

**Corrections Commission of Northwest Ohio  
Williams County**

Financial Condition

As of

December 31, 2003

Together with Accountant's Report





**Auditor of State  
Betty Montgomery**

Members of the Commission  
Corrections Commission of Northwest Ohio  
3151 Road 24.25  
Route 1, Box 100-A  
Stryker, Ohio 43557

We have reviewed the *Independent Auditor's Report* of the Corrections Commission of Northwest Ohio, Williams County, prepared by Kevin L. Penn, Inc., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Corrections Commission of Northwest Ohio is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 31, 2006

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CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY

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CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY

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GOVERNMENTAL FUND TYPES:

General Fund Type:

Operating Fund  
Fulton County Fund  
City of Toledo Fund  
Defiance County Fund  
Williams County Fund  
Henry County Fund  
Lucas County Fund  
Intake Fund  
Work Release Fund  
Reliance Financial Services

Special Revenue Fund Type:

New Beginnings  
Choices  
Electronic Monitoring Program

PROPRIETARY FUND TYPE:

Enterprise Fund Type:

Inmate Fund



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### **Independent Accountant's Report**

Board of Corrections Commission of Northwest Ohio  
Williams County, Ohio

I was engaged to audit the accompanying financial statements of Corrections Commission of Northwest Ohio as December 31, 2003 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of management.

The Corrections Commission of Northwest Ohio, did not maintain adequate accounting records for the year ended December 31, 2003, and I was unable to apply procedures to verify the proper classification of cash receipts and disbursements, or whether accounting principles have been consistently applied between 2002 and 2003.

Since the Corrections Commission of Northwest Ohio, did not maintain adequate accounting records, and I was unable to satisfy myself about the consistent application of accounting principles between 2002 and 2003, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the combined fund cash balances and the combined cash receipts and disbursements for the year ended December 31, 2003, or on the consistency of application of accounting principles with the preceding year.

As described more fully in Note 2, the Corrections Commission of Northwest Ohio prepares its financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although I cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, I presume they are material.

In accordance with Government Auditing Standards, I have also issued a report dated May 31, 2005 on my consideration of Corrections Commission of Northwest Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters.

That report describes the scope of my testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance.

Kevin L. Penn, Inc.

May 31, 2005



Corrections Commission of Northwest Ohio  
Williams County  
Combined Statement of Cash and  
Fund Cash Balances - All Fund Types  
December 31, 2003

POOLED CASH AND INVESTMENTS

Cash and Cash Equivalents	\$ 2,293,763
Cash on Hand	200
	<hr/>
Total	\$ 2,293,963
	<hr/> <hr/>

CASH BALANCES BY FUND TYPE

Governmental Fund Type:

General Fund	\$ 1,978,928
Special Revenue Funds	(16,865)

Proprietary Fund Type:

Enterprise Fund	331,900
	<hr/>

Total	\$ 2,293,963
	<hr/> <hr/>

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

Corrections Commission of Northwest Ohio  
 Williams County  
 Combined Statement of Cash Receipts, Disbursements  
 and Changes in Fund Cash Balances  
 All Governmental Fund Types and Proprietary Fund Types  
 For the Year Ended December 31, 2003

	Governmental Fund Types		Proprietary	Totals
	General	Special Revenue	Fund Types Enterprise	(Memorandum Only)
Operating Cash Receipts:				
Multi-Jurisdictional	\$ 12,113,501	\$ -	\$ -	\$ 12,113,501
Rental Revenue	75,801	-	-	75,801
Grant Revenue	-	220,044	-	220,044
Interest Income	28,598	-	1,515	30,113
Intake Revenue	16,958	-	-	16,958
Commissary Revenue	-	-	-	-
Telephone Commission	269,878	-	45,657	315,535
Miscellaneous Income	114,681	-	304,392	419,073
Total Operating Cash Receipts	12,619,417	220,044	351,564	13,191,025
Operating Cash Disbursements:				
Salary, Wages and Benefits	8,841,448	144,493	62,253	9,048,194
Education, Training, Memberships and Dues	32,630	-	16,054	48,684
Insurance	342,918	-	-	342,918
Travel	8,737	5,202	958	14,897
Supply Expense	179,054	2,314	28,187	209,555
Contract Services	2,501,742	89,880	100,245	2,691,867
Postage Service	3,231	-	6,297	9,528
Utilities	504,586	718	-	505,304
Clothing and Linen	128,632	-	3,667	132,299
Motor Vehicles	88,078	1,072	-	89,150
Personnel Recruitment	2,943	-	-	2,943
Professional Services	26,102	-	-	26,102
Dry Cleaning	73,723	-	-	73,723
Equipment Expense	251,648	625	5,830	258,103
Total Operating Cash Disbursements	12,985,472	244,304	223,491	13,453,267
Excess of Receipts Over(Under)				
Disbursements before Other Financing				
Cash Receipts/(Disbursements)	(366,055)	(24,260)	128,073	(262,242)
Other financing cash receipts/(disbursements):				
Transfers-In	11,490	494	-	11,984
Transfers-Out	(494)	(11,490)	-	(11,984)
Total Other Financing Cash Receipts/(Disbursements)	10,996	(10,996)	-	-
Excess of Receipts Over				
(Under) Disbursements	(355,059)	(35,256)	128,073	(262,242)
Fund Cash Balance - January 1, 2003	2,333,987	18,391	203,827	2,556,205
Fund Cash Balance - December 31, 2003	\$ 1,978,928	\$ (16,865)	\$ 331,900	\$ 2,293,963

