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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning JULY 1 , 2009, and ending JUNE 30 , 20 10

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type See Specific Instructions.

C Name of organization **WASHINGTON CO MENTAL HEALTH AUTHORITY, I**

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite

339 EAST ANTIETAM STREET

City or town, state or country, and ZIP + 4

HAGERSTOWN, MD 21740

D Employer identification number **52 : 1689627**

E Telephone number **(301) 739-2490**

G Gross receipts $ **2,348,300**

F Name and address of principal officer **MARSHALL ROCK**
SAME AS C ABOVE

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ►

I Tax-exempt status ☑ 501(c) (3)◄ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ► **WWW.WCMHA.ORG**

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ► L Year of formation **1990** M State of legal domicile **MD**

Part I Summary

1 Briefly describe the organization's mission or most significant activities: **TO MANAGE AND COORDINATE THE PUBLICLY FUNDED MENTAL HEALTH SERVICES SYSTEM AND TO PROMOTE FULL COMMUNITY PARTICIPATION IN THE PLANNING AND DELIVERY OF MENTAL HEALTH SERVICES IN WASHINGTON COUNTY.**

2 Check this box ► ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of employees (Part V, line 2a)	5	4
6	Total number of volunteers (estimate if necessary)	6	6
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,853,837	2,347,858
9	Program service revenue (Part VIII, line 2g)	0	0
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,367	442
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,855,204	2,348,300
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,497,366	1,992,816
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	298,944	292,508
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ►		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	58,536	63,398
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2,854,846	2,348,722
19	Revenue less expenses. Subtract line 18 from line 12	358	(422)

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	693,196	524,745
21	Total liabilities (Part X, line 26)	526,887	358,858
22	Net assets or fund balances. Subtract line 21 from line 20	166,309	165,887

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer Marshall Rock Date 2/8/11

Type or print name and title MARSHALL ROCK Executive Director

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ► ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 | EIN ► | Phone no ► ( )

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form **990** (2009)

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
TO MANAGE AND COORDINATE THE PUBLICLY FUNDED MENTAL HEALTH SERVICES SYSTEM AND TO PROMOTE FULL COMMUNITY PARTICIPATION IN THE PLANNING AND DELIVERY OF MENTAL HEALTH SERVICES IN WASHINGTON COUNTY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code.) (Expenses $ **1,840,517** including grants of $ **1,840,517**) (Revenue $)
THE ORGANIZATION ACTS AS A CLEARING HOUSE, DISTRIBUTING FUNDS FROM THE STATE OF MARYLAND TO LOCAL MENTAL HEALTH SERVICE ORGANIZATIONS. THE RECIPIENT ORGANIZATIONS ARE ALL NONPROFIT ORGANIZATIONS.

4b (Code:) (Expenses $ **152,299** including grants of $ **152,299**) (Revenue $)
SHELTER PLUS CARE - THE ORGANIZATION ACTS AS THE LIASON BETWEEN THE MENTAL HYGIENE ADMINISTRATION AND WASHINGTON COUNTY FOR THE LOCAL ADMINISTRATION OF THE SHELTER PLUS CARE GRANT.

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 1,992,816

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		✓
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	✓	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII.*	12	✓	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.* (Yes / No)	12A		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		✓

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II.*	21	✓	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	✓	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		✓
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	24		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	4		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a			✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			✓
b	If "Yes," enter the name of the foreign country: ► ..... See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			✓
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body 1a 6			
b	Enter the number of voting members that are independent 1b 6			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		✓
6	Does the organization have members or stockholders?	6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b		✓
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O* . . .	9a		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11		✓
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13* . .	12a		✓
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c		
13	Does the organization have a written whistleblower policy?	13		✓
14	Does the organization have a written document retention and destruction policy?	14		✓
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		✓
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ **KATHLEEN ZIMMERMAN, 301-739-2490, 339 EAST ANTIETAM STREET, SUITE 5, HAGERSTOWN, MD 21740.**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order. individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
CONNIE PAULEY PRESIDENT	2	✓		✓				0	0	0
SUSAN MACDONALD VICE PRESIDENT	1	✓		✓				0	0	0
PATRICK FLICKINGER, JR. TREASURER	2	✓		✓				0	0	0
JENNIFER BARRETT DIRECTOR	1	✓						0	0	0
TONY REEDER DIRECTOR	1	✓						690	0	0
CHRISTINE CASSATT DIRECTOR	1	✓						0	0	0
MARSHALL ROCK EXECUTIVE DIRECTOR	40			✓				83,673	0	10,639
KATHLEEN ZIMMERMAN FINANCE DIRECTOR	40			✓				60,542	0	14,890

