



**MENTAL HEALTH AND RECOVERY SERVICES
BOARD OF SENECA, SANDUSKY, AND WYANDOT COUNTIES**

SENECA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES**

SENECA COUNTY

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Mary Taylor, CPA
Auditor of State

Mental Health and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
600 North River Road
Tiffin, Ohio 44883-1173

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 a February 2, 2005. 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 opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Mary Taylor, CPA
Auditor of State

September 24, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mental Health and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
600 North River Road
Tiffin, Ohio 44883-1173

To the Members of the Board:

We have audited the accompanying financial statements of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, (the Board) as of and for the year ended December 31, 2006. 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 in Note 3 to the accompanying financial statements, the Board's expendable trust fund has been reclassified.

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 for 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat

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their statements. The Board has elected not to reformat its statements. Since this Board does not use GAAP to measure financial statement amounts, 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, 2006, 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, 2006, 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 the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, as of December 31, 2006, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The Board has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2007, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the financial statements that collectively comprise the Board's financial statements. The 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 financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Mary Taylor, CPA
Auditor of State

September 24, 2007

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY AND WYANDOT COUNTIES**

SENECA COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Fund</u>	
Cash Receipts:				
Grants	\$ 909,204	\$ 6,268,865		\$ 7,178,069
Investment Income			\$ 97	97
Gifts, Donations, and Bequests	2,479			2,479
Other Receipts	<u>2,787</u>	<u>35,162</u>		<u>37,949</u>
Total Cash Receipts	<u>914,470</u>	<u>6,304,027</u>	<u>97</u>	<u>7,218,594</u>
Cash Disbursements:				
Current:				
Salaries	177,970	289		178,259
Supplies	4,766			4,766
Equipment	1,069	2,467		3,536
Contracts - Other	17,241			17,241
Contracts - Services	407,656	6,229,473	2,000	6,639,129
Legal	4,704			4,704
Travel	13,909			13,909
Public Employee's Retirement	26,023	26		26,049
Worker's Compensation	3,923	55		3,978
Medicare	1,486			1,486
Insurance	1,185	30,331		31,516
Other	<u>127,814</u>	<u>28,525</u>		<u>156,339</u>
Total Disbursements	<u>787,746</u>	<u>6,291,166</u>	<u>2,000</u>	<u>7,080,912</u>
Total Receipts Over/(Under) Disbursements	<u>126,724</u>	<u>12,861</u>	<u>(1,903)</u>	<u>137,682</u>
Other Financing Receipts:				
Reimbursements		<u>14,203</u>		<u>14,203</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	126,724	27,064	(1,903)	151,885
Fund Cash Balances, January 1	<u>523,483</u>	<u>2,425,496</u>	<u>22,985</u>	<u>2,971,964</u>
Fund Cash Balances, December 31	<u>\$650,207</u>	<u>\$2,452,560</u>	<u>\$21,082</u>	<u>\$3,123,849</u>
Reserves for Encumbrances, December 31	<u>\$44,696</u>	<u>\$807,857</u>	<u>\$1,000</u>	<u>\$853,553</u>

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

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES**

SENECA COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006**

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 and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, (the Board) as a body corporate and politic. An eighteen-member Board is the governing Body. Ten members of the Board are appointed by the Board of County Commissioners from the respective counties of which members are residents, four members are appointed by the State of Ohio, Department of Mental Health and four members are appointed by the State of Ohio, Department of Alcohol and Drug Addiction Services. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board. Private and public agencies are the primary service providers, through Board contracts.

The Board plans for, contracts for, monitors, and evaluates services to and is a joint venture of Seneca, Sandusky, and Wyandot Counties. The counties share in the equity of the Board based on the percentage of the population within the three counties. The population in each of the joint venture participants is: Sandusky County 61,753 (43 percent), Seneca County 57,734 (41 percent), and Wyandot County 22,826 (16 percent).

The Seneca County Auditor and Seneca County Treasurer are responsible for accountability of records and cash assets of the Board which are maintained in the funds described below.

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

B. Basis of Accounting

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

As Ohio law requires, the Seneca County Treasurer is custodian for the Board's cash and investments. The County's cash and investment pool holds the Board's cash, valued at the County Treasurer's carrying amount.

D. Fund Accounting

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

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES**

SENECA COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

1. General Fund

The General Fund accounts for 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 trusts or for capital projects) restricted to expenditure for specific purposes. The Board had the following significant Special Revenue Funds:

Medicaid Fund – This fund receives federal money for services rendered by provider agencies.

408 Fund – This fund receives state money for the local match for Medicaid expenditures and support services for disabled adults and children.

3. Fiduciary Fund

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Board's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Board had the following significant Fiduciary Fund:

Donelson Trust – This fund is private purpose trust fund used for the benefit of the people residing in Wyandot County who require mental health assistance.