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

Corrections Commission of Northwest Ohio  
 Combined Statement of Receipts - Budget versus Actual  
 For the Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Governmental:			
General	\$ 13,263,094	\$ 12,619,417	\$ (1,038,423)
Special Revenue	<u>336,081</u>	<u>220,044</u>	<u>(110,608)</u>
	13,599,175	12,839,461	(1,149,031)
Proprietary:			
Enterprise	<u>243,015</u>	<u>351,564</u>	<u>26,332</u>
	<u>243,015</u>	<u>351,564</u>	<u>26,332</u>
Total (memorandum only)	<u>\$ 13,842,190</u>	<u>\$ 13,191,025</u>	<u>\$ (1,122,699)</u>

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

Corrections Commission of Northwest Ohio  
 Combined Statement of Disbursements, and Encumbrances  
 Compared with Expenditure Authority  
 For the Year Ended December 31, 2003

	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements	Encumbrances Outstanding at 12/31/2003	Total	Variance Favorable (Unfavorable)
Governmental Fund Type:							
General Fund	\$ 435,297	\$ 13,263,094	\$ 13,698,391	\$ 12,055,833	\$ 521,774	\$ 12,577,607	\$ 1,120,784
Special Revenue Funds	1,584	336,081	337,665	295,341	826	296,167	41,498
Proprietary Fund Type:							
Enterprise Fund	6,371	243,015	249,386	237,677	7,731	245,408	3,978
Total (Memorandum Only)	\$ 443,252	\$ 13,842,190	\$ 14,285,442	\$ 12,588,851	\$ 530,331	\$ 13,119,182	\$ 1,166,260

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

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - DESCRIPTION OF THE ENTITY AND BASIS OF PRESENTATION

(As Required by Various Statutes)

A. DESCRIPTION OF THE ENTITY

The Correction Commission of Northwest Ohio (the "Commission") is a public entity organized September 30, 1987, under Section 307.93 of the Ohio Revised Code for the purpose of establishing a multicounty-municipal correction center, constructing that center, overseeing its operation and administration and promoting other cooperative programs relating to the center. The Commission superseded the Regional Planning Committee (the "Committee") which was formed to plan for the center and was disbanded on September.

The members of the Commission, who were also members of the Committee, are:

Lucas County	Williams County
Defiance County	Henry County
Fulton County	City of Toledo

The receipts in the accompanying financial statements were received from the Members and others for the purpose stated above.

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

B. BASIS OF PRESENTATION

The accounts of the Commission are organized on the basis of fund accounting. The various funds are summarized by type in the combined financial statements.

Amounts in the "Totals (Memorandum Only)" columns of the financial statements represent a summation of the financial statements line items of the fund types and account groups. These amounts are presented for analytical purposes only.

C. FUND ACCOUNTING

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

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003

Governmental Fund Types:

General Fund. This fund is the general operating fund of the Commission. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds. These funds are used to account for the proceeds of specific sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Proprietary Fund Types:

The proprietary fund is used to account for the Commission's ongoing activities which are similar to those found in the private sector. The following is the Commission's proprietary fund type:

Enterprise Fund. This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing certain goods or services will be recovered through user charges.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below.