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								**144,905**	**0**	**25,529**

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	2,347,858			
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a–1f	▶	2,347,858			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f	▶				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	▶	442			442
	4 Income from investment of tax-exempt bond proceeds	▶				
	5 Royalties	▶				
		(i) Real / (ii) Personal				
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)	▶				
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)	▶				
	8a Gross income from fundraising events (not including $ ..... of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events	▶				
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities	▶				
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory	▶				
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d	▶				
	12 **Total revenue.** See instructions.	▶	2,348,300			442

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	1,548,171	1,548,171		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	444,645	444,645		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	160,310		160,310	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	92,767		92,767	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,441		9,441	
9 Other employee benefits	11,525		11,525	
10 Payroll taxes	18,465		18,465	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	10,600		10,600	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	129		129	
13 Office expenses	13,640		13,640	
14 Information technology				
15 Royalties				
16 Occupancy	20,917		20,917	
17 Travel	4,759		4,759	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	725		725	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,212		1,212	
23 Insurance	4,026		4,026	
24 Other expenses. Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a CONSULTANTS	462		462	
b DUES & SUBSCRIPTIONS	6,265		6,265	
c EMPLOYEE ACTIVITIES	663		663	
d				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	2,348,722	1,992,816	355,906	
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		100	1	100
	2	Savings and temporary cash investments		77,812	2	83,431
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		602,269	4	421,415
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		3,995	9	11,441
	10a	Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	10a 47,789			
	b	Less: accumulated depreciation	10b 44,599	3,852	10c	3,190
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		5,168	15	5,168
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		693,196	16	524,745
Liabilities	17	Accounts payable and accrued expenses		366,408	17	208,039
	18	Grants payable			18	
	19	Deferred revenue		160,479	19	150,819
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities. Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		526,887	26	358,858
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		166,309	27	165,887
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		166,309	33	165,887
	34	Total liabilities and net assets/fund balances		693,196	34	524,745

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		✓
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c		✓
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	✓	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	✓	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization	**Employer identification number**
WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.	**52 : 1689627**

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: .....

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1707631	1777397	2204524	2853837	2347858	10891247
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	1707631	1777397	2204524	2853837	2347858	10891247
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						10891247

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	1707631	1777397	2204524	2853837	2347858	10891247
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	8445	14793	11553	1367	442	36600
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						10927847

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . 14 **99.67** %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 **99.61** %

16a **33⅓ % support test—2009.** If the organization did not check the box on line 13, and line 14 is 33⅓ % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☑

b **33⅓ % support test—2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓ % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . ▶ ☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19a **33⅓ % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓ % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

Employer identification number
52 : 1689627

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or pleasure)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ $ .....
- (ii) Assets included in Form 990, Part X ▶ $ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ .....

b Assets included in Form 990, Part X ▶ $ .....

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other .....

