



Mary Taylor, CPA
Auditor of State

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

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Mary Taylor, CPA
Auditor of State

Mental Health Recovery Services of Warren and Clinton Counties
Warren County
107 Oregonia Road
Lebanon, Ohio 45036

To the 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 1, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mental Health Recovery Services of Warren and Clinton Counties
Warren County
107 Oregonia Road
Lebanon, Ohio 45036

To the Members of the Board:

We have audited the accompanying financial statements of Mental Health Recovery Services of Warren and Clinton Counties, Warren County, Ohio (Recovery Services), as of and for the year ended December 31, 2009. These financial statements are the responsibility of Recovery Services' 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, Recovery Services 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.

While Recovery Services does not follow GAAP, generally accepted auditing standards require 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 Boards to reformat their statements. Recovery Services has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Recovery Services as of December 31, 2009, 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 Mental Health Recovery Service of Warren and Clinton Counties, Warren County, as of December 31, 2009, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

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Recovery Services 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 June 1, 2010 on our consideration of Recovery Services' 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 Recovery Services' basic financial statements. The U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* requires presenting a federal awards expenditure schedule. The schedule is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Mary Taylor, CPA
Auditor of State

June 1, 2010

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Cash Receipts:	
Taxes	\$4,838,352
Intergovernmental:	
Federal	4,467,107
State	5,804,249
Grants	4,200
Other Receipts	<u>169,150</u>
Total Cash Receipts	<u>15,283,058</u>
Cash Disbursements:	
Current Disbursements:	
Health:	
Salaries	437,757
Fringe Benefits	109,556
Supplies & Repairs	15,008
Purchased Services	150,033
Contracts Disbursements - Federal	4,539,035
Contracts Disbursements - State	4,094,861
Contracts Disbursements - Local	6,247,357
Refunds to Funding Sources	9,738
Capital Equipment	14,700
Dues, Fees, Travel & Other	<u>184,839</u>
Total Disbursements	<u>15,802,884</u>
Total Receipts (Under) Disbursements	<u>(519,826)</u>
Other Financing Receipts:	
Reimbursements	<u>988,979</u>
Total Other Financing Receipts	<u>988,979</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	469,153
Fund Cash Balances, January 1	<u>10,876,516</u>
Fund Cash Balances, December 31	<u><u>\$11,345,669</u></u>
Reserves for Encumbrances, December 31	<u><u>\$1,464,947</u></u>

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

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**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Mental Health Recovery Services of Warren and Clinton Counties, Warren County, Ohio (the Recovery Services), as a body corporate and politic. An eighteen-member Board is the governing Body. Board members are appointed by the Director of Mental Health, the Director of Alcohol and Drug Addiction Services, and the County Commissioners of both Warren and Clinton Counties.

The Recovery Services provides alcohol, drug addiction and mental health services and programs to citizens of the Mental Health and Recovery Services of Warren and Clinton Counties. Private and public agencies are the primary service providers, through Recovery Services contracts.

The Recovery Services' management believes these financial statements present all activities for which the Recovery Services 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. Recovery Services 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. Cash

As required by the Ohio Revised Code, the Warren County Treasurer is custodian for Recovery Services' deposits. The County's deposit and investment pool holds Recovery Services' assets, valued at the Treasurer's reported carrying amount.

D. Budgetary Process

The Ohio Revised Code requires Recovery Services 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 or object level of control, and appropriations may not exceed estimated resources. Recovery Services 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.

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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 Recovery Services to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2009 budgetary activity appears in Note 2.

E. Property, Plant, and Equipment

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

F. 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 year ending December 31, 2009 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$15,155,066	\$16,272,037	\$1,116,971
Total	\$15,155,066	\$16,272,037	\$1,116,971

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$22,587,506	\$17,267,831	\$5,319,675
Total	\$22,587,506	\$17,267,831	\$5,319,675

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

3. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which Recovery Services 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 February 25, 2009. If the property owner elects to pay semiannually, the first half is due February 25, 2009. The second half payment is due the following July 29, 2009.

Public utilities are also taxed on personal and real property located within Warren and Clinton Counties.

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 Recovery Services.

4. Retirement Systems

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>PERS – Local</i>	<i>2009</i>	<i>10%</i>	<i>14%</i>

Recovery Services' 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 2009, OPERS members contributed 10% of their gross salaries and Recovery Services contributed an amount equaling 14% of participants' gross salaries. Recovery Services has paid all contributions required through December 31, 2009.

5. Risk Management

Commercial Insurance

Recovery Services has obtained commercial insurance for the following risks:

- Directors and Officers Insurance
- Comprehensive property and general liability
- Bond Insurance
- Errors and omissions.

Recovery Services also provide health insurance and dental coverage to its employees through a private carrier which is provided through the fiscal agent, Warren County.

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

6. Lease Revenue

Recovery Services has entered into a lease as lessor with Mental Health & Recovery Centers of Warren County, Inc. a funded agency of Recovery Services for the following locations:

- 204 Cook Rd, Lebanon, Ohio
- 212 Cook Rd, Lebanon, Ohio
- 201 Reading Rd, Mason, Ohio
- 107 Oregonia Rd, Lebanon, Ohio

Rental income for the year ended December 31, 2009 totaled \$169,150.

