



Dave Yost • Auditor of State



**GALLIA JACKSON MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction,  
and Mental Health Services  
Gallia County  
53 Shawnee Lane  
P.O. Box 514  
Gallipolis, Ohio 45631

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, Gallia County, Ohio (the Board), as of and for the year ended December 31, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, Gallia County, Ohio, as of December 31, 2011, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the accounting basis Note 1 describes.

As described in Note 2, 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 have also issued our report dated May 9, 2012, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Board's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, and governmental activities. The Federal Awards Expenditures Schedule (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.



**Dave Yost**  
Auditor of State

May 9, 2012

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
Unaudited

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The discussion and analysis of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services' (the Board) financial performance provides an overall review of the Board's financial activities for the year ended December 31, 2011, within the limitations of the Board's cash basis of accounting. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Board's financial performance.

**Financial Highlights**

Key financial highlights for the year 2011 are as follows:

- Net assets decreased \$424,505.
- General receipts accounted for \$2,858 in receipts or 0.03 percent of all receipts. Program specific receipts in the form of operating grants and contributions accounted for \$8,066,615 or 99.97 percent of total receipts of \$8,069,473.
- The Board had \$8,493,978 in disbursements related to governmental activities; 95 percent of these disbursements were offset by program specific operating grants and contributions. General receipts of \$2,858 plus the cash balance from December 31, 2010 of \$1,531,507 were adequate to provide for these programs.
- The Board's major fund had \$1,106,188 in available cash and \$7,844,857 in receipts, \$8,256,090 in disbursements and \$496,489 in encumbrances. The fund balance at year-end equaled \$1,106,188.

**Using this Annual Financial Report**

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, 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 finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as what remains for future spending.

**Report the Board as a Whole**

Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis

While this document contains information used by the Board to provide programs and services for its service area, the view of the Board as a whole looks at all financial transactions and asks the question, "How did we do financially during calendar year 2011?" The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis answer this question. These two statements report the Board's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished on a cash basis. The causes of this change may be the result of many factors, some financial, some not.

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In the Statement of Net Assets and the Statement of Activities, all of the Board's activities are considered to be Governmental Activities.

- Governmental Activities – The Board's only program and associated services are reported here.

**Reporting the Board's Fund Financial Statements**

Fund Financial Statements

The Board's activities are reported in the fund financial statements, which focus on how money flows and the balance left at year-end available for spending in future periods. These fund financial statements are reported on a cash basis of accounting. The fund financial statements provide a detailed short-term view of the Board's mental health and dependency rehabilitation operations and the services they provide. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance mental health and dependency rehabilitation programs.

Fund financial statements provide detailed information about the Board's major fund – 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 and is being spent for the intended purpose. All of the Board's Activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Board's governmental operations and the basic 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 programs. The Board's significant governmental fund is presented on the financial statements in a separate column. The information for non-major 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 only major governmental fund is the General Fund.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

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 revenue (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.

**The Board as a Whole**

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

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
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**Table 1  
Net Assets**

	<b>Governmental Activities</b>	
	2011	2010
<b>Assets</b>		
Cash on deposit with Gallia County	\$ 1,107,002	\$ 1,531,507
 <b>Net Assets</b>		
Restricted for:		
Other Purposes	814	14,086
Unrestricted	1,106,188	1,517,421
 Total net assets	<u>\$ 1,107,002</u>	<u>\$ 1,531,507</u>

Total assets decreased \$424,505. The decrease is due primarily to an increase in revenues of 5.9 percent and an increase in disbursements of 13.4 percent.

Table 2 shows the changes in net assets for the year ended December 31, 2011 and comparison to 2010.