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► ..... %
b Permanent endowment ► ..... %
c Term endowment ► ..... %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		47,789	44,599	3,190
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				3,190

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
DEPOSITS	**5,168**
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15)* ▶	**5,168**

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,348,300
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,348,722
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(422)
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4 through 8	9	0
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	(422)

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	2,348,300
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	2,348,300
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2,348,300

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	2,348,722
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	2,348,722
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	2,348,722

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

Employer identification number

52 : 1689627

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
W.C. COMMISSION ON AGING HAGERSTOWN, MD 21740	52-0899001	501(c)(3)	88,053	0			MENTAL HLTH SVC
INCLUSION RESEARCH INST WASHINGTON, D.C. 20007	52-2272438		5,925	0			MENTAL HLTH SVC
INST FAMILY CENTERED SVC HENRICO, VA 23294	54-1503721	501(c)(3)	128,069	0			MENTAL HLTH SVC
DR. CORRIENE KURZ SMITHSBURG, MD 21783	107440458		69,840	0			MENTAL HLTH SVC
MAIN STREET HOUSING BALTIMORE, MD 21227	52-2322163	501(c)(3)	9,100	0			MENTAL HLTH SVC
MD COALITION OF FAMILIES COLUMBIA, MD 21044-3273	52-2211436	501(c)(3)	61,709	0			MENTAL HLTH SVC
NAMI MARYLAND GLEN BURNIE, MD 21061	52-1295484	501(c)(3)	129,966	0			MENTAL HLTH SVC
OFFICE OF CONSUMER ADV HAGERSTOWN, MD 21740	52-2116425	501(c)(3)	318,247	0			MENTAL HLTH SVC
ON OUR OWN OF MARYLAND BALTIMORE, MD 21227	52-1812414	501(c)(3)	78,704	0			MENTAL HLTH SVC
POTOMAC CASE MANAGEMENT HAGERSTOWN, MD 21740	52-2118801	501(c)(3)	36,333	0			MENTAL HLTH SVC
W.C. BOARD OF EDUCATION HAGERSTOWN, MD 21740	52-6001035	501(c)(3)	16,500	0			MENTAL HLTH SVC
W.C. HEALTH DEPARTMENT HAGERSTOWN, MD 21740	52-1842599		56,300	0			MENTAL HLTH SVC

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 10

3 Enter total number of other organizations . . . . . ▶ 4

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
CONSUMER SUPPORT FUNDS	73	20,116	0		
HOUSING ASSISTANCE	26	152,299	0		
SELF DIRECTED CASE SUPPORT FUNDS	45	34,428	0		
ADULT FOSTER CARE	9	216,068	0		
INDIVIDUAL SPECIAL ASSISTANCE	1	21,734	0		

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: VENDORS ARE REQUIRED TO SIGN A CONTRACT DETAILING GRANT REQUIREMENTS. THE VENDORS ARE MONITORED ON A REGULAR BASIS VIA WRITTEN REPORTS. ADDITIONALLY, ANNUAL ON-SITE MONITORING OF THE VENDORS VERIFIES CONTRACT REQUIREMENTS ARE MET.

SCHEDULE I-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule I (Form 990)

▶ Attach to Form 990 to list additional information for Schedule I (Form 990), Part II or Part III.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

Employer identification number

52 : 1689627

Part I Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
W.C. HOSPITAL ASSOCIATION HAGERSTOWN, MD 21740	52-0607949		130,393	0			MENTAL HLTH SVC
WAY STATION, INC. HAGERSTOWN, MD 21740	52-11627949	501(c)(3)	402,341	0			MENTAL HLTH SVC

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

► Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

Employer identification number

52 : 1689627

FORM 990, PART VI, SECTION B, LINE 11A: THE 990 IS REVIEWED BY THE EXECUTIVE DIRECTOR.

FORM 990, PART VI, SECTION C, LINE 18: DOCUMENTS ARE MADE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES THE FOLLOWING DOCUMENTS AVAILABLE TO THE PUBLIC: GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS. THESE DOCUMENTS ARE MADE AVAILABLE FOR INSPECTION UPON REQUEST. THE DOCUMENTS CAN BE REVIEWED IN THE ORGANIZATION'S OFFICE.

WASHINGTON COUNTY
MENTAL HEALTH AUTHORITY, INC.

