

***MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF ALLEN, AUGLAIZE AND HARDIN COUNTIES***

ALLEN COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2011

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Members of the Board
Mental Health and Recovery Services Board
of Allen, Auglaize and Hardin Counties
529 South Elizabeth Street
Lima, Ohio 45805

We have reviewed the *Report of Independent Accountants* of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, Allen County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. 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 Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

November 27, 2012

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**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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REPORT OF INDEPENDENT ACCOUNTANTS

Mental Health and Recovery Services Board
of Allen, Auglaize and Hardin Counties
Allen County
529 South Elizabeth St.
Lima, OH 45805

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, Allen County, (the Board), as of and for the year ended December 31, 2011, as listed in the table of contents. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audits 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 that our audits provide a reasonable basis for our opinion.

As discussed in Note 2, the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, Allen County, prepares its financial statements and notes on the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, Allen County as of December 31, 2011, and the respective changes in its cash basis financial position and the respective budgetary comparisons for the General Fund and each major special revenue fund thereof for the year then ended in conformity with accounting basis Note 2 describes.

As described in Note 3, during 2011 the Board adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we also have issued a report dated June 4, 2012 on our consideration of the Board's internal control over financial reporting and on 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 statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets and governmental activities. The schedule of federal awards expenditures (the schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the schedule provide additional information, but are not part of the basic financial statements. However, these tables and the schedule are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables and the schedule were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

June 4, 2012

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

As management of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties (the Board), we are providing this overview of the Board's financial activities for the year ended December 31, 2011. Please read this overview in conjunction with the Board's basic financial statements, which follow.

The Board is included within the Allen County Annual Financial Report as an agency fund. The Board uses its general fund to report its financial position and results of operations. We believe these financial statements present all activities for which the Board is financially responsible.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2011 are as follows:

- Net assets increased \$109,443. This was due in part to one-time grant funding received late in the year and unusually low billing from a major provider when compared to the prior year in the other governmental funds.
- General receipts accounted for \$1,912,760 in receipts or 20 percent of all receipts. Program specific receipts in the form of charges for services, grants and contributions accounted for \$7,648,514 or 80 percent of total receipts of \$9,561,274.
- The Board had \$9,451,831 in disbursements related to governmental activities; only \$7,648,514 of these disbursements were offset by program specific grants and contributions. General receipts of \$1,912,760 were adequate to provide for these programs.
- The Board advanced \$1,026,046 from the General Fund to various Special Revenue Funds to cover deficits. Advances of \$1,449,254 made from the General Fund in 2010 were paid back to the general fund for total Net advances in in 2011 of \$423,208.
- As of the close of 2011, The Board's governmental funds reported combined ending fund balances of \$4,870,643.
- At the close of the 2011, unassigned fund balance was \$3,888,984.
- As of the close of 2011, the Board had cumulated deposit amounts totaling \$4,870,643.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Board's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand The Board as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Board, presenting both an aggregate view of The Board's

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
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ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Board has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Board's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

REPORTING THE BOARD AS A WHOLE

The statement of net assets and the statement of activities reflect how the Board did financially during 2011, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Board at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Board's general receipts.

These statements report the Board's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Board's financial health. Over time, increases or decreases in the Board's cash position is one indicator of whether the Board's financial health is improving or deteriorating. When evaluating the Board's financial condition, you should also consider other nonfinancial factors as well such as the Board's property tax base, the condition of the Board's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the Board's major programs are reported. Charges for services and state and federal grants finance most of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them.

REPORTING THE HEALTH DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements - Fund financial statements provide detailed information about the Board's major funds – not the Board as a whole. The Board establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Board are governmental.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

Governmental Funds - The Board's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Board's governmental operations and the services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Board's service programs.

The Board's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Board's major governmental funds are the General Fund, Community Mental Health Services State Fund, Mental Health Systems State Fund and the Medicaid Mental Health Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Board maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all four major funds. The basic governmental fund financial statements can be found starting on page 11 of this report.

Notes To The Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 17 of this report.

THE BOARD AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the Board as a whole. Table 1, below, provides a summary of the Board's net assets for 2011 compared to 2010.

**Table 1
Net Assets – Cash Basis**

	Governmental Activities	
	2011	2010
Assets		
Equity in Pooled Cash and Cash Equivalents	\$4,870,643	\$4,761,200
Net Assets		
Restricted for:		
Budget Stabilization	\$1,719,234	\$1,686,514
Other Purposes	734,492	0
Capital Outlay	247,167	247,167
Unrestricted	2,169,750	2,827,519
Total Net Assets	\$4,870,643	\$4,761,200

Total assets increased \$109,443.

