
Annual Report

For Fiscal Year Ended December 31, 1999



*Alcohol, Drug and Mental Health Board
of Franklin County*

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
Annual Report
December 31, 1999

TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET: ALL FUND TYPES AND ACCOUNT GROUPS	3
COMBINED STATEMENT OF REVENUES, EXPENDITURES CHANGES IN FUND BALANCES: ALL GOVERNMENTAL FUND TYPES	4
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL (BUDGET BASIS): ALL GOVERNMENTAL FUND TYPES.....	5
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS	6
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	17
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	19
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23
SCHEDULE OF RESOLUTION OF PRIOR YEAR'S AUDIT FINDINGS	25
CORRECTIVE ACTION PLAN.....	26
DATA COLLECTION FORM FOR REPORTING ON AUDITS OF STATES, LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS	27



STATE OF OHIO
OFFICE OF THE AUDITOR

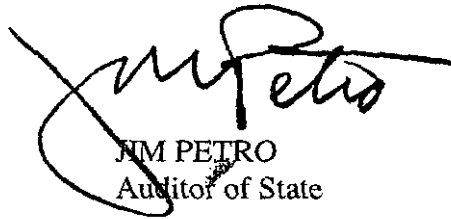
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

Alcohol, Drug and Mental Health
Board of Franklin County
Columbus, Ohio

We have reviewed the independent auditor's report of the Alcohol, Drug and Mental Health Board of Franklin County, Franklin County, prepared by Crowe, Chizek and Company LLP, for the audit period January 1, 1999 through December 31, 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 Alcohol, Drug and Mental Health Board of Franklin County is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

July 3, 2000



REPORT OF INDEPENDENT AUDITORS

Alcohol, Drug and Mental Health
Board of Franklin County
Columbus, Ohio

We have audited the accompanying general-purpose financial statements of the Alcohol, Drug and Mental Health Board of Franklin County (ADAMH Board), a component unit of Franklin County, as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the ADAMH Board's management. Our responsibility is to express an opinion on these general-purpose 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.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the ADAMH Board, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2000 on our consideration of the ADAMH 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 general-purpose financial statements of the ADAMH 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 general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Crowe, Chizek and Company LLP

Crowe, Chizek and Company LLP

Columbus, Ohio
May 24, 2000

General Purpose Financial Statements

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1999

	Governmental Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Agency Fund	General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS						
ASSETS:						
Equity with County Treasurer	\$ 24,275,162	\$ 6,848,543	\$ 1,475,695	-	-	\$ 32,599,400
Accounts Receivables - Net of allowances	768,052	60,575	-	-	-	828,627
Property and Other Taxes Receivable	39,104,586	-	-	-	-	39,104,586
Interfund Receivables	3,740,427	-	-	-	-	3,740,427
Due from Other Governments	234,065	17,609,006	-	-	-	17,843,071
Property and Equipment	-	-	-	\$ 6,362,686	-	6,362,686
OTHER DEBITS:						
Amount to be Provided for Retirement of General Long-Term Obligations	-	-	-	-	\$ 801,000	801,000
Total Assets and Other Debits	\$ 68,122,292	\$ 24,518,124	\$ 1,475,695	\$ 6,362,686	\$ 801,000	\$ 101,279,797
LIABILITIES, EQUITY AND OTHER CREDITS						
LIABILITIES:						
Accounts Payable	\$ 148,010	-	-	-	-	\$ 148,010
Accrued Wages Payable	101,629	-	-	-	-	101,629
Compensated Absences Payable	-	-	-	-	\$ 372,176	372,176
Contracts Payable	2,959,169	\$ 10,041,888	-	-	-	13,001,057
Liability for Unreported Claims	9,545,271	8,981,855	-	-	-	18,527,126
Deferred Revenue	39,104,586	1,318,471	-	-	-	40,423,057
Interfund Payables	-	3,740,427	-	-	-	3,740,427
Due to Other Governments	20,089	435,483	-	-	-	455,572
Funds Held for Others	-	-	\$ 1,475,695	-	-	1,475,695
Leases Payable	-	-	-	-	428,824	428,824
Total Liabilities	51,878,754	24,518,124	1,475,695	-	801,000	78,673,573
EQUITY AND OTHER CREDITS:						
Investment in General Fixed Assets	-	-	-	\$ 6,362,686	-	6,362,686
Unreserved Fund Balances:						
Undesignated	5,279,302	-	-	-	-	5,279,302
Designated for Risk Fund	10,964,236	-	-	-	-	10,964,236
Total Equity and Other Credits	16,243,538	-	-	6,362,686	-	22,606,224
Total Liabilities, Equity and Other Credits	\$ 68,122,292	\$ 24,518,124	\$ 1,475,695	\$ 6,362,686	\$ 801,000	\$ 101,279,797

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended December 31, 1999

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
Revenues:			
Taxes	\$ 34,532,194	-	\$ 34,532,194
Intergovernmental	3,613,444	\$ 66,224,061	69,837,505
Charges for Services	6,578	-	6,578
Total Revenues	<u>38,152,216</u>	<u>66,224,061</u>	<u>104,376,277</u>
Expenditures:			
Current Operations:			
Health:			
Contract Services	44,303,731	66,159,729	110,463,460
Administrative Services:			
Personal Services	3,401,932	-	3,401,932
Materials & Supplies	94,745	-	94,745
Services & Charges	1,385,914	64,332	1,450,246
Capital Outlay	501,235	-	501,235
Debt Service:			
Principal	52,932	-	52,932
Interest and Fiscal Charges	35,055	-	35,055
Total Expenditures	<u>49,775,544</u>	<u>66,224,061</u>	<u>115,999,605</u>
Excess of Revenues over (Expenditures)	(11,623,328)	-	(11,623,328)
Fund Balance (Deficit) at Beginning of Year	27,866,866	-	27,866,866
Fund Balance (Deficit) at End of Year	<u>\$ 16,243,538</u>	<u>-</u>	<u>\$ 16,243,538</u>

