



Mary Taylor, CPA
Auditor of State

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

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Mary Taylor, CPA

Auditor of State

Four County Board of Alcohol, Drug Addiction,
and Mental Health Services
Henry County
T-761 State Route 66
Archbold, Ohio 43502-9537

To Members of the Board:

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

September 2, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Four County Board of Alcohol, Drug Addiction,
and Mental Health Services
Henry County
T-761 State Route 66
Archbold, Ohio 43502-9537

To Members of the Board:

We have audited the accompanying financial statements of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, (the Board) as of and for the year ended December 31, 2008. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 these financial statements 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 statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Board's 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.

Four County Board of Alcohol, Drug Addiction,
and Mental Health Services
Henry County
Independent Accountants' Report
Page 2

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2008, do 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, 2008, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, as of December 31, 2008, 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 September 2, 2009, 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 financial statements that collectively comprise the Board's financial statements. The schedule of federal awards expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. We subjected the schedule of federal awards expenditures to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Mary Taylor, CPA
Auditor of State

September 2, 2009

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES**

HENRY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$2,621,952		\$2,621,952
Intergovernmental Revenue	5,955,296	\$3,257,541	9,212,837
Gifts and Donations	1,000		1,000
Payments in Lieu of Taxes	11,242		11,242
Miscellaneous	39,458	6,037	45,495
Total Cash Receipts	<u>8,628,948</u>	<u>3,263,578</u>	<u>11,892,526</u>
Cash Disbursements:			
Salaries	259,993		259,993
Supplies	3,553		3,553
Equipment	6,354		6,354
Contracts - Repair	1,858		1,858
Contracts - Services	7,730,631		7,730,631
Rentals	38,691		38,691
Project Fund Disbursements		3,100,572	3,100,572
Travel	13,597		13,597
Public Employees Retirement	36,500		36,500
Workers Compensation	1,976		1,976
Insurance	67,759		67,759
Levy Fees	75,317		75,317
Other	136,290		136,290
Total Cash Disbursements	<u>8,372,519</u>	<u>3,100,572</u>	<u>11,473,091</u>
Total Cash Receipts Over Cash Disbursements	<u>256,429</u>	<u>163,006</u>	<u>419,435</u>
Other Financing Sources/Uses:			
Reimbursements	79,703		79,703
Reduction of Prior Year Disbursements	73,302	13,810	87,112
Refund of Prior Year Receipts		(87,112)	(87,112)
Total Other Financing Sources/(Uses)	<u>153,005</u>	<u>(73,302)</u>	<u>79,703</u>
Excess of Cash Receipts and Other Financing Sources over Cash Disbursements and Other Financing Uses	<u>409,434</u>	<u>89,704</u>	<u>499,138</u>
Fund Cash Balances, January 1	<u>2,605,407</u>	<u>557,200</u>	<u>3,162,607</u>
Fund Cash Balances, December 31	<u>\$3,014,841</u>	<u>\$646,904</u>	<u>\$3,661,745</u>
Reserves for Encumbrances, December 31	<u>\$228,753</u>	<u>\$42,249</u>	<u>\$271,002</u>

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

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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 Four County Board of Alcohol, Drug Addiction, and Mental Health Services, (the Board) as a body corporate and politic. An eighteen-member Board is the governing Body. The legislative authorities of the political subdivisions making up the Board appoint the other Board members. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are: Ohio Director of Alcohol and Drug Addiction Services, Ohio Director of Mental Health Services, Defiance County, Fulton County, Henry County, and Williams County.

The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

The Board's management believes these financial statements present all activities for which the Board is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting 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).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

As required by the Ohio Revised Code, the Defiance 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 reports all financial resources except those required to be accounted for in another fund.

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (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:

Title XIX Medicaid Fund – Provides financial assistance to provider agencies, (subrecipients), to provide payments for medical services provided to cash assistance recipients, members of certain mandatory and optional groups who do not receive cash assistance, or other individuals for which cash assistance is available but whose income or resources, while too high for eligibility for those programs, are insufficient to meet the cost of their medical care.

E. Budgetary Process

The Ohio Revised Code requires the Board to adopt a budget for each fund annually.

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash 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 2008 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008, follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,651,397	\$8,781,953	\$130,556
Special Revenue	2,966,881	3,277,388	310,507
Total	\$11,618,278	\$12,059,341	\$441,063

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,946,044	\$8,601,272	\$1,344,772
Special Revenue	3,228,505	3,229,933	(1,428)
Total	\$13,174,549	\$11,831,205	\$1,343,344

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax 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.

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

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

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

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2008, OPERS members contributed 10% of their gross salaries and the Board contributed an amount equaling 14% of participants' gross salaries. The Board has paid all contributions required through December 31, 2008.