In 2011, 59.19 percent of the Board's total receipts were from Federal Funds, 40.78 percent were from State and other grant sources and .03 percent was from miscellaneous receipts. Program cash receipts accounted for 99.97 percent of the Board's total receipts in year 2011. These receipts consist primarily of Medicaid and its matching funds, and federal operating grants.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities</b>	
	2011	2010
<b>Receipts</b>		
<i>Program Cash Receipts</i>		
Operating Grants and Contributions	\$ 8,066,615	\$ 7,609,987
Total Program Cash Receipts	8,066,615	7,609,987
<i>General Receipts</i>		
Other Receipts	2,858	7,225
Total General Cash Receipts	2,858	7,225
<b>Total Cash Receipts</b>	\$8,069,473	7,617,212
 <b>Disbursements</b>		
<i>Current</i>		
Alcohol, Drug Addiction and Mental Health Services	8,493,978	7,488,689
<b>Total Disbursements</b>	8,493,978	7,488,689
 <b>Change in Net Assets</b>	(424,505)	128,523
 <b>Net Assets, January 1</b>	1,531,507	1,402,984
 <b>Net Assets, December 31</b>	<u>\$ 1,107,002</u>	<u>\$ 1,531,507</u>

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
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Contract services make up the vast majority of disbursements for the Board comprising 91.93% of total disbursements. Salaries and benefits comprise 6.94% of the total disbursements and other types of disbursements make up the remaining portion of disbursements.

The Statement of Activities 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. In other words, it identifies the cost of those services supported by miscellaneous receipts and prior year cash balance carryovers.

**Table 3  
Governmental Activities**

	<b>Total Cost of Services 2011</b>	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2011</b>	<b>Net Cost of Services 2010</b>
Alcohol, Drug Addiction and Mental Health Services:				
Salaries	\$ 393,047	\$ 394,950	\$ 393,047	\$ 394,950
Supplies	2,028	2,622	2,028	2,622
Equipment	240	2,284	240	2,284
Contracts – Repairs	7,698	12,461	7,698	12,461
Contracts – Services	7,808,818	6,805,128	(257,797)	(804,859)
Travel and Expenses	15,734	12,560	15,734	12,560
Public Employees Retirement	67,592	62,956	67,592	62,956
Unemployment Compensation	9,156	8,603	9,156	8,603
Medicare	5,699	5,727	5,699	5,727
Hospitalization	114,028	104,258	114,028	104,258
Other Expenses	69,938	77,140	69,938	77,140
<b>Total Disbursements</b>	<b>\$ 8,493,978</b>	<b>\$ 7,488,689</b>	<b>\$ 427,363</b>	<b>\$ (121,298)</b>

The dependence upon state and federal funds for governmental activities is apparent as the Board has no local monies or levy monies.

**The Board's Fund Financial Statements**

The Board's fund financial statements are accounted for using the cash basis of accounting. The fund financial statements had total receipts of \$8,069,473 and disbursements of \$8,493,978. The financial statements had a decrease in the cash balance of \$424,505 from the 2010 year-end cash balance. This decrease is mainly due to an increase in expenditures.

**Budgeting Highlights**

The Board's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2011, the Board amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. There was a significant change between the original and the final budget. For the General Fund, budget basis revenues were \$7,844,857, \$594,059 above original estimates of \$7,250,798. In addition, budget basis expenditures were \$8,752,579, \$1,314,143 above original estimates of \$7,438,436. The variances that did occur were mainly due to the fact that the Board is funded on the State's Fiscal Year (July through June) and thus projecting an exact budget is difficult at best.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
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Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
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**Economic Factors**

The receipts of the Board remain mainly stagnant. The increase was due to an increase in Medicaid services. The Board contracts with four provider agencies to deliver mental health and substance abuse services to the residents of Gallia, Jackson and Meigs Counties. However, the Board must pay for Medicaid services provided to Gallia, Jackson and Meigs County citizens by any qualified provider throughout Ohio. These costs have been increasing.

The Board will be challenged to maintain the current level of services and programs due to a stagnant receipts base and ordinary inflation. The Board and its administration must maintain careful financial planning and prudent fiscal management in order to balance the budget annually.

**Contacting the Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jennifer Metts, Fiscal Officer, at Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services, 53 Shawnee Lane, P.O. Box 514, Gallipolis, Ohio 45631.

