



Dave Yost • Auditor of State



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

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# Dave Yost • Auditor of State

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

To 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.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

August 8, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To Members of the Board:

We have audited the accompanying financial statements of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, Ohio (the Board), as of and for the year ended December 31, 2011. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

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, 2011 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of December 31, 2011, 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 of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, Ohio as of December 31, 2011, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 the Four County Board of Alcohol, Drug Addiction, and Mental Health Services 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 August 8, 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. The federal awards expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the 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 financial statements or to the 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 financial statements taken as a whole.



**Dave Yost**  
Auditor of State

August 8, 2012



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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Taxes	\$3,244,031		\$3,244,031
Intergovernmental Revenue	1,187,460	\$7,034,228	8,221,688
Gifts and Donations	500		500
Payments in Lieu of Taxes	2,523		2,523
Miscellaneous	18,724		18,724
<i>Total Cash Receipts</i>	4,453,238	7,034,228	11,487,466
<b>Cash Disbursements</b>			
Salaries	301,682		301,682
Medicare	4,374		4,374
Supplies	2,838		2,838
Equipment	1,158		1,158
Contracts - Repairs	672		672
Contracts - Services	3,419,845		3,419,845
Utilities	12,409		12,409
Computer Expenses/Repairs	3,491		3,491
Rentals	38,295		38,295
Education (Public Information)	18,657		18,657
Agency Dues	11,548		11,548
Project Fund Disbursements		6,924,949	6,924,949
Travel	1,446		1,446
Public Employees Retirement	45,852		45,852
Workers Compensation	3,700		3,700
Insurance	147,922		147,922
Levy Fees	90,240		90,240
Other	34,467		34,467
<i>Total Cash Disbursements</i>	4,138,596	6,924,949	11,063,545
<i>Excess of Cash Receipts Over Cash Disbursements</i>	314,642	109,279	423,921
<b>Other Financing Receipts (Disbursements)</b>			
Advances In		50,000	50,000
Advances Out	(50,000)		(50,000)
<i>Total Other Financing Receipts (Disbursements)</i>	(50,000)	50,000	
<i>Net Change in Fund Cash Balances</i>	264,642	159,279	423,921
<i>Fund Cash Balances, January 1</i>	3,845,725	1,085,011	4,930,736
<i>Fund Cash Balances, December 31</i>			
Restricted		1,244,290	1,244,290
Committed	552,640		552,640
Assigned	575,246		575,246
Unassigned	2,982,481		2,982,481
<i>Fund Cash Balances, December 31</i>	\$4,110,367	\$1,244,290	\$5,354,657

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

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

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

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

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Deposits and Investments**

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

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

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

**1. Summary of Significant Accounting Policies (Continued)**

408 Flex Fund – Provides financial assistance to provider agencies for the local management of services provided to persons with severe mental/emotional disabilities for the promotion and support of their recovery and resilience.

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

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Board 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 2011 budgetary activity appears in Note 2.

**F. Fund Balance**

For 2011, the Board implemented Governmental Accounting Standards Board (GASB) No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" which had no effect on fund balances. Under GASB No. 54, fund balances are 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 Board classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

**2. Summary of Significant Accounting Policies (Continued)**

**3. Restricted**

Fund balance is *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.

**4. Committed**

Trustees can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**5. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Board or a Board official delegated that authority by resolution, or by State Statute.

**6. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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.

**G. Property, Plant, and Equipment**

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

**H. 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.

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

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

**2. Budgetary Activity**

Budgetary activity for the year ending December 31, 2011 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,452,738	\$4,453,238	\$500
Special Revenue	6,892,020	7,034,228	142,208
Total	\$11,344,758	\$11,487,466	\$142,708

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,696,379	\$4,418,022	\$278,357
Special Revenue	7,807,983	7,058,540	749,443
Total	\$12,504,362	\$11,476,562	\$1,027,800

**3. Property Tax**

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

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

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

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

**4. Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. For 2011, OPERS members contributed 10% of their gross salaries and the Board contributed an amount equaling 14% of participants' gross salaries. The Board has paid all contributions required through December 31, 2011.