7. Long-Term Obligations

Recovery Services has entered into three non-interest bearing mortgage agreements with the Ohio Department of Mental Health. In accordance with the mortgage agreements, the loans are forgiven by the State of Ohio over a period of 40 years, under the condition that the facilities are used exclusively for the purpose of providing mental health services.

As of December 31, 2009, these obligations consist of:

Mortgage, ODMH, original loan balance of \$245,450, non-interest bearing note, forgiven by ODMH in monthly installments of \$511, term expiring January, 2020. Location: 204 Cook Road, Lebanon, OH	\$61,744
Mortgage, ODMH, original loan balance of \$260,000, non-interest bearing note, forgiven by ODMH in monthly installments of \$542, term expiring January, 2038. Location: 210 W Main Street, Lebanon, OH	\$184,705
Mortgage, ODMH, original loan balance of \$230,000, non-interest bearing note, forgiven by ODMH in monthly installments of \$483, term expiring January, 2028. Location: 201 Reading Road, Mason, OH	\$104,005

Total Outstanding Obligation	\$350,454

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

7. Long-Term Obligations

Principal amounts of long-term obligations are expected to be forgiven for the following periods:

Year Ending:	
12/31/2010	18,432
12/31/2011	18,432
12/31/2012	18,432
12/31/2013	18,432
12/31/2014	18,432
2015 – 2019	92,160
2020 – 2024	61,924
2025 – 2029	49,585
2030 – 2034	32,520
2035 - 2038	<u>22,105</u>
	350,454

Principal forgiven by ODMH during the year ended December 31, 2009 totaled \$18,432.

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**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Health:</i>			
Promoting Safe and Stable Families	N/A	93.556	\$29,624
<i>Passed Through Ohio Department of Mental Health:</i>			
Childcare and Developmental Block Grant	N/A	93.575	10,457
<i>Passed Through Ohio Department of Mental Health:</i>			
Childcare Mandatory and Matching Funds of the Childcare and Development Fund	N/A	93.596	17,610
<i>Passed Through Ohio Department of Mental Health:</i>			
Block Grant for Community Mental Health Services	N/A	93.958	67,417
<i>Passed Through Ohio Department of Mental Health:</i>			
Social Services Block Grant (Title XX)	N/A	93.667	139,858
<i>Passed Through Ohio Department of Mental Health:</i>			
Medical Assistance Program (Title XIX)	N/A	93.778	2,409,386
Medical Assistance Program (Title XIX) ARRA EFMAP	N/A	93.778	374,590
<i>Passed Through Ohio Department of Alcohol & Drug Addiction Services:</i>			
Medical Assistance Program (Title XIX)	N/A	93.778	433,267
Medical Assistance Program (Title XIX) ARRA EFMAP	N/A	93.778	68,056
Total Medical Assistance Program (Title XIX)			3,285,299
<i>Passed Through Ohio Department of Alcohol & Drug Addiction Services:</i>			
Block Grants for Prevention & Treatment of Substance Abuse	N/A	93.959	734,198
<i>Passed Through Ohio Department of Alcohol & Drug Addiction Services:</i>			
Medical Assistance Program for Kids (SCHIP-Title XIX)	N/A	93.767	71,744
<i>Passed Through Ohio Department of Mental Health:</i>			
Medical Assistance Program for Kids (SCHIP-Title XIX)	N/A	93.767	250,177
Total Medical Assistance Program for Kids (SCHIP-Title XIX)			321,921
Total U.S. Department of Health and Human Services			<u>4,606,384</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 4,606,384</u>

The accompanying notes to this schedule are an integral part of this schedule.

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports Recovery Services (the Government's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Government to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Government has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds



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*

Mental Health Recovery Services of Warren and Clinton Counties
Warren County
107 Oregonia Road
Lebanon, Ohio 45036

To the Members of the Board:

We have audited the financial statements of Mental Health Recovery Services of Warren and Clinton Counties, Warren County, Ohio (the Recovery Services), as of and for the year ended December 31, 2009, and have issued our report thereon dated June 1, 2010, wherein we noted the Government prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 Recovery Service's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government'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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government'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 Recovery Service'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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Mental Health Recovery Services of Warren and Clinton Counties
Warren County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 1, 2010



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

Mental Health Recovery Services of Warren and Clinton Counties
Warren County
107 Oregonia Road
Lebanon, Ohio 45036

To the Members of the Board:

Compliance

We have audited the compliance of Mental Health and Recovery Services of Warren and Clinton Counties, Warren County, Ohio (the Recovery Services), 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, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Recovery Service's major federal program. The Government'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 Government'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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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 Recovery Service'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 Government's compliance with those requirements.

In our opinion, Mental Health Recovery Services of Warren and Clinton Counties complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The Recovery Service'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 Recovery Service'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 opining on 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 Recovery Service's internal control over compliance.

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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 the audit committee, management, the Board, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 1, 2010

**MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse: GAAP Unqualified: Regulatory basis
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any 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)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any 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(a)?	No
(d)(1)(vii)	Major Programs (list):	Medicaid Assistance Program Title XIX, 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?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES

WARREN 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
JULY 1, 2010**