FINANCIAL REPORT
and
OMB CIRCULAR A-133 SUPPLEMENTARY REPORT

JUNE 30, 2010

CONTENTS

SEK&Co
Smith Elliott Kearns & Company, LLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Washington County Mental Health Authority, Inc.
Hagerstown, Maryland

We have audited the accompanying statements of financial position of Washington County Mental Health Authority, Inc. (Authority) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington County Mental Health Authority, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2011, on our consideration of Washington County Mental Health Authority, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
January 19, 2011

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 83,531	$ 77,912
Accounts receivable	421,415	602,269
Prepaid expenses	11,441	3,995
Equipment, net	3,190	3,852
Deposit	5,168	5,168
TOTAL ASSETS	$ 524,745	$ 693,196
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 192,108	$ 349,936
Accrued salaries and other payroll liabilities	15,931	16,472
Deferred revenue	150,819	160,479
TOTAL LIABILITIES	$ 358,858	$ 526,887
UNRESTRICTED NET ASSETS	165,887	166,309
TOTAL LIABILITIES AND NET ASSETS	$ 524,745	$ 693,196

The Notes to Financial Statements are an integral part of these statements

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
REVENUES AND OTHER SUPPORT		
	$ 1,676,994	$ 1,895,968
Federal grants	561,897	562,121
Emergency Preparedness	5,925	294,030
	69,840	65,718
	27,930	27,780
Interest	442	1,367
Miscellaneous	5,272	8,220
TOTAL REVENUES AND OTHER SUPPORT	$ 2,348,300	$ 2,855,204
EXPENSES		
Accounting	$ 1,200	$ 1,130
Advertising	129	72
Audit	9,400	6,600
Contract labor	462	875
Depreciation	1,212	959
Dues and subscriptions	6,265	6,340
Employee activities	663	783
Employee benefits	46,979	45,607
Equipment	910	-
Housekeeping	690	750
Liability insurance	4,026	3,921
Printing	-	49
Program grants	1,992,816	2,497,366
Rent	20,227	19,735
Repairs and maintenance	2,708	3,204
Salaries and payroll taxes	245,529	253,337
Supplies and postage	5,692	4,223
Training	725	379
Travel	4,759	5,110
Utilities and telephone	4,330	4,406
TOTAL EXPENSES	$ 2,348,722	$ 2,854,846
CHANGE IN UNRESTRICTED NET ASSETS	$ (422)	$ 358
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	166,309	165,951
UNRESTRICTED NET ASSETS, END OF YEAR	$ 165,887	$ 166,309

The Notes to Financial Statements are an integral part of these statements

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (422)	$ 358
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,212	959
(Increase) decrease in accounts receivable	180,854	(364,099)
(Increase) in prepaid expenses	(7,446)	(2,924)
Increase (decrease) in accounts payable	(157,828)	174,833
Increase (decrease) in accrued salaries and other payroll liabilities	(541)	2,836
(Decrease) in deferred revenue	(9,660)	(82,832)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 6,169	$ (270,869)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	$ (550)	$ (2,342)
NET INCREASE (DECREASE) IN CASH	$ 5,619	$ (273,211)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	77,912	351,123
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 83,531	$ 77,912

The Notes to Financial Statements are an integral part of these statements

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization and Nature of Operations:

Washington County Mental Health Authority, Inc. (Authority) was formed to manage and coordinate the publicly funded mental health services system and to promote full community participation in the planning and delivery of mental health services in Washington County. The Authority acts as a clearinghouse, distributing funds from the state to local mental health services providers. The recipient local mental health service providers are nonprofit organizations whose financial statements are not included herein. The Authority's support comes primarily from the State of Maryland.

Basis of Presentation:

The financial statements are presented in accordance with generally accepted accounting principles and require net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets. The Authority had no temporarily or permanently restricted net assets at June 30, 2010 or 2009.

Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Revenues and Expenditures:

Grant revenues include certain grantor imposed restrictions and program requirements that are met in the same reporting period. Therefore, grant revenues and the related expenditures are reported as unrestricted in the financial statements.