Table 2 shows the changes in net assets for the year ended December 31, 2011. The Board has prepared financial statements following the format prescribed by GASB Statement 34, and presented receipts and disbursements comparison to year 2010.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

**Table 2
Changes in Net Assets**

Receipts	Governmental Activities	
	2011	2010
Program Cash Receipts		
Operating Grants and Contributions	\$7,592,242	\$7,934,790
Charges for Services	56,272	56,786
Total Program Cash Receipts	7,648,514	7,991,576
General Receipts		
Property Taxes	1,456,241	1,538,966
Intergovernmental	172,973	156,531
Rent	167,526	145,832
Other Receipts	116,020	43,550
Total General Receipts	1,912,760	1,884,879
Total Receipts	9,561,274	9,876,455
Disbursements		
Environmental Health		
General Government	2,170,618	1,028,699
Health Services	7,143,468	7,849,388
Employee Benefits	137,745	170,556
Total Disbursements	9,451,831	9,048,643
Change in Net Assets	109,443	827,812
Net Assets Beginning of Year	4,761,200	3,933,388
Net Assets End of Year	\$4,870,643	\$4,761,200

In 2011, 20 percent of the Board's total receipts were from general receipts which consist mainly of property taxes and intergovernmental revenue. Program cash receipts accounted for 80 percent of the Board's total receipts in year 2011. In 2010, 19 percent of the Board's total receipts were from general receipts which consist mainly of property taxes and intergovernmental revenue. Program cash receipts accounted for 81 percent of the Board's total receipts in year 2010. Medicaid and its matching funds, federal operating grants, and state funds awarded for specific programs or purposes primarily make up these receipts.

Total Cost versus Net Cost of Services

The Statement of Activities – Cash Basis shows the cost of program services and the operating grants and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. The “net cost” amount represents the cost of those services supported by property tax receipts and intergovernmental revenues. Comparisons to 2010 have been presented.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

Table 3

Functions/Program	2011 Total Cost of Services	2011 Net Cost of Services
Governmental Activities:		
Health Services	\$7,143,468	\$1,803,317
General Government	2,170,618	0
Employee Benefits	137,745	0
Total Governmental Activities	<u>\$ 9,451,831</u>	<u>\$1,803,317</u>

Functions/Program	2010 Total Cost of Services	2010 Net Cost of Services
Governmental Activities:		
Health Services	\$7,849,388	\$1,057,067
General Government	1,028,700	0
Employee Benefits	170,557	0
Total Governmental Activities	<u>\$9,048,645</u>	<u>\$1,057,067</u>

The Board's reliance upon intergovernmental revenues, property tax receipts, and other general revenues is apparent as 20 percent of governmental activities are supported through these general receipts for 2011.

THE BOARD'S FUNDS

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of the end of 2011, the Board's governmental funds reported combined ending fund balances of \$4,870,643, an increase of \$109,433.

The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2011:

	Fund Balance 12/31/2011	Fund Balance 12/31/2010	Increase (Decrease)
General	\$3,888,984	\$2,967,075	\$921,909
505 State Fund	102,945	0	102,945
408 State Fund	0	411,957	(411,957)
Medicaid MH	0	0	0
Other Governmental Funds	878,714	1,382,168	(503,454)
Total	<u>\$4,870,643</u>	<u>\$4,761,200</u>	<u>\$109,443</u>

The general fund is the chief operating fund of The Board. The remaining fund balances of the Special Revenue funds will be paid to provider and other governmental agencies once requests for reimbursement are submitted.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

GENERAL FUND BUDGETARY INFORMATION

The Board's budget is prepared in accordance with Ohio law and is based on the budgetary basis of accounting, utilizing cash receipts, disbursements and encumbrances.

During the course of 2011, The Board amended its general fund budget throughout the year. For the general fund, original budgeted receipts were \$1,674,808 and final budgeted receipts were \$1,783,857. Actual receipts for fiscal year 2011 were \$1,783,914. This represents a \$57 increase over final budgeted receipts.

General fund original appropriations (appropriated expenditures) were \$1,937,054 and final budgeted appropriations were \$954,981. The actual budget basis expenditures 2011 totaled \$956,326. This represents a \$1,345 increase over the final budget appropriations.

CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS

Changes in the insurance market will accelerate the shift costs from the private to public market, which will increase demand for services, and change consumer expectations for types of services.

An increase in the proportion of consumers who are Medicaid eligible will continue to require payments for services that are not optional and may increase the number of contract agencies who are targeting Medicaid consumers. This would impact the availability of funding for non-Medicaid consumers.

Current tax reform legislation introduced by the Governor's Office and being considered by the General Assembly may negatively impact future levy collections. Specifically revenues received from the tangible personal property tax may be reduced materially impacting revenues.