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**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash on deposit with Gallia County Auditor	<u>\$1,107,002</u>
<i>Total Assets</i>	<u><u>\$1,107,002</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$814
Unrestricted	<u>1,106,188</u>
<i>Total Net Assets</i>	<u><u>\$1,107,002</u></u>

See accompanying notes to the basic financial statements

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>			
Salaries	\$393,047		(\$393,047)
Supplies	2,028		(2,028)
Equipment	240		(240)
Contracts - Repairs	7,698		(7,698)
Contracts - Services	7,808,818	\$8,066,615	257,797
Travel and Expenses	15,734		(15,734)
Public Employees Retirement	67,592		(67,592)
Unemployment Compensations	9,156		(9,156)
Medicare	5,699		(5,699)
Hospitalization (Health Insurance)	114,028		(114,028)
Other Expenses	69,938		(69,938)
<i>Total Governmental Activities</i>	<u>\$8,493,978</u>	<u>\$8,066,615</u>	(427,363)
<b>General Receipts:</b>			
Other Receipts			<u>2,858</u>
<i>Total General Receipts</i>			<u>2,858</u>
<i>Changes in Net Assets</i>			(424,505)
<i>Net Assets Beginning of Year</i>			<u>1,531,507</u>
<i>Net Assets End of Year</i>			<u>\$1,107,002</u>

See accompanying notes to the basic financial statements

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash on Deposit with Gallia County	\$1,106,188	\$814	\$1,107,002
<i>Total Assets</i>	<u>\$1,106,188</u>	<u>\$814</u>	<u>\$1,107,002</u>
<b>Fund Balances</b>			
Restricted for Family and Children First Council		\$814	\$814
Assigned to Encumbrances	\$496,489		496,489
Unassigned	609,699		609,699
<i>Total Fund Balances</i>	<u>\$1,106,188</u>	<u>\$814</u>	<u>\$1,107,002</u>

See accompanying notes to the basic financial statements

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

	General	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>			
Grants	\$7,841,999	\$224,616	\$8,066,615
Other Receipts	2,858		2,858
<b>Total Receipts</b>	<b>7,844,857</b>	<b>224,616</b>	<b>8,069,473</b>
<b>DISBURSEMENTS</b>			
Current:			
Salaries	363,539	29,508	393,047
Supplies	1,663	365	2,028
Equipment	240		240
Contracts - Repairs	7,698		7,698
Contracts - Services	7,620,668	188,150	7,808,818
Travel and Expenses	11,809	3,925	15,734
Public Employee's Retirement	63,461	4,131	67,592
Unemployment Compensation	8,332	824	9,156
Medicare	5,271	428	5,699
Hospitalization (Health Insurance)	114,028		114,028
Other Expenses	59,381	10,557	69,938
<b>Total Disbursements</b>	<b>8,256,090</b>	<b>237,888</b>	<b>8,493,978</b>
Excess of Receipts Over (Under) Disbursements	(411,233)	(13,272)	(424,505)
Fund Balances Beginning of Year	1,517,421	14,086	1,531,507
<b>Fund Balances End of Year</b>	<b>\$1,106,188</b>	<b>\$814</b>	<b>\$1,107,002</b>