Revenue Recognition:

Revenue from federal, state and local government grants are recognized, generally, when the related expenditures are recognized. Revenues from all other sources except contributions are recognized when received. To the extent applicable, deferred revenue is recognized for succeeding fiscal year revenues received prior to year-end.

The State of Maryland Department of Health and Mental Hygiene (DHMH) funds the mental health system with fee for services based reimbursements. Under this funding method, the fee for service payments for covered services are paid directly to the local mental health providers and do not flow through the Authority.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (continued):

Under the method of funding the delivery of mental health services to the citizens of Maryland from various grants, payments made to providers are based on a contract setting forth specific amounts to be provided by DHMH. DHMH could request any excess funds be returned and distributed to other state contracted providers, or rolled over into future periods to be used locally.

Accounts Receivable:

The Authority does not normally provide credit to its customers. Receivables are recorded for reimbursement of expenditures from government grants. Management of the Authority periodically reviews the collectability of accounts receivable, and those accounts which are considered not collectible are written off as bad debts. Based on management's review, at June 30, 2010 and 2009, an allowance for doubtful accounts is not considered necessary.

Equipment:

Equipment is recorded at cost. Depreciation of fixed assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives, between three and seven years, using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. The Authority capitalizes property and equipment costing over $500 with estimated useful lives in excess of one year.

Advertising:

Advertising costs are expensed as incurred and amounted to $129 and $72 for the years ending June 30, 2010 and 2009, respectively.

Income Tax Status:

The Authority is a not-for-profit corporation as defined under Section 501(c)(3) of the Internal Revenue Code and, is exempt from federal income tax pursuant to Section 501(a) of the Internal Revenue Code. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Authority has no unrelated business income for the years ended June 30, 2010 and 2009.

The Authority follows the FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an enterprise's financial statements. As of June 30, 2010, the Authority had no uncertain tax positions that require either recognition or disclosure in the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Income Tax Status (continued):
Generally, the tax years before 2007 are no longer subject to examination by federal, state, or local taxing authorities.

Concentrations:
The Authority's funding is primarily received

Statement of Cash Flows:
For purposes of the statement of cash flows, the Authority considers all highly liquid deposits with a maturity of three months or less to be cash equivalents.

Note 2. Cash and Cash Equivalents

The Authority places its demand deposits with local financial institutions. At times such balances may be in excess of Federal Deposit Insurance Corporation insurance limits. Management has considered the circumstances and believes the risk to be a normal business risk.

The Authority participates in the State of Maryland Local Government Investment Pool (MLGIP) established by Article 95 Section 22G of the Annotated Code of Maryland. The fund is administered by the State Treasurer who invests the funds in accordance with the provisions set forth in Section 6-222 of the State Finance and Pronouncement Article of the Annotated Code of Maryland.

At June 30, 2010 and 2009, the Authority's participation in the MLGIP was limited to a money market with a carrying amount of $31,735 and $31,662, respectively. The money market account is carried at cost. Market value approximates cost.

Note 3. Equipment and Depreciation

	Cost	Accumulated Depreciation	Net Book Value
2010			
Equipment	$ 47,789	$ 44,599	$ 3,190
2009			
Equipment	$ 48,706	$ 44,854	$ 3,852

Depreciation expense was $1,212 and $959 for 2010 and 2009, respectively.

Note 4. Line of Credit

The Authority has a $50,000 revolving line of credit with Susquehanna Bank that is renewed annually. Interest on the unpaid principal balance is equal, at all times, to the prime rate plus one percent as published in the Wall Street Journal list of "money rates" (3.25% at June 30, 2010). The line of credit is unsecured. There were no borrowings against the line of credit at June 30, 2010 and 2009.

Note 5. Retirement Plan

The Authority maintains variable annuity contracts with an insurance company for each of its employees who elect to participate. The Authority pays an amount equal to 7% of an employee's gross salary into their retirement plan and will match up to an additional 4% of their contributions. During the years ended June 30, 2010 and 2009 contributions by the Authority amounted to $24,214 and $24,652, respectively.

