



OHIO AUDITOR OF STATE
KEITH FABER



**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY
JUNE 30, 2018 AND 2017**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – For the Fiscal Year Ended June 30, 2018	3
Notes to the Financial Statements - For the Fiscal Year Ended June 30, 2018.....	4
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – For the Fiscal Year Ended June 30, 2017	9
Notes to the Financial Statements - For the Fiscal Year Ended June 30, 2017.....	10
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

MonDay Community Correctional Institution
Montgomery County
1951 South Gettysburg Avenue
Dayton, Ohio 45417

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each fund and the related notes of the MonDay Community Correctional Institution, Montgomery County, (the Facility) as of and for the years ended June 30, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Facility's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Facility's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Facility prepared these financial statements using the accounting basis permitted by the financial reporting provisions of the Ohio Department of Rehabilitation and Corrections, which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Facility does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis the Ohio Department of Rehabilitation and Corrections permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Facility as of June 30, 2018 and 2017, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each fund of the MonDay Community Correctional Institution, Montgomery County as of and for the years ended June 30, 2018 and 2017 in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2019, on our consideration of the Facility's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Facility's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2019

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY
MONDAY COMMUNITY CORRECTIONAL INSTITUTION**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES (REGULATORY CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	State Appropriations and Grants				Offender Funds				Totals
	ODRC 501-501	ODRC C50101	Federal Grant Match	Federal	Offender Personal Funds	Work Release	Other Sources	Other/ Misc.	
Cash Receipts:									
Intergovernmental	\$7,488,148	\$39,257	\$99,464	\$51,516					\$7,678,385
Receipts for offenders					317,070				317,070
Collections from offenders						37,944			37,944
Commissions						103,683		4,096	107,779
Reimbursement						7,489	135		7,624
Other						145	882	2,821	3,848
Total Cash Receipts	7,488,148	39,257	99,464	51,516	317,070	149,261	1,017	6,917	8,152,650
Cash Disbursements:									
Personnel	6,371,979		94,445	35,000			135		6,501,559
Operating costs	974,230		1,707	16,516		90,145	252	7,293	1,090,143
Program costs	175,131					60,445			235,576
Equipment	273,942					79,138	630		353,710
Capital Project		39,257							39,257
Offender Disbursements:									
Offender legal obligations					18,507				18,507
Offender reimbursements					22,911				22,911
Offender payments to CBCF					12,497				12,497
Other offender payments					228,598				228,598
Offender savings paid at exit					34,318				34,318
Total Cash Disbursements	7,795,282	39,257	96,152	51,516	316,831	229,728	1,017	7,293	8,537,076
Total Receipts Over/(Under) Disbursements	(307,134)	0	3,312	0	239	(80,467)	0	(376)	(384,426)
Fund Cash Balances, July 1, 2017	1,139,461		(26,564)	0	16,081	233,989	0	10,055	1,373,022
Fund Cash Balances, June 30, 2018	\$832,327	\$0	(\$23,252)	\$0	\$16,320	\$153,522	\$0	\$9,679	\$988,596
Unpaid Obligations/Open Purchase Orders	\$287,793								

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

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The MonDay Community Correctional Institution (The Facility) provides an alternative to prison incarceration for felony offenders. The Facility is the last step in the continuum of increasing punishment before prison incarceration. The Facility is a minimum-security operation housing approximately 250 offenders as of June 30, 2018. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the County the Facility serves comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facilities Governing Board regarding Facility matters. The Facility serves a 6 county catchment area for males (Counties of Montgomery, Greene, Preble, Darke, Fayette, and Miami), and serves all 88 counties in the State of Ohio for females.

For the year ended June 30, 2018, the financial statement presents all funds related to the Facility.

B. Accounting Basis and Basis of Presentation

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Correction. This basis is similar to the cash receipts and disbursements accounting basis. The Facility recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters the Ohio Department of Rehabilitation and Correction requires.

The Facility's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

C. Deposits

The Montgomery County Treasurer is the custodian of the Facility's grant funds and State appropriations. The County holds these Facility assets in the County's deposit and investment pool, valued at the County Treasurer's reported carrying amount. The Facility holds offenders' cash, work release cash, and benevolent/other cash in demand deposit accounts.

D. Fund Accounting

The Facility uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Facility are presented below:

1. State Appropriations and Grants

Ohio Department of Rehabilitation and Correction (ODRC) 501-501 Funding: ODRC grants this funding, appropriated from the State's General Fund, to the Facility to support general operating costs.

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. State Appropriations and Grants (Continued)

Ohio Department of Rehabilitation and Correction (ODRC) C50101 Funding: ODRC grants this funding, appropriated from the State's Adult Correctional Building Fund, to the Facility to support the Rooftop Unit Replacement Capital Project.