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual
 All Governmental Fund Types—Budget Basis
 For the Year Ended December 31, 1999

	General Fund			Special Revenue Funds			Total (Memorandum Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:									
Taxes	\$ 34,330,181	\$ 34,364,679	\$ 34,498	-	-	-	\$ 34,330,181	\$ 34,364,679	\$ 34,498
Intergovernmental	3,861,801	3,613,444	(248,357)	\$ 69,256,121	\$ 55,671,265	\$ (13,584,856)	73,117,922	59,284,709	(13,833,213)
Charges for Services	-	6,578	6,578	-	-	-	-	6,578	6,578
Total Revenues	38,191,982	37,984,701	(207,281)	69,256,121	55,671,265	(13,584,856)	107,448,103	93,655,966	(13,792,137)
Expenditures:									
Health	41,482,260	37,235,452	4,246,808	63,611,895	44,144,613	(19,467,282)	105,094,155	81,380,065	23,714,090
Capital Outlay	547,258	502,590	44,668	-	-	-	547,258	502,590	44,668
Debt Service	66,975	87,985	(21,010)	-	-	-	66,975	87,985	(21,010)
Total Expenditures	42,096,493	37,826,027	4,270,466	63,611,895	44,144,613	(19,467,282)	105,708,388	81,970,640	23,737,748
Excess of Revenues Over (Under) Expenditures	(3,904,511)	158,674	4,063,185	5,644,226	11,526,652	5,882,426	1,739,715	11,685,326	9,945,611
Other Financing Sources (Uses):									
Advances—In	-	11,745,839	11,745,839	-	3,740,427	3,740,427	-	15,486,266	15,486,266
Advances—Out	-	3,740,427	3,740,427	-	11,745,839	11,745,839	-	15,486,266	15,486,266
Total Other Financing Sources (Uses)	-	8,005,412	8,005,412	-	(8,005,412)	(8,005,412)	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses—Budgetary Basis	\$ (3,904,511)	8,164,086	\$ 12,068,597	\$ 5,644,226	3,521,240	\$ (2,122,986)	\$ 1,739,715	11,685,326	\$ 9,945,611
Change in reserve for encumbrances									
Fund Balance at beginning of year—Budget		16,111,076			3,327,303			19,438,379	
Fund Balance at end of year—Budget Basis		\$ 24,275,162			\$ 6,848,543			\$ 31,123,705	

See accompanying notes to the general purpose financial statements.

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
Notes to the General Purpose Financial Statements
Fiscal Year Ended December 31, 1999

Note 1—Summary of Significant Accounting Policies

A. Reporting Entity

The Alcohol, Drug and Mental Health Board of Franklin County (the ADAMH Board) is a component unit of Franklin County, Ohio as defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity." The ADAMH Board operates in accordance with Section 340 of the Ohio Revised Code. The Franklin County Commissioners appoint a majority of Board members and serve as the local levy taxing authority for the ADAMH Board. The Franklin County Auditor and the Franklin County Treasurer, which are elected positions, serve respectively as Chief Fiscal Officer and Custodian of all public funds.

The ADAMH Board serves as the planning agency in Franklin County for mental health and alcohol and other substance abuse services. It evaluates and assesses the needs for these services in Franklin County. It also receives funding from federal, state and local sources and distributes these monies to contract agencies which then provide services to those who suffer from mental illness and/or alcohol or substance abuse.

B. Basis of Presentation—Fund Accounting

The accounts of the ADAMH Board are maintained on the basis of funds or account groups, each of which is considered a separate accounting entity. Fund accounting segregates funds according to their intended purpose and can be used to demonstrate compliance with legal and contractual provisions. The operations of each fund are accounted for with a set of self-balancing accounts composed of assets, liabilities, fund equity, revenues and expenditures as appropriate. The various funds are summarized by type in the general purpose financial statements. Account groups are a reporting device used to account for certain assets and liabilities of the ADAMH Board not recorded directly in those funds.

General Fund: The general fund accounts for the ADAMH Board's general government activities. It is the Board's primary operating fund and accounts for all activities not recorded elsewhere.

Special Revenue Funds: Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specific purposes.

Agency Funds: Agency funds account for assets held by the Board as custodian for other governments.

Account Groups:

- General Fixed Assets Group (GFAAG)—The GFAAG accounts for fixed assets of the Board.
- General Long-Term Obligation Account Group (GLTOAG)—The GLTOAG is used to account for long-term obligations of the Board.

C. Basis of Accounting

Basis of accounting relates to the timing of the recording and reporting of transactions, specifically, revenues, expenditures or transfers. Under the non-GAAP budgetary basis, revenues, expenditures and transfers are recognized when cash is received or disbursed. Under the accrual GAAP method of accounting, most transactions are recorded when they occur rather than when cash is received or disbursed. The accrual basis is applied differently to governmental and fiduciary funds because of the differences in measurement focus.

Governmental fund types are presented using the flow of current financial resources measurement focus. Only current assets and current liabilities are included on the balance sheets. With this measurement focus operating statements present increases (i.e. revenues and other financing sources) as well as decreases (i.e. expenditures and other financing uses) in net current assets. Unreserved fund balances are a measure of expendable available financial resources.