The Board passed a replacement tax levy in May of 2005. Collections on this levy are estimated to increase by \$500,000 and have begun in February 2006.

The demand for services is expected to increase in terms of quality and complexity, while resources may decrease. In addition, expectations of new and emerging populations may increase the need for additional culturally competent services.

Discretionary revenues are expected to diminish over the next few years. The Board will be challenged to maintain current levels of service and programs, but will attempt to do so through the most efficient uses of financial resources possible.

The uncertainty surrounding the economy may have an impact on our community and the demand for services.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide an overview of Board's finances and it's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chris W. Karcz, CPA, Chief Operating Officer, Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, 1541 Allentown Rd., Suite B, Lima, OH 45805.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES
ALLEN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2011**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 4,870,643</u>
Total Assets	<u><u>4,870,643</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 734,492
Capital Outlay	247,167
Unrestricted	<u>3,888,984</u>
Total Net Assets	<u><u>\$ 4,870,643</u></u>

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES
ALLEN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts & Changes in Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Health Services:				
Contract - Services	\$ 7,143,468	\$ 56,272	\$ 5,283,879	\$ (1,803,317)
General Government:				
Salaries	358,190	-	358,190	-
Advertising and Printing	27,138	-	27,138	-
Professional Services	1,002,863	-	1,002,863	-
Supplies	5,704	-	5,704	-
Postage and Shipping	1,031	-	1,031	-
Communications	12,391	-	12,391	-
Dues	15,524	-	15,524	-
Rentals	53,016	-	53,016	-
Utilities	13,544	-	13,544	-
Maintenance	547,083	-	547,083	-
Insurance	18,110	-	18,110	-
Travel and Training	39,778	-	39,778	-
Buildings/Equipment	16,768	-	16,768	-
Other Exp.	4,568	-	4,568	-
Reimbursements	54,911	-	54,911	-
Employee Benefits:				
Public Employee's Retirement	68,106	-	68,106	-
Health Insurance	61,080	-	61,080	-
Life Insurance	1,619	-	1,619	-
Medicare	5,125	-	5,125	-
Workers' Comp.	1,814	-	1,814	-
Total Governmental Activities	\$ 9,451,831	\$ 56,272	\$ 7,592,242	\$ (1,803,317)
General Receipts:				
				\$ 1,456,241
				172,973
				167,526
				116,020
			Total General Receipts	1,912,760
			Change in Net Assets	109,443
			Net Assets - Beginning of Year	4,761,200
			Net Assets - End of Year	\$ 4,870,643

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES
ALLEN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Mental Health Systems</u>	<u>Other Governmental Funds</u>	
ASSETS				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 3,888,984</u>	<u>\$ 102,945</u>	<u>\$ 878,714</u>	<u>\$ 4,870,643</u>
Total Assets	<u><u>\$ 3,888,984</u></u>	<u><u>\$ 102,945</u></u>	<u><u>\$ 878,714</u></u>	<u><u>\$ 4,870,643</u></u>
FUND BALANCE				
Fund Balance:				
Restricted	\$ -	\$ 102,945	\$ 631,547	\$ 734,492
Committed	1,719,234	-	247,167	1,966,401
Unassigned	<u>2,169,750</u>	<u>-</u>	<u>-</u>	<u>2,169,750</u>
Total Fund Balances	<u><u>\$ 3,888,984</u></u>	<u><u>\$ 102,945</u></u>	<u><u>\$ 878,714</u></u>	<u><u>\$ 4,870,643</u></u>