See accompanying notes to the basic financial statements

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDING DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Grants	\$7,250,798	\$7,764,380	\$7,841,999	\$77,619
Miscellaneous			2,858	2,858
<i>Total Receipts</i>	<u>7,250,798</u>	<u>7,764,380</u>	<u>7,844,857</u>	<u>80,477</u>
<b>Disbursements</b>				
Current:				
Salaries	373,002	398,241	363,539	34,702
Supplies	2,525	2,525	1,663	862
Equipment	20,000	20,000	240	19,760
Contracts - Repairs	15,000	15,000	7,698	7,302
Contracts - Services	6,690,116	7,829,110	8,117,157	(288,047)
Travel and Expenses	16,625	16,625	11,809	4,816
Public Employee's Retirement	70,209	73,743	63,461	10,282
Unemployment Compensation	10,807	11,545	8,332	3,213
Medicare	5,913	6,279	5,271	1,008
Hospitalization (Health Insurance)	129,719	129,719	114,028	15,691
Other Expenses	104,520	104,520	59,381	45,139
Total Disbursements	<u>7,438,436</u>	<u>8,607,307</u>	<u>8,752,579</u>	<u>(145,272)</u>
Excess of Receipts Over (Under) Disbursements	<u>(187,638)</u>	<u>(842,927)</u>	<u>(907,722)</u>	<u>(64,795)</u>
Fund Balance Beginning of Year	640,223	640,223	640,223	0
Prior Year Encumbrances Appropriated	<u>877,198</u>	<u>877,198</u>	<u>877,198</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,329,783</u>	<u>\$674,494</u>	<u>\$609,699</u>	<u>(\$64,795)</u>

See accompanying notes to the basic financial statements

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**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Reporting Entity**

The Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services, Gallia County (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 an eighteen-member Board. Board members are appointed by the Board's Director and the legislative authorities as well as citizens of the Board. Those subdivisions are Gallia, Jackson, and Meigs Counties. 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.

The Board serves as the Administrative Agent for the Gallia Family and Children First Council (the Council). As Administrative Agent, the Board has appointing authority for the Council's employees and is responsible for determining that disbursements comply with policies prescribed by State departments in rules or interagency agreements. As required by the Revised Code, the Council is governed by a Board that includes the Executive Director of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services. The activities of the Family and Children First Council are reported as a Special Revenue Fund within the Board's Financial Statements.

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

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the Board consists of all funds, departments, boards and agencies that are not legally separate from the Board.

Component units are legally separate organizations for which the Board is financially accountable. Component units may also include organizations that are fiscally dependent on the Board in that the Board approves their budget, the issuance of their debt or the levying of their taxes. The Board has no component units.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. 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 Government Accounting Standards Board (GASB) pronouncements. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity wide statements versus budgetary expenditures are due to encumbrances outstanding at the beginning and end of the year.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

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

**B. Basis of Accounting (Continued)**

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

The Board's basic financial statements consist of government-wide statements including a statement of net assets and a statement of activities, and governmental financial statements providing more detailed 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. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities. The Board has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the Board at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements** – 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.

**C. Cash**

As required by Ohio Revised Code, the Gallia County Treasurer is custodian for the Board's cash. The Board's cash is held in Gallia County's cash and investment pool and is valued at the Gallia County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County by contacting Steve McGhee, Gallia County Treasurer, Gallia County Courthouse 18 Locust Street, Gallipolis, Ohio 45631.

**D. Fund Accounting**

The Board's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Board functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

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

**D. Fund Accounting (Continued)**

**Governmental Funds:**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance. The following is the Board's only major governmental fund:

**General Fund**

The General Fund is the operating fund of the Board and is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted 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. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

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

**E. Budgetary Process (Continued)**

**4. Budgetary Basis Fund Balances**

Differences between the budgetary basis fund balances and fund cash balances are due to encumbrances. The table below presents that difference for the Board's Major Fund:

	General Fund
Budgetary Basis Fund Balance	\$ 609,699
Encumbrances	496,489
Fund Cash Balance	\$ 1,106,188

**F. Property, Plant and Equipment**

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

**G. 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 liability under the Board's basis of accounting.

**H. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Board must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The nonspendable 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. It also includes the long-term amount of interfund loans.

**2. 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.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

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

**H. FUND BALANCE (Continued)**

**3. 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. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specific 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 separately 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.

**4. 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 established by the Board or a Board official delegated that authority by resolution, or by State Statute.

**5. 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.

**2. CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 2011, the Board implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The implementation of GASB Statement No. 54 had no effect on Fund Balances previously reported.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

**3. DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

Plan Description – The Board participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by 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, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. Members in the state and local classifications may participate in all three plans. For the year ended December 31, 2011, members in state and local classifications contributed 10 percent of covered payroll. The Board's 2011 contribution rate was 14.0 percent of covered payroll.