The modified accrual basis of accounting is used for governmental fund types and fiduciary funds. Revenues are recognized when susceptible to accrual (i.e. when they are “measurable” and “available”). Measurable means the amount of the transaction can be determined, and available means the amount is collectible within the current period or soon enough thereafter to pay current period liabilities. Expenditures are recorded when the related fund liability is incurred, except interest on long-term debt which is recorded when due.

In accordance with GASB Statement No. 22, “Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds,” taxes received by the County within 60 days after year-end are determined to be both measurable and available. Accrued revenues include sales taxes collected by the State before year-end, earnings on investments and charges for current services. Property taxes receivable are determined based on the statutory levy date. That portion which is receivable but not available to pay current period liabilities is offset by deferred revenue and shown net of estimated uncollectible amounts. Expenditure-driven federal and state grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature, do not measure results of operations and do not have a measurement focus. They are accounted for using the modified accrual basis of accounting.

D. Budgetary Data

In accordance with Ohio law, annual budgets are adopted for the general fund, special revenue funds, debt service funds and capital projects funds. The County adopts annual budgets for its proprietary fund as well. The budgetary process accounts for certain transactions on a basis other than GAAP.

Revenue totals for the budgeted funds are estimated by the agencies, reviewed by the Commissioners' Finance Department and reflected on the Amended Official Certificate of Estimated Resources filed with the County Budget Commission. The breakdown of projected receipts into budgeted revenue categories, (as shown in the individual fund schedule) is provided by the Finance Department.

The ADAMH Board submits an annual appropriation budget to the Commissioners' Finance Department. During November, budget hearings are held by the Commissioners and their Finance Department with the various officeholders and department heads. The Finance Department then finalizes the budget proposal. Early in January, the Commissioners pass an appropriation resolution which legally authorizes the expenditure of funds. The Commissioners appropriate to the major object code level within a fund and organizational unit. The appropriation level is the legal level of control. Revisions to the original budget require a resolution signed by at least two Commissioners, if the revisions increase the original budget.

Unencumbered appropriations and multiple-vendor encumbrances lapse at year-end. Contracts and single-vendor encumbrances outstanding at year-end carry their appropriations with them into the new year. The combined statements compare budgeted to actual results of operations reflecting revised budget figures, including amendments to the original appropriation resolution and prior year appropriations carried over for liquidation of prior year encumbrances.

Encumbrance accounting is employed as an extension of formal budgetary control. An encumbrance reserves a portion of an appropriation for a purchase order, contract or other commitment for the expenditure of money. The County maintains budgetary control within a fund and organizational unit by not permitting encumbrances and expenditures or expenses to exceed appropriations.

Encumbrances outstanding at year-end are reported as expenditures in the budgetary basis of accounting, except for multiple-vendor purchase orders which lapse at year-end in accordance with Ohio law. For GAAP reporting purposes, encumbrances outstanding at year-end are recorded as reservations of fund balances, if the underlying expenditures are not accrued as a liability. The encumbered balances so reserved do not constitute expenditures or liabilities because the commitments can be re-appropriated and honored in the subsequent year.

E. Deposits and Investments

Franklin County does not segregate deposits and investments belonging to its individual component units. With regard to Alcohol, Drug and Mental Health Services Boards, the Ohio Revised Code does not specify that a County must segregate their deposits and investments. Therefore, deposits of the ADAMH Board, except for the deferred compensation agency fund shown in Note 3 are pooled by the County and are reflected in the balance sheet as equity with the County Treasurer.

F. Receivables and Payables

During the course of normal operations, the ADAMH Board will, as necessary, transfer cash between funds in order to meet current obligations. Interfund transfer outstanding at December 31, 1999 are recorded as interfund receivables and payables and are detailed in Note 3.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Real property and public utility taxes are levied after October 1st based on the assessed value listed as of the preceding January 1st. Assessed values are established by state statute at 35 percent of appraised market value.

The Treasurer bills and collects property taxes on behalf of all taxing districts within the County. The Auditor periodically remits to the ADAMH Board it's portion of the taxes collected.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20th; if paid semi-annually, the first payment is due January 20 with the remainder to be paid by June 20th. Real property owners' tax bills are reduced by homestead and rollback deduction, when applicable. The amount of these reductions is reimbursed to the County by the State.

The full tax rate for all the ADAMH Board for the year ended December 31, 1999 was \$2.2 per \$1,000 of assessed value. The assessed value upon which the 1999 tax collection was based was \$18,607,705,184.

Tangible personal property taxes are due semi-annually with the first payment due April 30th and the remainder to be paid by September 20th. Due dates are normally extended an additional 30 days. By state law, the first \$10,000 of taxable value for each business is exempt from taxation.

"Property and other taxes receivable" represent delinquent real and tangible personal property and public utility taxes outstanding as of the last settlement (net of allowances for estimated uncollectible amounts) and real property and public utility taxes which were measurable at year-end. Since, the current levy is not intended to finance 1999 operations, the receivable is offset by a credit to "Deferred revenue." The County uses the previous year's charge to estimate the amount for tangible personal property taxes and includes this in real and other taxes receivable, net of allowances for estimated uncollectible balances. The receivable is offset by a credit to deferred revenue.

G. Prepaid Items

Certain payments to vendors and providers reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. Fixed Assets

Fixed assets which are acquired or constructed for general governmental purposes are reported as expenditures in the governmental fund that finances the asset acquisition. When purchased, such assets are capitalized (recorded and accounted for) at historical cost in the general fixed assets account group. Donated fixed assets are capitalized at estimated fair market value on the date donated. The ADAMH Board does not possess any fund or infrastructure fixed assets.

The ADAMH Board has elected not to record depreciation in the General Fixed Assets Account Group.