E. Budgetary Process

The Ohio Revised Code requires the Board to budget each fund.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES**

SENECA COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

3. Encumbrances

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

A summary of 2006 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31 as follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$914,279	\$914,470	\$191
Special Revenue	6,388,219	6,318,230	(69,989)
Fiduciary	97	97	
Total	\$7,302,595	\$7,232,797	(\$69,798)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,087,851	\$832,442	\$255,409
Special Revenue	7,832,606	7,099,023	733,583
Fiduciary	3,000	3,000	
Total	\$8,923,457	\$7,934,465	\$988,992

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY, AND WYANDOT COUNTIES**

SENECA COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(Continued)**

3. RECLASSIFICATION OF FUND BALANCE

Pursuant to Governmental Accounting Standards Board Statement Number 34, the Board has reclassified its expendable trust fund to a private purpose fund for 2006. The effect on fund balance is as follows:

	Expendable Trust	Private Purpose Trust
Fund Balances as reported at December 31, 2005	\$22,985	
Reclassification of Fund Balance	<u>(\$22,985)</u>	<u>\$22,985</u>
Restated Fund Balance at January 1, 2006	<u><u> </u></u>	<u><u>\$22,985</u></u>

4. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2006, OPERS members contributed 9 percent of their gross salaries. The Board contributed an amount equal to 13.70 percent of participants' gross salaries. The Board has paid all contributions required through December 31, 2006.

5. RISK MANAGEMENT

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Crime
- Electronic Data Processing.

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY AND WYANDOT COUNTIES**

SENECA COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006**

FEDERAL GRANTOR	Pass Through	Federal	
<i>Pass Through Grantor</i>	Entity	CFDA	
Program Title	Number	Number	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Health:</i>			
Social Services Block Grant		93.667	\$ 75,033
			36,931
Total for Social Services Block Grant			<u>111,964</u>
Public Health and Social Services Emergency Fund	K885 FY 2006	93.003	2,556
Block Grants for Community Mental Health Services	CPBG 06	93.958	11,622
			49,030
			41,034
	CPBG 07		25,152
			11,550
			1,902
Total Block Grants for Community Mental Health Services			<u>140,290</u>
Medical Assistance Program	MH-FY05	93.778	8,027
	MH-FY06		1,378,844
	MH-FY07		393,087
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Medical Assistance Program			279
			220,805
			74,296
Total Medical Assistance Program			<u>2,075,338</u>
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Substance Abuse and Mental Health Services	FY 06	93.243	99,764
Drug-Free Communities Support Program Grants	FY 05	93.276	99,987
	FY 06		21,661
			<u>121,648</u>
Block Grants for Prevention and Treatment of Substance Abuse	SAPT 06	93.959	320,300
	SAPT 07		141,274
	TASC 06		54,755
	TASC 07		64,760
	DFCC 06		22,500
	DFCC 07		22,500
	CIT 07		3,668
Total for Block Grants for Prevention and Treatment of Substance Abuse			<u>629,757</u>
Total Federal Awards Expenditures			<u><u>\$3,181,317</u></u>

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

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY AND WYANDOT COUNTIES**

SENECA COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2006**

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 - SUBRECIPIENTS

The Board passes-through certain Federal assistance received from the Ohio Department of Mental Health, Ohio Department of Alcohol and Drug Addiction Services and Ohio Office of the Secretary to other governments or not-for-profit agencies (subrecipients). As described in Note A, the Board records expenditures of Federal awards to subrecipients when paid in cash. All of the federal expenditures presented in the schedule are awarded to subrecipients.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the Board is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C - MATCHING REQUIREMENTS

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

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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 and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
600 North River Road
Tiffin, Ohio 44883-1173

To Members of the Board:

We have audited the financial statements of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, (the Board) as of and for the year ended December 31, 2006, and have issued our report thereon dated September 24, 2007, wherein we noted the Board 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 and the Board reclassified its trust fund. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Board's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Board's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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 did note a certain noncompliance matter that we reported to the Board's management in a separate letter dated September 24, 2007.

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



Mary Taylor, CPA
Auditor of State

September 24, 2007



Mary Taylor, CPA

Auditor of State

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

Mental Health and Recovery Services Board
of Seneca, Sandusky, and Wyandot Counties
Seneca County
600 North River Road
Tiffin, Ohio 44883-1173

To Members of the Board:

Compliance

We have audited the compliance of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, (the Board) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the Board's major federal program. The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties, Seneca County, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

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

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

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

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

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



Mary Taylor, CPA
Auditor of State

September 24, 2007

**MENTAL HEALTH AND RECOVERY SERVICES BOARD
OF SENECA, SANDUSKY AND WYANDOT COUNTIES**

SENECA COUNTY

**SCHEDULE OF FINDINGS OMB CIRCULAR A-133 § .505
DECEMBER 31, 2006**

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 weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Medical Assistance Program CDFA # 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 FOR FEDERAL AWARDS

None.



Mary Taylor, CPA
Auditor of State

**MENTAL HEALTH AND RECOVERY SERVICES BOARD OF
SENECA, SANDUSKY AND WYANDOT COUNTIES**

SENECA 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
OCTOBER 11, 2007**