The Board's required contributions for pension obligations for the year ended December 31, 2011 was \$67,592.

**4. POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

Plan Description – 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 for 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. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

**4. POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Ohio Public Employees Retirement System (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.shtm>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

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 14.0 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB plan.

Each year, the OPERS Retirement 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 percent during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Board's contributions allocated to fund post-employment health care benefits for the year ended December 31, 2011 was \$19,311.

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

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES**

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

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability and
- Directors and Officers liability.

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the state and federal government. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any would not be material.

**7. ENCUMBRANCE COMMITMENTS**

At December 31, 2011, the board had encumbrance commitments in the Governmental Funds as follows:

General Fund	\$496,489
Other Governmental Funds	<u>26,218</u>
<b>Total Encumbrances</b>	<b><u>\$522,707</u></b>

**8. MEDICAID ELEVATION**

As a result of House Bill 153, Medicaid Elevation was implemented. Boards are responsible for claims with dates of service prior to July 1, 2011. It is assumed that providers will be submitting claims directly to the Ohio Department of Job and Family Services (ODJFS) for claims with dates of service on and after July 1, 2012 and providers will be directly reimbursed by ODJFS. It is uncertain what effect (if any) this will have on the Board's operations.

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Pass-Through Ohio Department of Mental Health:</i>			
Special Education - Grants for Infants and Families	84.181	N/A	\$18,599
ARRA- Special Education - Grants for Infants and Families	84.393	N/A	<u>15,483</u>
Total Special Education - Grants for Infants and Families			34,082
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	19,458
Social Services Block Grant	93.667	N/A	63,206
State Children's Health Insurance Program	93.767	N/A	167,537
Medical Assistance Program	93.778	N/A	2,087,952
ARRA - Medical Assistance Program		N/A	<u>159,689</u>
Total Medical Assistance Program			2,247,641
Block Grants for Community Mental Health Services Community Plan	93.958	N/A	84,045
<i>Pass-Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
State Children's Health Insurance Program	93.767	N/A	71,013
Medical Assistance Program	93.778	N/A	829,325
ARRA - Medical Assistance Program		N/A	<u>51,024</u>
Total Medical Assistance Program			880,349
Strategic Prevention Framework State Initiative Grant	93.243	N/A	53,452
Block Grants for the Prevention and Treatment of Substance Abuse	93.959	N/A	
Women's Set Aside			20,057
Per Capita			257,724
TASC			216,155
Community Coalition			42,255
Prevention Services			80,376
Youth Led Prevention			<u>3,525</u>
Total Block Grants for the Prevention and Treatment of Substance Abuse			<u>620,092</u>
Total United States Department of Health and Human Services			<u>4,240,875</u>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$4,240,875</u></u></b>

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

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services' (the Board'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 Board to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Board has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

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

Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction,  
and Mental Health Services  
Gallia County  
53 Shawnee Lane  
P.O. Box 514  
Gallipolis, Ohio 45631

To the Members of the Board:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, Gallia County, Ohio (the Board), as of and for the year ended December 31, 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon dated May 9, 2012, wherein we noted the Board uses a comprehensive accounting basis other than generally accepted accounting principles and adopted the provisions of Governmental Auditing Standards Board Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for 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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Board'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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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



**Dave Yost**  
Auditor of State

May 9, 2012



# Dave Yost • Auditor of State

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

Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction,  
and Mental Health Services  
Gallia County  
53 Shawnee Lane  
P.O. Box 514  
Gallipolis, Ohio 45631

To the Members of the Board:

### Compliance

We have audited the compliance of the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, Gallia County, Ohio (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Board's major federal program 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 program. The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to 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 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*. 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 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 program 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 Board, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

May 9, 2012

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL,  
DRUG ADDICTION AND MENTAL HEALTH SERVICES  
GALLIA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2011**

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

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

**GALLIA-JACKSON-MEIGS BOARD OF ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES**

**GALLIA 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  
MAY 29, 2012**