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Funds					Totals (Memorandum Only)
	General	Mental Health Systems	Community Mental Health Services	Medicaid Mental Health	Other Governmental Funds	
RECEIPTS:						
Taxes	\$ 1,456,241	\$ -	\$ -	\$ -	\$ -	\$ 1,456,241
Grants	-	1,178,541	1,204,454	2,608,081	2,601,166	7,592,242
Intergovernmental Revenue	172,973	-	-	-	-	172,973
Charges for Services	56,272	-	-	-	-	56,272
Rent	-	-	-	-	167,526	167,526
Other	98,427	-	3,029	-	14,564	116,020
Total Cash Receipts	<u>1,783,913</u>	<u>1,178,541</u>	<u>1,207,483</u>	<u>2,608,081</u>	<u>2,783,256</u>	<u>9,561,274</u>
DISBURSEMENTS:						
Current Operations:						
Health Services:						
Contract - Services	775,972	476,562	1,110,209	2,169,798	2,610,928	7,143,469
General Government:						
Salaries	-	280,490	-	-	77,701	358,191
Advertising and Printing	13,184	3,153	6,956	-	3,844	27,137
Professional Services	127,829	6,191	489,307	-	379,535	1,002,862
Supplies	1,212	4,492	-	-	-	5,704
Postage and Shipping	300	731	-	-	-	1,031
Communications	2,748	9,642	-	-	-	12,390
Dues	1,120	14,404	-	-	-	15,524
Rentals	12,600	40,415	-	-	-	53,015
Utilities	2,215	4,727	-	-	6,603	13,545
Maintenance	2,640	8,213	-	-	536,231	547,084
Insurance	-	5,379	-	-	12,731	18,110
Travel and Training	13,615	23,738	2,424	-	-	39,777
Buildings/Equipment	1,727	4,497	10,544	-	-	16,768
Other Exp.	-	2,815	-	-	1,753	4,568
Reimbursements	-	-	-	51,025	3,886	54,911
Employee Benefits:						
Public Employee's Retirement	-	49,459	-	-	18,648	68,107
Life Insurance	-	1,619	-	-	-	1,619
Health Insurance	1,164	57,181	-	-	2,735	61,080
Medicare	-	5,125	-	-	-	5,125
Workers' Comp.	-	1,814	-	-	-	1,814
Total Cash Disbursements	<u>956,326</u>	<u>1,000,647</u>	<u>1,619,440</u>	<u>2,220,823</u>	<u>3,654,595</u>	<u>9,451,831</u>
Total Receipts Over/(Under) Disbursements	827,587	177,894	(411,957)	387,258	(871,339)	109,443
Other Financing Receipts/(Disbursements):						
Advances In	1,449,254	-	-	59,065	966,981	2,475,300
Advances (Out)	(1,026,046)	(74,949)	-	(446,323)	(927,982)	(2,475,300)
Transfers (Out)	(328,886)	-	-	-	-	(328,886)
Transfers In	-	-	-	-	328,886	328,886
Total Other Financing Receipts/(Disbursements)	<u>94,322</u>	<u>(74,949)</u>	<u>-</u>	<u>(387,258)</u>	<u>367,885</u>	<u>-</u>
Net Change in Fund Balance	921,909	102,945	(411,957)	-	(503,454)	109,443
Fund Cash Balances, January 1, 2011, Restated (Note 11)	<u>2,967,075</u>	<u>-</u>	<u>411,957</u>	<u>-</u>	<u>1,382,168</u>	<u>4,761,200</u>
Fund Cash Balances, December 31, 2011	<u>\$ 3,888,984</u>	<u>\$ 102,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878,714</u>	<u>\$ 4,870,643</u>

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts			Variance with Final Budget Over/(Under)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$ 1,446,400	\$ 1,456,241	\$ 1,456,241	\$ -
Grants	20	-	-	-
Intergovernmental Revenue	170,039	172,973	172,973	-
Charges for Services	56,272	56,272	56,272	-
Contributions	-	50	-	(50)
Other	2,077	98,321	98,427	106
Total Cash Receipts	1,674,808	1,783,857	1,783,913	56
DISBURSEMENTS:				
Current Operations:				
Health Services:				
Contract - Services	1,626,539	775,826	775,972	(146)
General Government:				
Advertising and Printing	9,785	13,184	13,184	-
Professional Services	258,315	126,630	127,829	(1,199)
Supplies	796	1,212	1,212	-
Postage and Shipping	-	300	300	-
Communications	3,690	2,748	2,748	-
Dues	-	1,120	1,120	-
Rentals	50	12,600	12,600	-
Utilities	-	2,215	2,215	-
Maintenance	-	2,640	2,640	-
Travel and Training	9,216	13,615	13,615	-
Buildings/Equipment	-	1,727	1,727	-
Other Exp.	28,663	-	-	-
Employee Benefits:				
Health Insurance	-	1,164	1,164	-
Total Cash Disbursements	1,937,054	954,981	956,326	(1,345)
Total Receipts Over/(Under) Disbursements	(262,246)	828,876	827,587	1,289
Other Financing Receipts/(Disbursements):				
Advances In	-	-	1,449,254	1,449,254
Advances (Out)	-	-	(1,026,046)	(1,026,046)
Transfers (Out)	-	(503,634)	(328,886)	174,748
Total Other Financing Receipts/(Disbursements)	-	(503,634)	94,322	597,956
Net Change in Fund Balance	(262,246)	325,242	921,909	596,667
Fund Cash Balances, January 1, 2011, Restated (Note 11)	2,967,075	2,967,075	2,967,075	-
Fund Cash Balances, December 31, 2011	\$ 2,704,829	\$ 3,292,317	\$ 3,888,984	\$ 596,667

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
Mental Health Systems State Fund
FOR THE YEAR ENDED DECEMBER 31, 2011**