Note 6. Operating Lease

The Authority leases office space, primarily for administrative purposes. Beginning on August 1, 2005, the monthly lease payments were $2,753 for the first three months then decreased to $1,530 per month, with yearly increases of 2.5% beginning August 1, 2006 as set forth in the lease agreement. The lease will expire July 31, 2012, at which time the lease would convert to a month-to-month basis absent any agreement to extend the initial term.

The following is a schedule by years of future minimum rental payments required under the operating lease as of June 30, 2010:

Year Ending June 30,	
2011	$ 20,730
2012	$ 21,245
2013	$ 1,774

Rent expense under the operating lease amounted to $20,227 and $19,735 for the years ended June 30 2010 and 2009, respectively.

Note 7. Risk Management

The Authority maintains professional liability insurance coverage up to $2,000,000 per occurrence. Management believes this coverage is adequate against potential malpractice claims.

Note 8. Contingencies

In the normal course of operation, the Authority receives grant funds and program funding from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the grant of funds. The liability in deferred revenue at June 30, 2010 and 2009 relates to rollover money to be expended in future periods upon State approval. Any additional liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 9. Approved Use of Rollover Funds

DHMH had approved the use of fiscal year 2009 rollover funds to pay certain approved expenditures during fiscal year 2010, with the exception of $1,003 that was paid back during fiscal year 2010. As of January 19, 2011, the Authority has not yet received notification of approval or denial of use of the fiscal year 2010 rollover funds.

Note 10. Relationship with Frederick County Mental Health Management Agency (FCMHMA)

The Authority has agreed to provide fiscal services to FCMHMA for an average of 16 hours per week at a rate of $40 per hour. During fiscal year 2010 and 2009, the Authority received $27,930 and $27,780, respectively, for their contracted services.

Note 11. Related Party Transactions

The Washington County Commission on Aging has a contract with the Authority to provide Level E case management services to adults with mental illnesses. The Executive Director of the Commission on Aging is also the Vice President of the Authority. The Authority has paid the Commission on Aging $26,709 and $27,893 during fiscal year 2010 and 2009, respectively. As of June 30, 2010 and 2009, the Authority owed the Commission on Aging $2,368 for providing Level E case management services.

A board member works on a contractual basis for the Authority to provide maintenance services. The Authority has paid the board member $690 and $750 during fiscal year 2010 and 2009, respectively.

Note 12. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

- Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using pricing models or discounted cash flows.

- Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk.

Fair value of assets measured on a recurring basis at June 30, 2010 and 2009 are as follows:

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2010				
MLGIP - money market	$ 31,735	$ -	$ 31,735	$ -
June 30, 2009				
MLGIP - money market	$ 31,662	$ -	$ 31,662	$ -

Note 13. Subsequent Events

The Authority has evaluated events and transactions subsequent to June 30, 2010 through January 19, 2011, the date these financial statements were available to be issued. Based on the definitions and requirements of generally accepted accounting principles, management has not identified any events that have occurred subsequent to June 30, 2010 and through January 19, 2011, that require recognition or disclosure in the financial statements.

SEK&Co

Smith Elliott Kearns & Company, LLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION

Board of Directors
Washington County Mental Health Authority, Inc.
Hagerstown, Maryland

We have audited the financial statements of Washington County Mental Health Authority, Inc. (Authority) as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated January 19, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of combining statements of activities for the years ended June 30, 2010 and 2009 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
January 19, 2011