A. BASIS OF ACCOUNTING:

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUNDING

Annually the Commission estimates costs for the next fiscal year. Such estimates are considered by the Members and are then modified or accepted by the Members. Each Member thereafter remits its share of the Commission's costs to the Commission in the amount and at the times directed by the fiscal agent. If the aggregate of the Member's contributions for the estimated costs for a fiscal year are insufficient to pay the Commission's expenses, then the fiscal agent shall assess each Member its proportional share of the additional cost.

C. BUDGETARY PROCESS

Budgets are prepared annually, in accordance with the Ohio Revised Code. The Agency funds are not required to be budgeted.

ENCUMBRANCES

Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

APPROPRIATIONS

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Commission must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

ESTIMATED RESOURCES

Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances.

D. PROPERTY, PLANT AND EQUIPMENT

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

E. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Commission.

F. RESTATEMENT OF CASH BALANCE

The cash balance for the Agency Funds has been reclassified to the General Fund as of December 31, 2003.

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003

NOTE 3 - DEPOSITS AND INVESTMENTS

Legal Requirements. Monies held by the Commission are classified by State statute into two categories. Active monies means an amount of public monies determined to be necessary to meet current demands upon the Commission treasury. Active monies must be maintained either as cash in the Commission treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the Commission which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase and reverse repurchase agreements in the securities listed above;
4. Bond and other obligations of the State of Ohio, its political subdivision, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Commission's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, the Commission had \$200 in undeposited cash on hand which is included as part of "Pooled Cash and Cash Investments". This amount is uninsured and uncollateralized.



CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Deposits. At year-end, the carrying amount of the Commission's deposits was \$485,375 and the bank balance was \$703,769. Of the bank balance, \$100,000 was covered by federal depository insurance, by collateral held by the Commission, or by collateral held by a qualified third party trustee in the name of the Commission and \$603,769 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions.

Investments. Statutory provisions require that the Corrections Commission of Northwest Ohio hold all securities acquired by the Corrections Commission of Northwest Ohio or deposit them with a qualified trustee pursuant to Section 135.18, Revised Code. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterparty is a designated depository of the Corrections Commission of Northwest Ohio for the current period of designation of depositories, in which case the securities may be held in trust by the depository. At the end of each day, the Corrections Commission of Northwest Ohio withdraws surplus funds from the account and invests the monies in an overnight repurchase agreement. The Corrections Commission of Northwest Ohio does not purchase any specific security in this manner, but the investment is collateralized by pledged securities held by a third party in the name of the bank.

The Commission has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio), during 2003. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes.

STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2003. At year end, the carrying amount of the Commission's deposits with Star Ohio was \$5,156 and the market value was \$5,156.

GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and market value of investments, classified by risk. Category 1 includes investments that are insured or registered, or securities held by the Corrections Commission of Northwest Ohio or its agent in the Corrections Commission of Northwest Ohio. Category 2 includes uninsured and unregistered, with securities held by the counterparty trust department or agent in the Corrections Commission of Northwest Ohio. Category 3 includes uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Corrections Commission of Northwest Ohio. STAR Ohio is unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category</u> <u>1</u>	<u>Carrying</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Repurchase Agreements	\$ 1,803,232	\$ 1,803,232	\$ 1,803,232
	=====	=====	=====

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003

NOTE 4 - DEFINED BENEFIT PENSION PLANS

The Corrections Commission of Northwest Ohio's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. As of December 31, 2003, the Corrections Commission of Northwest Ohio picks up the employee contribution of 8.5 percent of the employees' gross wages. The Corrections Commission of Northwest Ohio also contributed an amount equal to 13.55 percent of participants' gross salaries. The Corrections Commission of Northwest Ohio has paid all contributions required through December 31, 2003.

NOTE 5 - INSURANCE

The Commission maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 100 percent co-insured.

NOTE 6 - CONTINGENT LIABILITIES

The Commission has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Commission Commissioners believe such disallowances, if any, will be immaterial.

The Commission is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Commission's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Commission.

NOTE 7 - LEASE COMMITMENT

Prior to the 2003 calendar year, the Commission had entered into lease agreements with the following; D & M Leasing, Inc. for a copy machine; Towlift for a pneumatic tire fork lift truck; Pitney Bowes Credit Corporation for a mailing machine and D & M Leasing, Inc. for a copy machine. Rental expense for the operating lease for the year ended December 31, 2003 was \$12,552.