Fixed asset values were initially determined at December 31, 1986, assigning original costs when such information was available. In cases where information supporting original costs was not obtainable, estimated historical costs were developed by adjusting estimated current costs back to the estimated year of acquisition.

I. Liability for Unreported Claims

Health care costs are accrued as services are rendered by contract providers for providing mental health and substance abuse treatment services. Payments are made to providers on individual claims for which services have been performed.

Reserves are established for incurred but not reported (IBNR) claims for health care costs and are included in the liability for unreported claims. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual health care costs and other factors.

J. Compensated Absences

The ADAMH Board records a liability for vacation time and sick leave when the obligation is attributable to services rendered, the obligation relates to rights that vest or accumulate, payment of the obligation is probable and the amount of the obligation can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individuals earning the leave are paid, with a corresponding liability reflected in the account "compensated absences payable." At December 31, 1999 the entire portion of the liability is considered to be long term and reported in the general long-term debt account group.

K. Long-Term Obligations

Long-term obligations are being repaid from the following funds:

Capital Leases-----General Fund
Compensated Absences -----General Fund

L. Fund Equity

Reservations of fund balance represent amounts that are not available for current appropriation or are legally segregated for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

M. Memorandum Only—Total Columns

Total columns on general purpose financial statements are captioned “memorandum” because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

Note 2—Legal Compliance Budget

A. Budgetary Basis of Accounting

Accounting principles used to develop data on a budgetary basis differ from those used to prepare financial statements in conformity with GAAP. The major differences are (1) revenues are recorded when received (budget) as opposed to when susceptible to accrual (GAAP), (2) expenditures are recorded when paid (budget) as opposed to when susceptible to accrual (GAAP) and (3) outstanding year-end encumbrances are treated as expenditures (budget) as opposed to reservations of fund balances (GAAP).

The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances (GAAP basis) to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual (non-GAAP budgeting basis).

	Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses All Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
GAAP Basis (As Reported)	\$ (11,623,328)	
Increase (Decrease):		
Net Adjustment for Revenue Accruals	(167,515)	\$(10,552,796)
Net Adjustment for Expenditure Accruals	11,949,517	22,079,448
Net Adjustment to Revenues Resulting From Accrued Interfund Transactions	8,005,412	-
Net Adjustment to Expenditures Resulting From Accrued Interfund Transactions	-	(8,005,412)
Budget Basis	<u>\$ 8,164,086</u>	<u>\$ 3,521,240</u>

Note 3—Detailed Notes On All Funds and Account Groups

A. Deposits and Investments

Franklin County does not segregate deposits and investments belonging to its component units. The County's deposits include amounts held in demand accounts, savings accounts, and non-negotiable certificates of deposit. The deposit amount for the ADAMH Board as of December 31, 1999, is \$32,599,400.

B. Receivables

Receivables as of December 31, 1999 are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Property and other Taxes	\$ 39,104,586		\$ 39,104,586
Accounts Due from other Governments	768,052	\$ 60,575	828,627
Less: allowance for uncollectibles	234,065	17,609,006	17,843,071
	—	—	—
Total Receivable	<u>\$ 40,106,703</u>	<u>\$ 17,669,581</u>	<u>\$ 57,776,284</u>

C. Fixed Assets

Activity in the general fixed assets account group for the government for the year ended December 31, 1999 was as follows:

	<u>January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 1999</u>
Land	\$ 113,360			\$ 113,360
Buildings	3,480,840	\$ 287,732		3,768,572
Machinery & Equipment	<u>2,369,574</u>	<u>122,036</u>	<u>\$ 10,856</u>	<u>2,480,754</u>
Total	<u>\$ 5,963,774</u>	<u>\$ 409,768</u>	<u>\$ 10,856</u>	<u>\$ 6,362,686</u>

D. Interfund Receivables and Payables (continued)

The composition of interfund balances as of December 31, 1999, is as follows:

	<u>Receivables</u>	<u>Payables</u>
GENERAL FUND	\$ 3,740,427	
SPECIAL REVENUE FUNDS:		
State Mental Health Fund	-	\$ 81,888
State Alcohol & Drug Fund	-	22,050
Federal Alcohol & Drug Fund	-	515,455
CSAP	-	68,288
Federal Mental Health Fund	-	689,737
Other Federal	-	43,789
Title XIX	-	1,145,353
Title XX	-	253,622
Other Grants	-	920,245
	\$ 3,740,427	\$ 3,740,427
Total	<u>\$ 3,740,427</u>	<u>\$ 3,740,427</u>

E. Capitalized Leases

In 1986, the ADAMH Board entered into a capital lease with Franklin County for the building the ADAMH Board currently occupies. The County issued debt, the proceeds of which were used to purchase the building from the ADAMH Board. The ADAMH Board will reacquire title to the building once the County's debt is retired and the final lease payments are made. For reporting purposes, the building has been classified as a general fixed asset of the ADAMH Board. In addition, the ADAMH Board leases one copy machine which is accounted for as a capital lease. As of December 31, 1999 the total value of assets held under Capital Lease agreement is \$864,500.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 1999.

<u>Year Ending December 31,</u>	<u>Amount</u>
2000	\$ 78,758
2001	76,177
2002	73,596
2003	60,771
2004	53,069
2005-2010	263,206
Total minimum lease payments	605,577
Less: amount representing interest	(176,753)
Present value of minimum lease payments	<u>\$ 428,824</u>

The liability is reported in the general long-term debt account group. Capital lease payments are segregated and reflected as debt service in the combined financial statements of the governmental funds.