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Program Services		Supporting Services	
	General	Shelter Plus Care	Management and General	Total
REVENUES AND OTHER SUPPORT				
	$ 1,363,815	$ -	$ 313,179	$ 1,676,994
Federal grants	397,165	152,299	12,433	561,897
Emergency Preparedness	5,925	-	-	5,925
	69,840	-	-	69,840
	-	-	27,930	27,930
Interest	-	-	442	442
Miscellaneous	3,772		1,500	5,272
TOTAL REVENUES AND OTHER SUPPORT	$ 1,840,517	$ 152,299	$ 355,484	$ 2,348,300
EXPENSES				
Accounting	$ -	$ -	$ 1,200	$ 1,200
Advertising	-	-	129	129
Audit	-	-	9,400	9,400
Contract labor	-	-	462	462
Depreciation	-	-	1,212	1,212
Dues and subscriptions	-	-	6,265	6,265
Employee activities	-	-	663	663
Employee benefits	-	-	46,979	46,979
Equipment	-	-	910	910
Housekeeping	-	-	690	690
Liability insurance	-	-	4,026	4,026
Printing	-	-	-	-
Program grants	1,840,517	152,299	-	1,992,816
Rent	-	-	20,227	20,227
Repairs and maintenance	-	-	2,708	2,708
Salaries and payroll taxes	-	-	245,529	245,529
Supplies and postage	-	-	5,692	5,692
Training	-	-	725	725
Travel	-	-	4,759	4,759
Utilities and telephone	-	-	4,330	4,330
TOTAL EXPENSES	$ 1,840,517	$ 152,299	$ 355,906	$ 2,348,722
CHANGE IN UNRESTRICTED NET ASSETS	$ -	$ -	$ (422)	$ (422)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	-	41,770	124,539	166,309
UNRESTRICTED NET ASSETS, END OF YEAR	$ -	$ 41,770	$ 124,117	$ 165,887

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Program Services		Supporting Services	
	General	Shelter Plus Care	Management and General	Total
REVENUES AND OTHER SUPPORT				
[illegible]	$ 1,575,946	$ -	$ 320,022	$ 1,895,968
Federal grants	398,397	158,055	5,669	562,121
Emergency Preparedness	294,030	-	-	294,030
[illegible] t	65,718	-	-	65,718
	-	-	27,780	27,780
Interest	-	-	1,367	1,367
Miscellaneous	5,220	-	3,000	8,220
TOTAL REVENUES AND OTHER SUPPORT	$ 2,339,311	$ 158,055	$ 357,838	$ 2,855,204
EXPENSES				
Accounting	$ -	$ -	$ 1,130	$ 1,130
Advertising	-	-	72	72
Audit	-	-	6,600	6,600
Contract labor	-	-	875	875
Depreciation	-	-	959	959
Dues and subscriptions	-	-	6,340	6,340
Employee activities	-	-	783	783
Employee benefits	-	-	45,607	45,607
Equipment	-	-	-	-
Housekeeping	-	-	750	750
Liability insurance	-	-	3,921	3,921
Printing	-	-	49	49
Program grants	2,339,311	158,055	-	2,497,366
Rent	-	-	19,735	19,735
Repairs and maintenance	-	-	3,204	3,204
Salaries and payroll taxes	-	-	253,337	253,337
Supplies and postage	-	-	4,223	4,223
Training	-	-	379	379
Travel	-	-	5,110	5,110
Utilities and telephone	-	-	4,406	4,406
TOTAL EXPENSES	$ 2,339,311	$ 158,055	$ 357,480	$ 2,854,846
CHANGE IN UNRESTRICTED NET ASSETS	$ -	$ -	$ 358	$ 358
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	-	41,770	124,181	165,951
UNRESTRICTED NET ASSETS, END OF YEAR	$ -	$ 41,770	$ 124,539	$ 166,309

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Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Washington County Mental Health Authority, Inc.
Hagerstown, Maryland

We have audited the financial statements of Washington County Mental Health Authority, Inc. (Authority) as of and for the year ended June 30, 2010, and have issued our report thereon dated January 19, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority'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, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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This report is intended solely for the information and use of the Board of Directors of the Washington County Mental Health Authority, Inc., management, others within the Authority and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
January 19, 2011

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Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Washington County Mental Health Authority, Inc.
Hagerstown, Maryland

Compliance

We have audited Washington County Mental Health Authority, Inc. (Authority) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2010. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority'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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as 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 of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion 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 expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 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.