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

**NOTES TO THE 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;
- Vehicles;
- Errors and omissions; and
- Directors' and Officers' liability

The Board provides health insurance to full-time employees through a private carrier. The Board also provides these employees with an allotment up to \$4,800 per year for reimbursement of dental, vision, and other medical expenses not covered by insurance.

**6. Contingent Liabilities**

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

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

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

<b>FEDERAL GRANTOR</b>		Federal	
<i>Pass-through Grantor</i>		CFDA	
Program Title	Project Number	Number	Disbursements
<b>UNITED STATES DEPARTMENT OF JUSTICE BUREAU OF JUSTICE</b>			
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
Northwest Ohio Regional Wraparound	2009-JG-C01-6717	16.738	\$ 25,694
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<i>Passed through the Ohio Rehabilitation Services Commission</i>			
ARRA Recovery to Work	20-0020-VOCRHB T-11-11111	84.390	7,194
Recovery to Work	20-0020-VOCRHB T-12-11111	84.126	50,879
Total Recovery to Work (RSC VRP3)			<u>58,073</u>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through the Ohio Department of Mental Health</i>			
Social Services Block Grants - Title XX		93.667	75,970
Block Grants for Community Mental Health Services:			
Forensic Grant		93.958	2,679
Block Grants for Community Mental Health Services		93.958	<u>99,366</u>
Total Block Grants for Community Mental Health Services			102,045
Early Childhood Mental Health Grant		93.596	24,452
State Children's Health Insurance Program (SCHIP) - Title XXI		93.767	4,982
Medical Assistance Program (Medicaid) - Title XIX		93.778	1,710,162
ARRA Medical Assistance Program (Medicaid) - Title XIX		93.778	<u>146,576</u>
Total Medical Assistance Program Passed through the Ohio Department of Mental Health			1,856,738
<i>Passed through the Ohio Department of Alcohol and Drug Addiction Services</i>			
Strategic Prevention Framework State Incentive Grant		93.243	53,452
Medical Assistance Program (Medicaid) - Title XIX		93.778	272,387
ARRA Medical Assistance Program (Medicaid) - Title XIX		93.778	23,461
Total Medical Assistance Program Passed through the Ohio Department of Alcohol and Drug Addiction Services			<u>295,848</u>
Total Medical Assistance Program (Medicaid) - Title XIX			2,152,586
Block Grants for Prevention and Treatment of Substance Abuse:			
Youth-Led Prevention		93.959	3,930
Substance Abuse Prevention Treatment Block Grant		93.959	368,976
Women's Program	20-01140-00-WOMEN T-11-9027	93.959	130,780
	20-01140-00-WOMEN T-12-9027	93.959	71,179
Total - Women's Program			<u>201,959</u>
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>574,865</u>
Total United States Department of Health and Human Services			2,988,352
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b><u>\$ 3,072,119</u></b>

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

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – MATCHING REQUIREMENTS**

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



# 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*

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

To Members of the Board:

We have audited the financial statements of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, Ohio (the Board), as of and for the year ended December 31, 2011, and have issued our report thereon dated August 8, 2012, wherein we noted the Board followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and the Board adopted Governmental Accounting 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' *Board 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 opinion 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 *Board Auditing Standards*.

Four County Board of Alcohol, Drug Addiction,  
and Mental Health Services  
Henry 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 Members, federal awarding agencies and pass-through entities, and others within the Board. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

August 8, 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

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

To Members of the Board:

### Compliance

We have audited the compliance of Four County Board of Alcohol, Drug Addiction, and Mental Health Services, Henry County, 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 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 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, Four County Board of Alcohol, Drug Addiction, and Mental Health Services complied, in all material respects, with the requirements referred to above that could directly and materially affect each of 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.

Four County Board of Alcohol, Drug Addiction,  
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Applicable to Each Major Federal Program and on Internal Control Over  
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Page 2

*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 Members, others within the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

August 8, 2012

**FOUR COUNTY BOARD OF ALCOHOL, DRUG ADDICTION,  
AND MENTAL HEALTH SERVICES  
HENRY 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>	GAAP - Adverse Regulatory - Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title XIX – Medical Assistance Program – CFDA #93.778 and Block Grant for, Prevention and Treatment of Substance Abuse – CFDA #93.959
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**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

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# Dave Yost • Auditor of State

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

**HENRY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 23, 2012**