F. Long-term Obligations

Activity in the long-term obligations of the ADAMH Board as of December 31, 1999 was as follows:

	<u>Outstanding January 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding December 31, 1999</u>
Accrued Vacation and Sick Leave	\$ 311,482	\$ 60,694		\$ 372,176
Capital Leases	481,756	-	\$ 52,932	428,824
Total	<u>\$ 793,238</u>	<u>\$ 60,694</u>	<u>\$ 52,932</u>	<u>\$ 801,000</u>

Note 4 — Other Information

A. Risk Management.

The ADAMH Board is a component unit of Franklin County, Ohio and participates in its Risk-financing funds. The County is exposed to various risks of loss related to torts and general liability; theft of, damage to and destruction of assets; natural disasters; errors and omissions; certain employees' medical and dental claims; and injuries to employees. Insurance policies are procured for buildings and contents, County-owned equipment, steam boilers, and machinery. In addition, a Money and Securities Policy is in effect for all County employees. Settled claims have not exceeded commercial coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County has elected to retain risk for losses related to torts and general liability, employee health-care claims, and employee injuries rather than insuring those risks through a third-party .

Chapter 340 of the Ohio Revised Code "limits the liability of community mental health board members and employees from action taken within the scope of official duties and employment." It expands the ADAMH Board's authority to indemnify board members and employees against damages, unless the ADAMH Board members' or employees' action constitutes willful or wanton misconduct. Although the law clearly indemnifies Board members and staff, additional director's and officer's liability insurance for Board members and professional liability coverage for staff has been obtained.

A periodic review of the ADAMH Board's scope of activities is performed and a risk profile is made available to insurance companies and our agent. This risk profile is used to obtain premium bids by our agents. There has been no significant reduction in coverage from the prior year, nor has the ADAMH Board experienced any settled claims.

B. Contingent Liabilities

The ADAMH Board has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the ADAMH Board believes such disallowances, if any, will be immaterial.

In recognition of the risk inherent in its operations, the ADAMH Board has designated a fund balance (analogous in the insurance industry to a catastrophe fund) to absorb financial shortfalls, whether temporary or permanent.

The fund exists to help the ADAMH Board meet its statutory and contractual responsibilities in the event that the cost for client related services exceed available revenues. These shortfalls can come about because of discontinued funding for a specific program, reductions in funding from selected services or over-runs in cost.

Using historical financial data, a financial model was constructed and variances in key risk areas were identified, summarized and put in the context of a fund balance requirement. The risks identified were summarized into these categories:

- Cash Flow
- Client Related Risk
- Revenue Risk

The recommended fund balance requirement was developed as a percentage of total client service related cost. These percentages, separately identified for each component, were then converted to a dollar amount for the current operating year identifying a minimum level, optimal level and maximum level. At December 31, 1999 the Board designated \$10,964,236 for of possible future financial shortfalls.

C. Compensated Absences

Employees earn paid vacation benefits determined according to the total number of years of service with the ADAMH Board. Employees are allowed to accumulate no more vacation leave than the amount earned in two years of service at the applicable rate. Upon separation, employees are paid for all accumulated, unused vacation leave balance, provided they have given the required notice of termination.

All ADAMH Board employees earn sick leave at the rate of 4.6 hours for each 80 hours of service. Upon retirement or separation from the ADAMH Board an employee may receive one half of sick leave accrued while employed at the ADAMH Board. Monetary compensation is at the employee's hourly rate of compensation at the time of retirement or separation.

As of December 31, 1999, the ADAMH Board's liability for unpaid compensated absences was \$372,176. The entire portion was reported in the general long-term debt account group.

D. Other Post-Employment Benefits

Public Employee Retirement System of Ohio (PERS) provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement healthcare. The Ohio Revised Code provides statutory

authority for employer contributions. The 1999 employer contribution rate was 13.55% of covered payroll, of which 4.2% was used to fund health care for the year 1999.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS. OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999 the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,602.

The Retirement Board has a calculation method for determining employer contributions applied to OPEB. Under the method, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses.

Based upon the portion of each employer's contribution to PERS set aside for funding postretirement health care, as described above, the ADAMH Board's contribution for the twelve months ended December 31, 1999 allocated to postretirement health care was \$130,602.

E. Employee Retirement System

All Board full-time employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees and 13.55% for employers.

The ADAMH Board's total current year payroll was \$3,109,570, all of which related to employees covered by PERS.

The ADAMH Board's contribution requirement for the twelve months ended December 31, 1999 was \$421,347, while employee contributions totaled \$264,313.

Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employers records.

Supplementary Information

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
Schedule of Federal Awards
For the Year Ended December 31, 1999

Federal Grantor Agency/ Pass-Through Agency/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-through Rehabilitation Service Commission Rehabilitation Services—Vocational Rehabilitation Grants	NA	84.126	\$ 598,459
Pass-through Ohio Department of Alcohol and Drug Addiction Services Safe and Drug Free Schools of America	NA	84.186A	433,556
Total U.S. Department of Education			<u>1,032,015</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-through Ohio Department of Mental Health: Community Prevention Coalition (Partnership) Demonstration Grant	NA	93.194	138,099
Social Services Block Grant	NA	93.677	921,156
Omunus Budget Reconciliation Act	NA	93.714	31,861
Medicaid	NA	93.778	22,164,090
Block Grants for Community Mental Health Services	NA	93.958	1,149,636
Pass-through Ohio Department of Alcohol and Drug Addiction Services Block Grants for Prevention and Treatment of Substance Abuse	NA	93.959	6,413,928
Medicaid	NA	93.778	2,459,922
Total U.S. Department of Health and Human Services			<u>33,278,692</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
Pass-Through Private Industry Council: Welfare-to-Work Grants	NA	17.253	434,832
<u>SOCIAL SECURITY ADMINISTRATION</u>			
Pass-Through Ohio Department of Mental Health: Social Security—Research and Demonstration	NA	96.007	13,062
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 34,758,601</u></u>

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
Fiscal Year Ended December 31, 1999
Notes To Schedule of Expenditures of Federal Awards

Note A—Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Alcohol, Drug and Mental Health Board of Franklin County (ADAMH) and is presented on the accrual basis of accounting.