RECEIPTS:	Budgeted Amounts			Variance with Final Budget Over/(Under)
	Original Budget	Final Budget	Actual	
Grants	\$ 494,795	\$ 1,178,541	\$ 1,178,541	\$ -
Total Cash Receipts	494,795	1,178,541	1,178,541	-
DISBURSEMENTS:				
Current Operations:				
Health Services:				
Contract - Services	-	476,562	476,562	-
General Government:				
Salaries	235,956	300,799	280,490	20,309
Advertising and Printing	4,098	3,153	3,153	-
Professional Services	9,957	4,435	6,191	(1,756)
Supplies	2,661	3,617	4,492	(875)
Postage and Shipping	1,137	731	731	-
Communications	8,610	9,230	9,642	(412)
Dues	14,800	14,169	14,404	(235)
Rentals	41,327	39,238	40,415	(1,177)
Utilities	3,947	4,504	4,727	(223)
Maintenance	10,456	6,043	8,213	(2,170)
Insurance	5,130	5,379	5,379	-
Travel and Training	11,834	22,431	23,738	(1,307)
Buildings/Equipment	900	1,551	4,497	(2,946)
Other Exp.	1	2,815	2,815	-
Employee Benefits:				
Public Employee's Retirement	56,630	49,459	49,459	-
Life Insurance	1,060	1,619	1,619	-
Health Insurance	72,816	52,623	57,181	(4,558)
Medicare	3,413	4,769	5,125	(356)
Workers' Comp.	2,207	1,814	1,814	-
Total Cash Disbursements	486,940	1,004,941	1,000,647	4,294
Total Receipts Over/(Under) Disbursements	7,855	173,600	177,894	4,294
Other Financing Receipts/(Disbursements):				
Advances (Out)	-	-	(74,949)	(74,949)
Total Other Financing Receipts/(Disbursements)	-	-	(74,949)	(74,949)
Net Change in Fund Balance	7,855	173,600	102,945	(70,655)
Fund Cash Balances, January 1, 2011	-	-	-	-
Fund Cash Balances, December 31, 2011	\$ 7,855	\$ 173,600	\$ 102,945	\$ (70,655)

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
Community Mental Health Services State Fund
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts			Variance with Final Budget Over/(Under)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grants	\$ 2,409,000	\$ 1,204,454	\$ 1,204,454	\$ -
Other	-	4,030	3,029	(1,001)
Total Cash Receipts	<u>2,409,000</u>	<u>1,208,484</u>	<u>1,207,483</u>	<u>(1,001)</u>
DISBURSEMENTS:				
Current Operations:				
Health Services:				
Contract - Services	2,250,595	1,110,209	1,110,209	-
General Government:				
Salaries	88,248	-	-	-
Advertising and Printing	2,862	6,956	6,956	-
Professional Services	3,812	489,307	489,307	-
Supplies	832	-	-	-
Postage and Shipping	860	-	-	-
Communications	2,002	-	-	-
Dues	1,065	-	-	-
Rentals	8,830	-	-	-
Utilities	1,496	-	-	-
Maintenance	1,144	-	-	-
Travel and Training	3,782	2,424	2,424	-
Buildings/Equipment	216	10,544	10,544	-
Employee Benefits:				
Public Employee's Retirement	21,180	-	-	-
Life Insurance	541	-	-	-
Health Insurance	17,734	-	-	-
Medicare	1,275	-	-	-
Total Cash Disbursements	<u>2,406,474</u>	<u>1,619,440</u>	<u>1,619,440</u>	<u>-</u>
Net Change in Fund Balance	2,526	(410,956)	(411,957)	(1,001)
Fund Cash Balances, January 1, 2011, Restated (Note 11)	<u>411,957</u>	<u>411,957</u>	<u>411,957</u>	<u>-</u>
Fund Cash Balances, December 31, 2011	<u>\$ 414,483</u>	<u>\$ 1,001</u>	<u>\$ -</u>	<u>\$ (1,001)</u>

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE, AND HARDIN COUNTIES**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
Medicaid Mental Health Fund
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts			
RECEIPTS:	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
Grants	\$ 2,009,553	\$ 2,587,565	\$ 2,608,081	\$ 20,516
Total Cash Receipts	2,009,553	2,587,565	2,608,081	20,516
DISBURSEMENTS:				
Current Operations:				
Health Services:				
Contract - Services	1,884,361	2,184,108	2,169,798	14,310
General Government:				
Reimbursements	16,380	51,025	51,025	-
Total Cash Disbursements	1,900,741	2,235,133	2,220,823	14,310
Total Receipts Over/(Under) Disbursements	108,812	352,432	387,258	34,826
Other Financing Receipts/(Disbursements):				
Advances In	-	-	59,065	59,065
Advances (Out)	-	-	(446,323)	(446,323)
Total Other Financing Receipts/(Disbursements)	-	-	(387,258)	(387,258)
Net Change in Fund Balance	108,812	352,432	-	(352,432)
Fund Cash Balances, January 1, 2011	-	-	-	-
Fund Cash Balances, December 31, 2011	\$ 108,812	\$ 352,432	\$ -	\$ (352,432)

See accompanying notes to the basic financial statements

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

1. REPORTING ENTITY

The Mental Health and Recovery Services of Allen, Auglaize and Hardin Counties (the Board) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Board is directed by a sixteen-member Board. Board members are appointed by the Board's Director and the legislative authorities of the political subdivisions making up the Board. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Allen, Auglaize and Hardin Counties, the Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. These services are provided primarily through contracts with private and public agencies.

