



Mary Taylor, CPA  
Auditor of State



**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

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# Mary Taylor, CPA

Auditor of State

Athens-Hocking-Vinton Board of Alcohol,  
Drug Addiction and Mental Health Services  
Athens County  
7990 Dairy Lane  
P.O. Box 130  
Athens, Ohio 45701

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

May 25, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Athens-Hocking-Vinton Board of Alcohol,  
Drug Addiction and Mental Health Services  
Athens County  
7990 Dairy Lane  
P.O. Box 130  
Athens, Ohio 45701

To the Board of Directors:

We have audited the accompanying financial statement of Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County, Ohio (the Board), as of and for the year ended December 31, 2006. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Board has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statement presents, the revisions require presenting entity wide statements and also to present its larger (i.e., major) funds separately. While the Board does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require, governments to reformat their statements. The Board has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended December 31, 2006, does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of December 31, 2006, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County, as of December 31, 2006, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The Board has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Board's financial statement. The U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* requires presenting a Schedule of Federal Awards Expenditures (the Schedule). The Schedule is not a required part of the financial statement. We subjected the Schedule to the auditing procedures applied in the audit of the financial statement. In our opinion, this information is fairly stated, in all material respects in relation to the financial statement taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

May 25, 2007



**ATHENS-HOCKING VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Governmental Fund Types</b>			<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>				
Local taxes	\$ 1,819,618	\$	\$	\$ 1,819,618
Intergovernmental	12,692,641	11,480		12,704,121
Interest Income			1,080	1,080
Rent		14,244		14,244
Miscellaneous	6,816	3,778		10,594
<b>Total Cash Receipts</b>	<b>14,519,075</b>	<b>29,502</b>	<b>1,080</b>	<b>14,549,657</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries	546,090			546,090
Supplies and Materials	6,196			6,196
Equipment	7,006			7,006
Contract Services	13,930,960	4,208	14,722	13,949,890
Capital Outlay		2,028		2,028
Travel and Expenses	14,438			14,438
Insurance		586		586
Public Employees Retirement	73,678			73,678
Workers' Compensation	13,337			13,337
Maintenance and Repairs		2,389		2,389
Utilities		5,618		5,618
Debt Service:				
Principal Payments		6,048		6,048
Interest Payments		715		715
Auditor and Treasurer Fees	56,990			56,990
Other Expenses	291,203			291,203
<b>Total Cash Disbursements</b>	<b>14,939,898</b>	<b>21,592</b>	<b>14,722</b>	<b>14,976,212</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(420,823)</b>	<b>7,910</b>	<b>(13,642)</b>	<b>(426,555)</b>
<b>Fund Cash Balances, January 1</b>	<b>1,834,170</b>	<b>43,570</b>	<b>141,596</b>	<b>2,019,336</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 1,413,347</b>	<b>\$ 51,480</b>	<b>\$ 127,954</b>	<b>\$ 1,592,781</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$ 347,953</b>	<b>\$ 100</b>	<b>\$ 0</b>	<b>\$ 348,053</b>

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

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**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County (the Board), as a body corporate and politic. An eighteen-member Board is the governing body. Board members are appointed by the Ohio Department of Mental Health, the Ohio Department of Alcohol and Drug Addiction Services, and the legislative authorities of the political subdivisions making up the Board. The Board includes members from those legislative authorities as well as citizens of the political subdivisions. Those subdivisions are Athens County, Hocking County and Vinton County. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board's program area. Private and public agencies are the primary service providers, through Board contracts.

The Board is associated with the Southern Consortium for Children, which is defined as a jointly governed organization. This organization is presented in Note 7.

The Board's management believes this financial statement presents all activities for which the Board is financially accountable.

**B. Basis of Accounting**

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash**

As Ohio law requires, the Athens County Treasurer is custodian for the Board's cash. The County's cash and investment pool holds the Board's cash, valued at the County Treasurer's carrying amount.

**D. Fund Accounting**

The Board uses fund accounting to segregate cash and investments that are restricted as to use. The Board classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2006  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

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

*SAMI Project Fund* – This fund accounts for the proceeds of rental income and rental subsidies received for short-term stays for patients recovering from substance abuse in Athens County.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through trust funds). The Board had the following significant Capital Project Fund:

*317 Board Building Construction Fund* – This fund receives revenue from other funds to make capital acquisitions and improvements to Board-owned facilities.

**E. Budgetary Process**

The Ohio Revised Code requires the Board to budget each fund.

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2006 budgetary activity appears in Note 2.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2006  
(Continued)**

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

**F. Property, Plant, and Equipment**

The Board records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2006 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 13,814,108	\$ 14,519,075	\$ 704,967
Special Revenue	26,544	29,502	2,958
Capital Projects		1,080	1,080
Total	\$ 13,840,652	\$ 14,549,657	\$ 709,005

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 15,549,063	\$ 15,287,851	\$ 261,212
Special Revenue	50,000	21,692	28,308
Capital Projects	140,000	14,722	125,278
Total	\$ 15,739,063	\$ 15,324,265	\$ 414,798

**3. PROPERTY TAX**

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

Property owners assess tangible personal property tax. They must file a list of tangible 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.