Note B—Subrecipients

The ADAMH Board passes through to not-for-profit providers (subrecipients) certain federal assistance received by the ADAMH Board directly from the pass-through entity.

The subrecipient providers have certain compliance responsibilities related to administering these federal programs. Under OMB Circular A-133, the ADAMH Board is responsible for monitoring subrecipients to help assure that federal awards are expended for authorized purposes in compliance with law, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved. Of the federal expenditures presented in the schedule, the ADAMH Board provided federal awards to subrecipients as listed below.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Ohio Rehabilitation Services Grant	84.126	\$598,459
Safe and Drug-Free Schools	84.186	\$433,556
Community Prevention Coalitions (Partnership) Demonstration	93.194	\$138,099
Social Services Block Grant (Title XX) (ADAMH)	93.667	\$921,156
Omnibus Budget Reconciliation Act	93.714	\$31,861
Block Grants for Community Mental Health Services	93.958	\$1,149,636
Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$6,413,928
Medicaid	93.778	\$24,624,012
Social Security Administration	93.007	\$13,062
Welfare-to-Work Grants	17.253	\$434,832

Note C—Matching Requirements

Certain Federal programs require the ADAMH Board to contribute non-Federal funds (matching funds) to support the Federal-funded programs. The ADAMH Board has complied with the matching requirements (if applicable) for the major federal programs identified in the summary of auditor's results section of the accompanying schedule. The expenditure of non-Federal matching funds is not included on the Schedule.



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Alcohol, Drug and Mental Health
Board of Franklin County
Columbus, Ohio

We have audited the financial statements of the Alcohol, Drug and Mental Health Board of Franklin County (ADAMH Board) as of and for the year ended December 31, 1999, and have issued our report thereon dated May 24, 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 ADAMH 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 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 ADAMH 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 we have reported to management of the ADAMH Board in a separate letter dated May 24, 2000.

This report is intended solely for the information and use of the operations committee, management, Franklin County, 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.

Crowe, Chizek and Company LLP

Crowe, Chizek and Company LLP

Columbus, Ohio
May 24, 2000



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

Alcohol, Drug and Mental Health
Board of Franklin County
Columbus, Ohio

Compliance

We have audited the compliance of the Alcohol, Drug and Mental Health Board of Franklin County (ADAMH 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, 1999. The ADAMH 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 ADAMH Board's management. Our responsibility is to express an opinion on the ADAMH 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 ADAMH 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 ADAMH Board's compliance with those requirements.

As described in item 99-1, in the accompanying schedule of findings and questioned costs, the ADAMH Board did not comply with all of the requirements regarding subrecipient monitoring that are applicable to Medicaid and the Welfare-to-Work grant. Compliance with such requirements are necessary, in our opinion, for the ADAMH Board to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the ADAMH 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 December 31, 1999.

Internal Control Over Compliance

The management of the ADAMH 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 ADAMH 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 ADAMH Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-1.

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 that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weaknesses.

This report is intended solely for the information and use of the operations committee, management, Franklin County, 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.



Crowe, Chizek and Company LLP

Columbus, Ohio
May 24, 2000

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 1999

1. Summary of Auditor's Results

- a. An unqualified opinion was issued on the financial statements of Alcohol, Drug and Mental Health Board of Franklin County for the year ended December 31, 1999.
- b. A qualified opinion was issued to Alcohol, Drug and Mental Health Board of Franklin County for compliance with major programs.
- c. The audit did not disclose any noncompliance which is material to the financial statements.
- d. There was one audit finding required to be disclosed under OMB Circular A-133 Section 510(a).
- e. Major Programs Identified:
 - 93.778 Medical Assistance Program (Medicaid: Title XIX)
 - 17.253 Welfare-to-Work Grants
- f. The dollar threshold used to distinguish between Type A and Type B programs was \$690,991.
- g. The auditee was considered a low-risk auditee.

2. Findings related to financial statements that are required to be reported in accordance with GAGAS:

None.

3. Findings and questioned costs for federal awards including audit findings as described in OMB Circular A-133 Section 510(a):

99-1: Criteria: Subrecipient Monitoring

- 93.778 Medical Assistance Program (Medicaid), passed through Ohio Departments of Mental Health and Alcohol, Drug Addictive Services
- 17.253 Welfare-to-Work Grants, passed through the Private Industry Council

Condition: Ten subrecipient agencies for Medicaid (one for Welfare-to-Work) did not have their audit reports submitted within nine months after the end of the audit period as required by OMB Circular A-133. In addition, the ADAMH Board is not following up with subrecipients to determine progress of implementation of corrective action plans. Also, the Welfare-to-Work Grant is new to the ADAMH Board. ADAMH is not performing on site visits of subrecipients which means there is no monitoring of client

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended December 31, 1999

record keeping. Subrecipients are providing only semiannual reports as opposed to quarterly as required by the federal program requirements.

Questioned costs: None

Context: The audit of subrecipient monitoring included review of audits of all subrecipients of Medicaid and Welfare-to-Work for a total of 31 subrecipients.