Component units are legally separate organizations for which the Board is financially accountable. The Board is financially accountable for an organization if the Board appoints a voting majority of the organizations' government board and (1) the Board is able to significantly influence the programs or services performed or provided by the organization; or (2) the Board is legally entitled to or can otherwise access to organizations' resources; or (3) the Board is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Board is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Board in that the Board approves the budget, the issuance of debt or the levying of taxes. Based upon the application of this criterion, the Board has no component units. The basic financial statements of the reporting entity include only those of the Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Board's accounting policies.

A. Basis of Presentation

The Board's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the cash balance of the governmental activities of the Board at year end. The statement of activities compares disbursements and program receipts for each program or function of the Board's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Board is responsible.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Board. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Board.

Fund Financial Statements – During the year, the Board segregates transactions related to the Board's activities in separate funds in order to aid financial management and demonstrate legal compliance. Fund financial statements report detailed information about the Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. Fund Accounting

The Board uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Board are presented in one category: governmental.

Governmental Funds - Governmental funds are those through which most governmental functions of the Board are financed. The following are the Board's major governmental funds:

General Fund -The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those resources required to be accounted for in another fund.

Community Mental Health Services State Fund – Used to account for proceeds received from the State of Ohio to provide services to persons with severe mental/emotional disabilities and for the promotion and support of their recovery and resilience.

Mental Health Systems State Fund – Used to account for proceeds received from the State of Ohio to support general community mental health services to all Ohioans, to support community mental health services for adults and children who meet ODMH criteria for severe mental disabilities or emotional disturbances and to support systematic improvements in service delivery.

Medicaid Mental Health Fund – Used to account for federal financial participation amounts for Medicaid eligible mental health clients.

The other governmental funds of the Board account for grants and other resources whose use is restricted for a particular purpose

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The Board's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Board's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board members. The legal level of control has been established by the Board at the fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Board. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments

As required by the Ohio Revised Code, the County Treasurer is the custodian for the Board's cash and investments. The County's cash and investment pool holds the Board's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. For information regarding deposit and investment disclosures of the Mental Health and Recovery Services Board, the Treasurer of Allen County, Rhonda Eddy, may be contacted at 301 North Main Street, Lima, Ohio, 45801.

F. Inventory and Prepaid Items

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Board's basis of accounting.

I. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Balance (continued)

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses by the Fiscal Officer or established by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Board applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

J. Interfund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses.

K. Employer Contributions to Cost-Sharing Pension Plans

The Board recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Net Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

3. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2011, the Board has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in the reclassification of certain funds or the restatement of the Board's financial statements.

4. EQUITY IN POOLED CASH

The Allen County Auditor acts as the fiscal agent for the Board and the County Treasurer maintains a cash and investment pool used by all County funds. Because of the nature of the pool all County funds are commingled, the risk involved and the preferential claim of the Board cannot be determined.

The Allen County Auditor's records indicated the Board's cash balance as of December 31, 2011, was \$4,870,643.

5. PROPERTY TAXES

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real and public utility property located in the Allen, Auglaize, and Hardin Counties. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by State statute at 35 percent of appraised market value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is usually due December 31, with the remainder payable June 20.

Taxes collected from tangible personal property (other than public utility) received during calendar year 2011 represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied April 1, 2010 on the values listed as of December 31, 2010. Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility property taxes are payable on the same dates as real property taxes described previously.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

5. PROPERTY TAXES (continued)

The Allen, Auglaize, and Hardin County Auditors collect property taxes on behalf of the Board and remit the collected taxes to the Board. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

Real Property	<u>Allen</u>	<u>Auglaize</u>	<u>Hardin</u>
Residential/Agriculture			
Commercial/Industrial/Mineral	\$1,756,145,080	\$888,867,720	\$552,002,930
Public Utilities	86,727,970	290,660	22,807,150
Total Assessed Value	<u>\$1,840,873,050</u>	<u>\$889,158,380</u>	<u>\$574,810,080</u>