This report is intended solely for the information and use of the Board of Directors of the Washington County Mental Health Authority, Inc. , management, others within the Authority and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
January 19, 2011

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

SCHEDULE OF EXDPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
HHS/SAMHSA			
Shelter Plus Care	14.238	MH 306 OTH	$ 152,299
Shelter Plus Care (Administrative)	14.238	MH 306 OTH	5,307
Projects for Assistance in Transition from Homelessness	93.150	MH 358 OTH	36,516
			$ 194,122
Mental Health Transformation State Infrastructure	93.243	MH 481 OTH	267,298
Mental HealthTransformation State Infrastructure (Administrative)	93.243	MH 481 OTH	7,126
Youth Suicide Prevention	93.243	MH 510 OTH	16,500
Housing Database Development	93.243	MH 514 OTH	9,100
Maryland Healthy Transitions Initiative	93.243	MH 516 OTH	67,751
TOTAL PROGRAM			**367,775**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 561,897**

The accompanying notes are an integral part of this schedule

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Scope of Audit Pursuant to OMB Circular A-133

All federal awards programs operated by the Authority are included in the scope of the Federal Office of Management and Budget (OMB) Circular A-133 audit. The single audit was conducted in accordance with the provisions of the OMB's *Compliance Supplement*. The single audit fulfills all the federal agencies' audit requirements, which include financial, compliance and the adequacy of internal control. Compliance testing was performed for major federal award programs, which cover 65% of total federal awards program expenditures. Major federal awards programs were:

Program	CFDA Number	Expenditures
Mental Health Transformation State Infrastructure:		
Mental Health Transformation State Infrastructure	93.243	$ 267,298
Mental Health Transformation State Infrastructure (Administrative)	93.243	7,126
Youth Suicide Prevention	93.243	16,500
Housing Database Development	93.243	9,100
Maryland Healthy Transitions Initiative	93.243	67,751
TOTAL PROGRAM		**$ 367,775**

The United States Department of Health and Human Services is the Authority's oversight Authority for the OMB Circular A-133 audit.

Note 2. Fiscal Period Audited

Single audit testing procedures were performed for program transactions occurring during the fiscal year ended June 30, 2010.

Note 3. Summary of Significant Accounting Policies

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grants of the Authority, which had expenditures during fiscal year 2010. This schedule has been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The expenditures reflect only Federal Awards, program expenditures of non-Federal revenues is not presented.

Note 4. Program Clusters

The following programs in the accompanying Schedule of Expenditures of Federal Awards have been clustered together in accordance with OMB Circular A-133 Compliance Supplement for determination of current year major programs. Mental Health Transformation State Infrastructure, Mental Health Transformation State Infrastructure (Administrative), Youth Suicide Prevention, Housing Database Development and Maryland Healthy Transitions Initiative all of which are CFDA No.93.243. This cluster was considered a major program.

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	X no
Significant deficiency(ies) identified that are not considered to be material weaknesses(es)?	_____ yes	X none reported
Noncompliance material to financial statements noted?	_____ yes	X no

FEDERAL AWARDS

Internal control over compliance:		
Material weakness(es) identified?	_____ yes	X no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ yes	X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.243	Mental Health Transformation State Infrastructure

Dollar threshold used to distinguish between type A and type B programs:	$300,000	
Auditee qualified as low-risk auditee?	_____ yes	X no

WASHINGTON COUNTY MENTAL HEALTH AUTHORITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

No financial statement findings reported for fiscal year ended June 30, 2010.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings and questioned costs reported for fiscal year ending June 30, 2010.

SECTION IV – FISCAL YEAR 2009 FINDINGS STATUS

Finding 2009-1

The Organization does not have procedures and controls in place for the review of journal entries or bank reconciliations, allowing for the proper segregation of duties. Without proper review of journal entries and completed bank reconciliations, a misstatement could go undetected. This constitutes a deficiency in internal control.

Status: Corrected. All journal entries prepared by the Office Manager are reviewed by the Director of Finance. All journal entries prepared by the Director of Finance are reviewed by the Treasurer. All bank reconciliations are reviewed by the Treasurer.