Notes to the Schedule are integral part of this Schedule.*

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - 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 expenditures 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

Tri-County Board of Recovery  
and Mental Health Services  
Miami County  
405 Public Square, Suite 330  
Troy, Ohio 45373

To the Board Members:

We have audited the accompanying financial statement of Tri-County Board of Recovery and Mental Health Services, (the Board), as of and for the year ended December 31, 1999, and have issued our report thereon dated July 17, 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 statement is 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### 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 statement 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.

Tri-County Board of Recovery  
and Mental Health Services  
Miami 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 finance 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

**Jim Petro**  
Auditor of State

July 17, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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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 Board of Recovery  
and Mental Health Services  
Miami County  
405 Public Square, Suite 330  
Troy, Ohio 45373

To the Board Members:

**Compliance**

We have audited the compliance of Tri-County Board of Recovery and Mental Health Services, (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 its major federal program for the year ended December 31, 1999. 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 its major federal program 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 its major federal program for the year ended December 31, 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.

Tri-County Board of Recovery  
and Mental Health Services  
Miami County

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

Page 2

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 to be material weaknesses.

This report is intended for the information and use of the finance 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.

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**Jim Petro**  
Auditor of State

July 17, 2000

**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 1999**

**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 non-compliance at the financial statement level (GAGAS)?</b>	No
<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>	No
<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>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Medicaid, CFDA #93.778
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None

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

None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**TRI-COUNTY BOARD OF RECOVERY AND MENTAL HEALTH SERVICES**

**MIAMI COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 12, 2000**