6. INTERFUND BALANCES

Interfund cash advances for the year ended December 31, 2011, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,026,047	\$ -
Medicaid Mental Health Fund	140,250	-
Mental Health Systems Fund	74,949	-
Other Governmental Funds	<u>-</u>	<u>1,241,246</u>
Total Inter-fund Receivables Payables	<u>\$ 1,241,246</u>	<u>\$ 1,241,246</u>

7. RISK MANAGEMENT

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

The Board has pulled out of the County Employee Health Insurance Plan effective June 30, 2011 and now maintains a high deductible Health Care Plan with Medical Mutual with the intent to reduce health care premiums and overall costs. In conjunction with the high deductible plan, an HSA (Health Savings Plan) has been established. The plan has a \$5,000 per family and \$2,500 per individual deductible. Once the deductible is met, the insurance plan begins to pay at 100%.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

8. DEFINED BENEFIT PENSION PLAN

(a) *Plan Description*

The Mental Health and Recovery Services Board contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost sharing, multiple-employer public employee retirement system. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries through three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under this plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan. Under this plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions to the OPERS board of trustees (Board). OPERS issues a stand-alone financial report that includes the financial statements. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-466-2085 or 1-800-222-PERS (7377).

(b) *Funding Policy*

Plan members are required to contribute a percentage of their annual covered salary (10% in 2011 and 2010), and the Mental Health and Recovery Services Board is required to contribute an actuarially determined rate. The employer contribution rate for 2011 and 2010 was 14% of annual covered payroll. The contribution requirements of plan members and the Mental Health and Recovery Services Board are established and may be amended by the Board. The Mental Health and Recovery Services Board's contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$68,106, \$82,138, and \$81,228 respectively, equal to the required contributions for each year. Required employer contributions are equal to 100% of the dollar amount billed to each employer.

9. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

9. POSTEMPLOYMENT BENEFITS (continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

10. CONTINGENT LIABILITIES

A. Grants

The 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 Board believes such disallowances, if any, will be immaterial.

B. Fund Commitment

In recognition of the risk inherent in its operations, the Board has committed a portion of its general fund balance (analogous in the insurance industry to a catastrophe fund) to absorb financial shortfalls, whether temporary or permanent. The commitment exists to help the 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.

The recommended fund balance commitment requirement was developed as equal to two months of the total operating budget (2/12). This percentage is then converted to a dollar amount for the current operating year identifying a minimum level. At December 31, 2011 the Board had committed \$1,719,234 for possible future financial shortfalls.

11. PRIOR PERIOD FUND BALANCE ADJUSTMENT

The Board had a prior period fund balance adjustment to the following funds:

Fund	Fund Balance 12/31/2010	Prior Period Adjustment	Fund Balance Restated 1/1/2011
General Fund	\$ 2,965,837	\$ 1,238	\$ 2,967,075
Community Mental Health Services	\$ 413,195	\$(1,238)	\$ 411,957

Adjustments necessary due to mispostings between funds that were discovered after 2010 audit was completed.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

12. Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Mental Health Systems</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for:				
Services per ODMH/ODADAS allocation guidelines	\$ -	\$ 102,945	\$ 631,547	\$ 734,492
Total Restricted	-	102,945	631,547	734,492
Committed to:				
Capital projects	-	-	247,167	247,167
Budget stabilization	1,719,234	-	-	1,719,234
Total Committed	1,719,234	-	247,167	1,966,401
Unassigned:				
	2,169,750	-	-	2,169,750
Total Fund Balances	<u>\$ 3,888,984</u>	<u>\$ 102,945</u>	<u>\$ 878,714</u>	<u>\$ 4,870,643</u>