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2006  
(Continued)**

**4. DEBT**

Debt outstanding at December 31, 2006 was as follows:

	Principal	Interest Rate
General Obligation Note	\$ 22,781	2.50%

The general obligation note was issued to finance the purchase and renovation of a five-unit apartment complex for the SAMI project. The notes are collateralized solely by the SAMI project property.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Note
2007	\$ 6,243
2008	6,243
2009	6,243
2010	5,201
Total	\$ 23,930

**5. RETIREMENT SYSTEM**

The Board's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006, OPERS members contributed 9 percent of their gross salaries. The Board contributed an amount equal to 13.70 percent of participants' gross salaries. The Board has paid all contributions required through December 31, 2006.

**6. RISK MANAGEMENT**

The Board has obtained commercial insurance for the following risks:

- General liability and casualty;
- Directors and officials liability;
- Vehicle; and,
- Property

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2006  
(Continued)**

**7. JOINTLY GOVERNED ORGANIZATION**

The Board, in conjunction with three other Alcohol, Drug Addiction and Mental Health Services Boards, governs the Southern Consortium for Children (SCC), which is a regional council of governments authorized by Chapter 167 of the Ohio Revised Code. The SCC serves as a program planning, development and coordination arm of the four Alcohol, Drug Addiction and Mental Health Services Boards (Athens-Hocking-Vinton, Gallia-Jackson-Meigs, Adams-Lawrence-Scioto, and Washington Counties) for youth who are severely emotionally distressed.

The SCC Board is comprised of the Executive Director of each of the above mentioned Alcohol, Drug Addiction and Mental Health Services Boards, and is responsible for planning, developing, implementing, maintaining, and monitoring children's mental health service programs within the service district.

**8. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Pass-Through Athens Metropolitan Housing Authority:</i>			
Shelter Plus Care	14.238	N/A	\$ 9,032
<i>Pass-Through Hocking County Metropolitan Housing Authority:</i>			
Section 8 Housing Choice Vouchers	14.871	N/A	1,452
<i>Pass-Through Vinton County Metropolitan Housing Authority:</i>			
Section 8 Housing Choice Vouchers	14.871	N/A	<u>996</u>
Total Section 8 Housing Choice Vouchers			<u>2,448</u>
Total United States Department of Housing and Urban Development			11,480
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<i>Pass-Through State Department of Alcohol and Drug Addiction Services:</i>			
Safe and Drug-Free Schools and Communities - State Grants	84.186	N/A	<u>133,190</u>
Total United States Department of Education			133,190
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Pass-Through State Department of Alcohol and Drug Addiction Services:</i>			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	05-00405-SIG-P04-0408	115,000
Block Grants for the Prevention and Treatment of Substance Abuse	93.959	N/A	
Drug and Alcohol Abuse			369,033
Womens Set Aside			758,428
TASC			429,535
Drug Free Work Place			<u>24,763</u>
Total Block Grants for the Prevention and Treatment of Substance Abuse			1,581,759
Medical Assistance Program	93.778	N/A	1,230,240
<i>Pass-Through State Department of Mental Health:</i>			
Social Services Block Grant	93.667	N/A	84,191
Medical Assistance Program	93.778	N/A	3,942,177
Block Grants for Community Mental Health Services			
Community Plan	93.958	N/A	<u>72,080</u>
Total United States Department of Health and Human Services			<u>7,025,447</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 7,170,117</u></b>

*The accompanying Notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.*

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2006**

**Note A – Significant Accounting Policies**

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

**Note B – Subrecipients**

The Board passes through certain federal grants from the State Department of Mental Health and the State Department of Alcohol and Drug Addiction Services to various not-for-profit agencies. As described in Note A, the Board records expenditures of federal awards to subrecipients when paid in cash.

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

To achieve that goal, the Board requires that each of the subrecipients receive an annual audit performed in accordance with OMB Circular A-133

**Note C – Matching Requirements**

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

**Note D – Medical Assistance Program**

Expenditures related to the Medical Assistance Program (CFDA #93.778) were supported by revenues from two pass-through agencies, the Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services. Total expenditures under this program were \$5,172,417.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Athens-Hocking-Vinton Board of Alcohol,  
Drug Addiction and Mental Health Services  
Athens County  
7990 Dairy Lane  
P.O. Box 130  
Athens, Ohio 45701

To Board of Directors:

We have audited the financial statement of the Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County, Ohio (the Board), as of and for the year ended December 31, 2006, and have issued our report thereon dated May 25, 2007, wherein we noted the Board followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not to opine on the effectiveness of the Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Board's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Board's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Board's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

May 25, 2007



# Mary Taylor, CPA

Auditor of State

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

Athens-Hocking-Vinton Board of Alcohol,  
Drug Addiction and Mental Health Services  
Athens County  
7990 Dairy Lane  
P.O. Box 130  
Athens, Ohio 45701

To Board of Directors:

### Compliance

We have audited the compliance of the Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County, Ohio (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2006. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the Board's major federal programs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing other procedures 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 Athens-Hocking-Vinton Board of Alcohol, Drug Addiction and Mental Health Services, Athens County, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2006.

### Internal Control Over Compliance

The Board's management 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 directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the management, the Board of Directors, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

May 25, 2007

**ATHENS-HOCKING-VINTON BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2006**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	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>	Medical Assistance Program CFDA #93.778  Block Grants for the Prevention and Treatment of Substance Abuse – CFDA #93.959
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.







**Mary Taylor, CPA**  
Auditor of State

**ATHENS-HOCKING-VINTON BOARD OF A.D.A.M.H. SERVICES**

**ATHENS 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  
JUNE 21, 2007**