Effect: The ADAMH Board received one audit report and three drafts of the ten being discussed subsequent to the nine month requirement. Others are in progress.

Cause: The new state required reporting system for Medicaid, MACSIS, is relatively new software that is in the pilot phase. Many subrecipients are reporting technical difficulties with the software and were unable to arrive at a final accrual based Medicaid revenue and expenditure for their audit period within the nine month deadline. This is a material figure to most subrecipient agencies, thus holding up the audit reports.

Recommendation: We recommend the ADAMH Board continue to monitor the accuracy of MACSIS and continue to reconcile claims with the subrecipient agencies.

We also recommend that the ADAMH Board follow up with the subrecipients regularly throughout the year to monitor implementation of corrective action plans and perform on site visits for new programs.

We also suggest quarterly Welfare-to-Work reports be required by subrecipients.

Management response: ADAMH agrees with this finding, however the Private Industry Council, the pass through agency for Welfare-to-Work, only requires semi-annual reports.

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY
SCHEDULE OF RESOLUTION OF PRIOR YEAR'S AUDIT FINDINGS
Year Ended December 31, 1999

The prior year's audit did not report any findings related to the ADAMH Board.

Charles E. Wilhelm III, Chair
 Jesse Wood, Secretary
 Nathan Sadler, Treasurer
 David A. Royer, CEO



Alcohol, Drug and
 Mental Health Board
 of Franklin County

447 East Broad Street
 Columbus, OH
 43215

614.224.1057
 614.224.0991 Fax

Metric Personal Development Shop, Inc.
 Syst, Inc.
 Village/Kinship Village
 Ranch
 Social Services
 Ohio Area Agency on Aging
 's Close to Home™ Behavioral Health
 Counseling Services
 ES for Victims of Domestic Violence
 AOSouthside and Northeast Teen
 p-in Centers
 bus Area Community
 ntal Health Center
 bus Area Council on Alcoholism
 bus Health Department
 unity for New Direction
 unity Housing Network, Inc.
 rug
 rd, Inc.
 (Center of Vocational Alternatives)
 ton Family Services
 ons for Youth
 fied Community Services, Inc.
 Counseling Center
 he Program Against Substance Abuse
 INK
 in County Educational Council
 h Neil Center for Children/
 r Commonwealth
 of Hope for Alcoholics, Inc.
 berry House
 Family Services
 : Different Systems
 aven
 * Health Association of
 llin County, Inc.
 of Franklin County
 American Indian Center
 orhood House
 e Corporation
 Central Mental Health Services
 Community Counseling Centers
 rest Counseling Services
 outh Advocates Program
 le Recovery Services
 Counseling Services, Inc.
 esis Family Advocates, Inc.
 s in Active Living Through Socialization
 tion Institute/A Center for
 lthy Behaviors
 . Linden
 del/Grant Hospitals
 ont Center
 y Boys and Girls Club
 olumbus, Inc.
 ast, Inc.
 ent Family Centers
 is Youth Homes
 tic Brain Injury (TBI) Network/OSU
 hley Psychiatric System
 Minority Alcoholism and Drug Abuse
 each Program
 g Against Illness through Treatment
 A.I.T.)

CORRECTIVE ACTION PLAN

As part of our sub-recipient monitoring process, the ADAMH Board requires all provider agencies to have an annual audit. The audit reports are due to the Board within five months after the providers' fiscal year-end. In addition to the annual audit, providers are monitored in other ways (i.e., compliance reviews, utilization reviews, desk audits and on-site visits by Provider relation managers).

During state fiscal year (SFY) 1999, the State of Ohio implemented a new claim processing computer system. All Franklin County providers were required to use this system. Since this was the first year that the new system was used, it caused many year-end closing problems. Consequently, some of the ADAMH Board providers could not complete their financial statements within required time. Therefore, audits were not completed and filed with the Board in a timely manner, as required in their contracts.

Provider inability to complete and file audit reports in a timely manner had no effect upon the Board's monitoring efforts. The Board staff continued performing Medicaid compliance reviews, utilization reviews desk audits, and on-site visits. Also, the Board continued to monitor and work with providers on year-end closeout issues. In addition to our monitoring efforts, the Board's staff also worked with the auditor to expedite the issuance of audit reports.

Although the ADAMH Board did not fail to sufficiently monitor sub-recipients, we submit the following plan to increase compliance with the audit filing requirements that already exist in the providers' contracts:

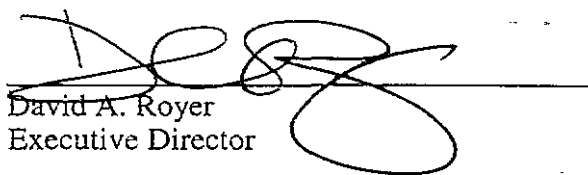
- The Board has selected ten audit firms to audit providers who receive more than 25% funding from the ADAMH Board.
- The Board is providing training for auditors who audit our providers. This will increase the quality and timeliness of the audit reports.
- Claims will be processed two times per month to reduce the amount of unpaid claims at year-end. This will allow the provider to record accounts receivable more accurately and reduce the audit time required
- ADAMH Board staff will provide year-end technical support as needed to ensure that all year-end claim payments issues are resolved as soon as possible.

- All non-Medicaid payments will be withheld from providers which have not complied with the audit requirements within 30 days of the audit report due date.

A Provider Relations Manager has been assigned to each provider receiving welfare-to-work funding. This Provider Relations Manager will be responsible for on-site visits and compliance monitoring.

The ADAMH Board has added another Compliance Auditor position to its 2001 budget. This person, when hired, will give the ADAMH Board additional manpower to increase provider monitoring activity, including follow-up on providers' corrective action plans.