**MENTAL HEALTH AND RECOVERY SERVICES OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Program Title	Federal CFDA Number	Project Number	Disbursements
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Mental Health:			
Community Plan Block Grant	93.958	01-BG01PLAN-11	\$ 106,425
	93.958	01-BG01PLAN-12	<u>53,600</u>
Total Block Grants for Community Mental Health Services			160,025
Early Childhood Mental Health	93.590	FY11	<u>55,010</u>
Total Early Childhood Mental Health			55,010
Social Services Block Grant-Title XX	93.667	FY 11	59,162
	93.667	FY 12	<u>40,307</u>
Total Social Services Block Grant-Title XX			99,469
Medical Assistance Program	93.778	FY11	1,614,908
	93.778	FY12	605,915
ARRA - Medical Assistance Program - EFMAP	93.778	FY11	<u>391,823</u>
Total Medical Assistance Program			2,612,646
State Childrens Insurance Program	93.767	FY11	92,181
	93.767	FY12	<u>21,155</u>
Total State Childrens Insurance Program			113,336
Total Passed Through Ohio Department of Mental Health:			<u>3,040,486</u>
Passed Through Ohio Department of Alcohol and Drug Addiction Services:			
Federal Per Capita	93.959	01-BGD-FY11	154,209
	93.959	01-BGD-FY12	242,766
Women's Treatment	93.959	FY 11	5,885
	93.959	FY 12	16,473
Prevention Services	93.959	FY 11	5,782
	93.959	FY 12	14,993
Circle for Recovery	93.959	FY 11	14,600
	93.959	FY 12	40,870
UMADAOP	93.959	0205004-00-UMP-11	37,982
	93.959	0205004-00-UMP-12	<u>106,227</u>
Total Substance Abuse Prevention and Treatment Block Grant			639,787
Medical Assistance Program	93.778	FY 11	126,376
	93.778	FY 12	88,938
ARRA - Medical Assistance Program - EFMAP	93.778	FY 12	<u>34,827</u>
Total Medical Assistance Program			250,141
State Childrens Insurance Program	93.767	FY 11	21,310
	93.767	FY 12	<u>1,121</u>
Total State Childrens Insurance Program			22,431
SPF SIG Grant	93.243	FY 11	<u>42,385</u>
Total Passed Through Ohio Department of Alcohol and Drug Addiction Services			954,744
U. S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Alcohol and Drug Addiction Services:			
Rehabilitation Services	84.126	FY 11	30,469
	84.126	FY 12	<u>58,423</u>
Total Rehabilitation Services			88,892
Total Federal Assistance			<u>\$ 4,084,122</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures.

**MENTAL HEALTH AND RECOVERY SERVICES OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARD EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Award Expenditures (the Schedule) summarizes activity of the Mental Health and Recovery Service's (the Board) federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – SUBRECIPIENTS

The Board passes-through certain federal assistance monies received from the Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services to other governments, or not-for-profit agencies (sub recipients). As described in Note A, the Board records expenditures of Federal awards to sub recipients when cash is paid.

The sub recipient agencies have certain compliance responsibilities related to administering these federal programs. Under Federal Circular A-133, the Board is responsible for monitoring sub recipients 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 performance goals are achieved.

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 funds is not included on the Schedule.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Mental Health and Recovery Services Board
of Allen, Auglaize and Hardin Counties
Allen County
529 South Elizabeth St.
Lima, OH 45805

To the Members of the Board:

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, Allen County, (the Board), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 4, 2012, wherein we noted the District followed the cash basis of accounting. We also noted the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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 Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Board in a separate letter dated June 4, 2012.

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

June 4, 2012

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Mental Health and Recovery Services Board
of Allen, Auglaize and Hardin Counties, Allen County
529 South Elizabeth St.
Lima, OH 45805

To the Members of the Board:

Compliance

We have audited the compliance of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties, Allen County, (the Board), with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could directly and materially affect each of the Board's major federal programs for the year ended December 31, 2011. The summary of auditor's results section of the accompanying Schedule of Findings identifies the Board's major federal programs. 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 opine on the Board's compliance based on our audit.

Our compliance audit followed 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*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the 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 these requirements and performing other procedures as 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 these requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2011.

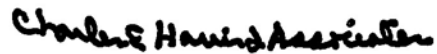
Internal Control Over Compliance

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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 management, the finance committee, members of the Board of Trustees, others within the Board and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

Charles E. Harris & Associates, Inc.

June 4, 2012

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY
OMB CIRCULAR A-133 SECTION .505
December 31, 2011**

Schedule of Findings

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements.
2. There were no material control weaknesses reported at the financial statement level.
3. There were no significant deficiencies disclosed during the audit.
4. No instances of noncompliance material to the financial statements of the Board were disclosed during the audit.
5. No material control weaknesses were reported for major federal programs.
6. No significant deficiencies in internal control over major programs were disclosed.
7. The auditor's report on compliance for the major federal award programs for the Board expresses an unqualified opinion.
8. No findings required to be reported under Section .510(a) of OMB Circular A-133.
9. The programs tested as major programs were Medical Assistance Program, CFDA #93.778, and Substance Abuse Prevention and Treatment Block Grant, #93.959.
10. The dollar threshold for distinguishing Type A and Type B programs was \$300,000.
11. The Board was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings - Medical Assistance Program, CFDA #93.778, and Substance Abuse Prevention and Treatment Block Grant, #93.959.

None

MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
ALLEN, AUGLAIZE AND HARDIN COUNTIES
ALLEN COUNTY
DECEMBER 31, 2011

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-1	Rev. Code Section 5705.41(B)	Yes	

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Dave Yost • Auditor of State

MENTAL HEALTH AND RECOVERY SERVICES BOARD OF ALLEN, AUGLAIZE AND HARDIN COUNTIES

ALLEN 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
DECEMBER 11, 2012