5. RISK MANAGEMENT

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions; and
- Director's and Officers liability

The Board provides health insurance to full-time employees through a private carrier. The Board also provides each employee with up to \$800 per month for family coverage, reimbursement for dental and vision expenses and other medical expenses not covered by insurance.

6. 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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**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008**

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program Title	Project Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Mental Health</i>			
Social Services Block Grants - Title XX		93.667	\$ 101,595
Promoting Safe and Stable Families (FAST)		93.556	82,898
Block Grants for Community Mental Health Services:			
Kids Special Purpose Block Grant		93.958	64,589
Community Plan Block Grants		93.958	<u>83,658</u>
Total Block Grants for Community Mental Health Services			148,247
Medical Assistance Program (Medicaid) - Title XIX		93.778	1,869,348
<i>Passed through the Ohio Department of Alcohol and Drug Addiction Services</i>			
Medical Assistance Program (Medicaid) - Title XIX		93.778	<u>210,559</u>
Total Medical Assistance Program (Medicaid) - Title XIX			2,079,907
Block Grants for Prevention and Treatment of Substance Abuse:			
Substance Abuse Prevention Treatment Block Grant		93.959	487,918
Women's Program	20-01140-00-WOMEN		
	T-08-9027	93.959	66,666
	20-01140-00-WOMEN		
	T-09-9027	93.959	<u>133,341</u>
Total - Women's Program			<u>200,007</u>
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>687,925</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 3,100,572</u>

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,
AND MENTAL HEALTH SERVICES**

HENRY COUNTY

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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



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*

Four County Board of Alcohol, Drug Addiction,
and Mental Health Services
Henry County
T-761 State Route 66
Archbold, Ohio 43502-9537

To Members of the Board:

We have audited the financial statements of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, (the Board) as of and for the year ended December 31, 2008, and have issued our report thereon dated September 2, 2009, 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 statements, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

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We consider finding 2008-002 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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 deficiencies that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the finding described above is also a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are 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 an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

The Board's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Board's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

September 2, 2009



Mary Taylor, CPA

Auditor of State

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

Four County Board of Alcohol, Drug Addiction,
and Mental Health Services
Henry County
T-761 State Route 66
Archbold, Ohio 43502-9537

To Members of the Board:

Compliance

We have audited the compliance of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County (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 its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the Board's major federal program. The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 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, Four County Board of Alcohol, Drug Addiction, and Mental Health Services complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Board's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

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



Mary Taylor, CPA
Auditor of State

September 2, 2009

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION
AND MENTAL HEALTH SERVICES
HENRY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2008-001

Finding for Recovery Repaid Under Audit

Health Insurance policy 7.29 allotted each employee \$800 per month to cover medical, dental, and eye expenses not covered by the employee's health insurance. The employee allocation is based on the fiscal year, July 1 through June 30.

Diana Sanders, Chief Operating Officer was paid for \$2,615.45 more than the allowed amount for health care expenses for the fiscal year ended June 30, 2008, as shown below:

Date	Health Care
Paid	Reimbursed
July 2007	\$ 314.00
August 2007	1,277.50
September 2007	742.10
October 2007	1,339.90
November 2007	872.30
December 2007	1,170.32
January 2008	946.32
February 2008	610.00
March 2008	1,200.75
April 2008	1,132.59
May 2008	1,127.12
June 2008	1,482.55
Total Reimbursed in FY 2008	\$ 12,215.45
Maximum Reimbursement	
Allowed (\$800 x 12 months)	9,600.00
Overpayment	\$ 2,615.45

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Diana Sanders, Chief Operating Officer, in the amount of \$2,615.45, and in favor of the General Fund of the Four County Board of Alcohol, Drug Addiction, and Mental Health Services.

Diana Sanders repaid the Board the total amount on September 1, 2009.

Official's Response

The Four County Board of Alcohol, Drug Addiction, and Mental Health Services has revised and improved the internal policy for health insurance reimbursements. The Chief Executive Officer or the Director of Finance and Administration will review and approve health care reimbursements. In addition, staff allotment balances will be periodically audited by the Director of Finance and Administration.

FINDING NUMBER 2008-002

Material Weakness

Monitoring Financial Statements

Accurate financial reporting is the responsibility of the Board and is essential to ensure the information provided to the readers of the financial statements is fairly stated.

The 2008 financial statements contained material errors, such as the following:

- Tax revenue was overstated by \$486,285.
- Intergovernmental revenue, payment in lieu of taxes, and levy fees were understated by \$483,283, \$11,242, and \$8,240, respectively.

The financial statements and accounting records have been adjusted to reflect these corrections.

To ensure the Board's financial statements and notes to the statements are complete and accurate, the Board should adopt policies and procedures, including a final review of the statements, management discussion and analysis, and notes to the financial statements to identify and correct errors and omissions.

Official's Response

The staff has reviewed our internal procedures and with the addition of the Director of Finance and Administration we will be able to do a better job of monitoring.

3. FINDINGS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES
HENRY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 29, 2009