These procedures have already been implemented.



David A. Royer
Executive Director

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO

Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

GENERAL INFORMATION (To be completed by auditee, except for Item 7)

1. Fiscal year ending date for this submission mm/dd/yy 12/31/99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 316400067 b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
6. AUDITEE INFORMATION		7. AUDITOR INFORMATION (To be completed by auditor)	
a. Auditee name Alcohol, Drug and Mental Health Board of Franklin County		a. Auditor name Crowe, Chizek and Company LLP	
b. Auditee address (Number and street) Street 447 E. Broad Street City Columbus State OH ZIP Code 43215		b. Auditor address (Number and street) Street 10 W. Broad Street Suite 1700 City Columbus State OH ZIP Code 43215	
c. Auditee contact Name Winford Dearing Title Financial Management Team Leader		c. Auditor contact Name Dennis L. Obyc Title Partner	
d. Auditee contact telephone (614) 224-1057		d. Auditor contact telephone (614) 365-2907	
e. Auditee contact FAX (Optional) (614) 224-0991		e. Auditor contact FAX (Optional) (614) 365-2222	
f. Auditee contact E-mail (Optional)		f. Auditor contact E-mail (Optional)	

<p>g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has:</p> <p>(1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.</p>	<p>g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.</p>
<p>Signature of certifying official: <i>[Signature]</i> Date Month Day Year: <i>6/23/00</i></p> <p>Name/Title of certifying official: <i>CFO</i></p>	<p>Signature of auditor: <i>[Signature]</i> Date Month Day Year: <i>6/23/00</i></p>

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box)

<p>01 <input type="checkbox"/> African Development Foundation</p> <p>02 <input type="checkbox"/> Agency for International Development</p> <p>10 <input type="checkbox"/> Agriculture</p> <p>11 <input type="checkbox"/> Commerce</p> <p>94 <input type="checkbox"/> Corporation for National and Community Service</p> <p>12 <input type="checkbox"/> Defense</p> <p>84 <input type="checkbox"/> Education</p> <p>81 <input type="checkbox"/> Energy</p> <p>66 <input type="checkbox"/> Environmental Protection Agency</p>	<p>83 <input type="checkbox"/> Federal Emergency Management Agency</p> <p>34 <input type="checkbox"/> Federal Mediation and Conciliation Service</p> <p>39 <input type="checkbox"/> General Services Administration</p> <p>93 <input checked="" type="checkbox"/> Health and Human Services</p> <p>14 <input type="checkbox"/> Housing and Urban Development</p> <p>03 <input type="checkbox"/> Institute for Museum Services</p> <p>04 <input type="checkbox"/> Inter-American Foundation</p> <p>15 <input type="checkbox"/> Interior</p>	<p>16 <input type="checkbox"/> Justice</p> <p>17 <input type="checkbox"/> Labor</p> <p>43 <input type="checkbox"/> National Aeronautics and Space Administration</p> <p>89 <input type="checkbox"/> National Archives and Records Administration</p> <p>05 <input type="checkbox"/> National Endowment for the Arts</p> <p>06 <input type="checkbox"/> National Endowment for the Humanities</p> <p>47 <input type="checkbox"/> National Science Foundation</p> <p>07 <input type="checkbox"/> Office of National Drug Control Policy</p>	<p>08 <input type="checkbox"/> Peace Corps</p> <p>59 <input type="checkbox"/> Small Business Administration</p> <p>96 <input type="checkbox"/> Social Security Administration</p> <p>19 <input type="checkbox"/> State</p> <p>20 <input type="checkbox"/> Transportation</p> <p>21 <input type="checkbox"/> Treasury</p> <p>82 <input type="checkbox"/> United States Information Agency</p> <p>64 <input type="checkbox"/> Veterans Affairs</p> <p><input type="checkbox"/> Other - Specify:</p>
---	--	---	---

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No -SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs §_520(b)?
 \$1,043,410

3. Did the auditee qualify as a low-risk auditee (§_530)?
 1 Yes 2 No

4. Are there any audit findings required to be reported under §_510(a)?
 1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input checked="" type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input checked="" type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
84.126	Rehabilitation Services-Vocational Rehabilitation Grants	\$598,459	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.186	Safe and Drug Free Schools	\$433,556	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.194	Community Preventions Coalitions (Partnership) Demonstration	\$178,599	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.667	Social Services Block Grant (Title XX)	\$921,156	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.714	Omnibus Budget Reconciliation Act	\$31,861	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.778	Medical Assistance Program (Medicaid- Title XIX)	\$24,605,255	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	M	\$N/A	1 <input type="checkbox"/> A 2 <input checked="" type="checkbox"/> B 3 <input type="checkbox"/> C	99-1
93.958	Block Grants for Community Mental Health Services	\$1,149,636	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.959	Block Grants for Prevention and Treatment of Substance Abuse	\$6,413,928	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.253	Welfare-to-Work Grants	\$434,832	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	M	\$N/A	1 <input type="checkbox"/> A 2 <input checked="" type="checkbox"/> B 3 <input type="checkbox"/> C	99-1
96.007	Social Security -Research and Demonstration	\$13,062	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A

TOTAL FEDERAL AWARDS EXPENDED	\$34,780,344	IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE					
--------------------------------------	---------------------	--	--	--	--	--	--

7. AUDIT FINDINGS AND QUESTIONED COSTS

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of funds
- I. Procurement
- J. Program Income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None

³ Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported



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

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

ALCOHOL, DRUG AND MENTAL HEALTH BOARD OF FRANKLIN COUNTY

FRANKLIN 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: JULY 25, 2000