The total future minimum rental payments required for the operating lease are as follows:

<u>December 31,</u>	
2003	5,121
2004	1,482



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**Independent Accountant's Report on Compliance and on Internal Control over Financial Reporting based on the Engagement of Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Corrections Commission of Northwest Ohio  
Williams County, Ohio

I was engaged to audit the financial statements of Corrections Center of Northwest Ohio as of and for the year ended December 31, 2003, and have issued my report thereon dated May 31, 2005, where in I did not express an opinion on the financial statements because management did not maintain adequate accounting records, and I was unable to satisfy myself about the consistent application of accounting principles between 2002 and 2003.

**Internal Control Over Financial Reporting**

In planning and performing the engagement, I considered Corrections Center of Northwest Ohio's internal control over financial reporting. However, providing an opinion on the internal control over financial reporting was not an objective of the engagement and, accordingly, I express no such opinion. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Corrections Center of Northwest Ohio's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as 2003-1; 2003-2 and 2003-3. I also noted certain additional matters that I reported to management of Corrections Center of Northwest Ohio in a separate letter dated May 31, 2005.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the engagement performed on the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 2003-1 to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Corrections Center of Northwest Ohio's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 the engagement and, accordingly, I do not express such an opinion.

The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings as items 2003-1; 2003-2 and 2003-3. I also noted certain additional matters that I reported to management of Corrections Center of Northwest Ohio in a separate letter dated May 31, 2005.

This report is intended solely for the information and use of management, 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.

Kevin L. Penn, Inc.

May 31, 2005

Corrections Center of Northwest Ohio  
Williams County

Schedule of Findings  
December 31, 2003

Finding Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS

Reportable Condition

2003-1

**Bank Reconciliation**

Condition:

Bank accounts were not reconciled to the monthly receipts and disbursement reports. As a result, the ending book cash balance did not agree to the actual cash balance in the bank; therefore, producing inaccurate financial statements.

Criteria:

Each month the cash receipts and disbursement reports by fund should be reconciled to the bank reconciliation.

Effect:

The book balances did not agree to the bank balances as noted below:

	General Fund	Special Fund	Enterprise Fund
Cash balance per the books	\$1,978,928	\$(16,865)	\$331,900
Cash balance per bank reconciliation	<u>1,919,879</u>	<u>28,392</u>	<u>346,622</u>
Difference over/(under) bank reconciliation	<u>\$ 59,049</u>	<u>\$(45,257)</u>	<u>\$( 14,722)</u>

Cause:

Reconciliations were not performed on a monthly basis.

Recommendation:

I recommend that cash receipts and disbursement monthly reports be reconciled to the monthly bank reconciliation. By performing this procedure, the risk of presenting inaccurate financial statements will be significantly reduced.

Corrections Center of Northwest Ohio  
Williams County

Schedule of Findings  
December 31, 2003

Finding Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS

Reportable Condition

2003-2

**Budget Modifications**

Condition:

The following discrepancies were noted, pertaining to budget modifications:

1. Budget adjustment forms were not always properly approved (signed by the Fiscal Agent and Executive Director) prior to Board approval.
2. There were several Budget adjustments which were not supported by appropriate documentation.
3. There was one budget adjustment whereby the amount approved and authorized, was approved for a difference amount in the Board minutes.

Criteria:

Modifications to the budget should be approved by the Fiscal Agent and the Executive Director, based on the provided supporting documentation.

Effect:

There were several budget modifications which were not approved, based on the supporting documentation.

Cause:

Oversight by management.

Recommendation:

Budget modifications should be approved by the Fiscal Agent and the Executive Director, prior to entering the modification. In addition, each modification should be supported by proper documentation. By performing this procedure, the risk of budget modifications not being approved will be significantly reduced.

Corrections Center of Northwest Ohio  
Williams County

Schedule of Findings  
December 31, 2003

Finding Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS

Reportable Condition

2003-3

**Appropriation**

Condition:

A negative appropriation balance was recorded on the "Budget Account Summary" for the months of November and December.

Criteria:

Appropriation modifications should be approved by the Fiscal Agent and the Executive Director, based on the provided supporting documentation.

Effect:

There was a negative appropriation balance of \$2,950.

Cause:

Oversight by management.

Recommendation:

Appropriation modifications should be approved by the Fiscal Agent and the Executive Director, prior to entering the modification. In addition, each modification should be supported by proper documentation. By performing this procedure, the risk of appropriation line item reflecting a negative amount will be significantly reduced.

Corrections Commission of Northwest Ohio  
Summary Schedule of Prior Audit Findings  
December 31, 2003

There were no audit findings, during the 2002 calendar year.





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**CORRECTIONS COMMISSION OF NORTHWEST OHIO**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 10, 2006**