Federal Grant Match: Reports amounts received to meet any Federal program matching requirements.

Ohio Office of Criminal Justice Services (OCJS) Funding: OCJS serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from OCJS under the Residential Substance Abuse Treatment (RSAT) Program. These monies are used to pay salaries and fringe benefits of Staff that work directly with MonDay residents that are in the RSAT Program, and to pay for program materials. This grant requires a 25% match from MonDay.

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC.

Department of Education (DOE) Funding: MonDay receives Federal monies from DOE under the National School Lunch Program. DOE reimburses MonDay for food costs associated with providing meals to residents that are under the age of 21.

Miami Valley Career Technology Center (MVCTC) Funding: Miami Valley Career Technology Center serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from MVCTC under the Adult Basic Literacy Education (ABLE) Program. These monies are used to pay salaries and fringe benefits of Teachers that work directly with MonDay residents that are enrolled in MonDay's Education Program.

2. Offender Funds

Offender Personal Funds: These funds are amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries that offenders may earn while confined, and maintains separate balances for each offender. The Facility makes payments as directed by the offender or per program requirements. Upon release, the Facility pays remaining funds to the offender.

Work Release Fund: This fund receives other Offender Funds, such as telephone and vending commissions, receipts from the sale of phone cards to offenders and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' personal care supplies, clothing and other miscellaneous supplies to meet residents' needs.

Other Sources Fund: This fund receives miscellaneous receipts from other entities that are a reimbursement of the Facility's costs.

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Offender Funds (Continued)

Other/Misc. Fund: This fund receives other funds, such as vending commissions and donations. This fund is for the benefit of MonDay Staff, and is used for purchases such as service recognition awards or activities which relate to employee functions or retirements.

E. Budgetary Process

1. Appropriations

The Facility must budget its intended uses of ODRC 501-501 funding as part of its funding application to ODRC. After ODRC approves the budget, the Board formally adopts it. The Facility cannot spend or obligate (i.e., encumber) more than the appropriation. Facilities must obtain approval from ODRC to transfer amounts between budget categories.

2. Encumbrances

Disbursements from State appropriations and Grants are subject to Montgomery County's payment approval process. The County Auditor must approve (i.e., certify and encumber) certain payments when the Facility commits to make a payment. The budgetary disbursement amounts reported in Note 2 include cash disbursed against the current year budget plus amounts spent within ninety days of June 30 to liquidate year-end commitments. Amounts not liquidated within ninety days of June 30 are subject to refund to ODRC, unless ODRC approves an extension.

A summary of 2018 budgetary activity appears in Note 2.

F. Capital Assets

The Facility records disbursements for acquisitions of capital assets when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for ODRC 501-501 funding for the year ending June 30, 2018 follows:

2018 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 7,488,148	\$ 7,451,194	\$ 36,954

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

3. COLLATERAL ON DEPOSITS AND INVESTMENTS

Grants and State Appropriations

The County Treasurer is responsible for collateralizing deposits and investments for grants and State appropriations the County holds as custodian for the Facility.

Deposits - Offender, Work Release and Other Miscellaneous Funds

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

4. REFUND TO ODRC

The agreement between the County and ODRC permits the Facility to retain a maximum of one-twelfth of the grant award after liquidating encumbrances outstanding at June 30. The Facility must refund any excess over this amount to ODRC. The schedule below computes the refund to ODRC for the year ending June 30. Disbursements below include cash paid to liquidate encumbrances outstanding at June 30 and exclude disbursements made during the fiscal year against amounts encumbered the prior June 30. The Facility refunds amounts computed below in the fiscal year following the computation below.

Refund to ODRC	
	2018
Cash, July 1	\$1,139,461
Disbursements Against Prior Year Budget	(\$631,881)
Payable to ODRC, July 1	\$0
Sub-Total	\$507,580
501 Cash Receipts	\$7,488,148
Budgetary Basis Disbursements	(\$7,451,194)
Amount Subject to Refund, June 30	\$544,534
One-Twelfth of 501 Award	(\$624,012)
Refundable to ODRC	\$0

Calculation of Payable to ODRC	
	2018
Payable, July 1	\$0
Cash Refunded	
Refundable to ODRC, June 30	
Payable, June 30	\$0

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10% of their gross salaries and the Facility contributed an amount equaling 14% of participants' gross salaries. The Facility has paid all contributions required through June 30, 2018.

6. RISK MANAGEMENT

Commercial Insurance

The Facility is included in Montgomery County's commercial insurance policies, and is charged once a year by the County for its allocation of annual premiums. The Facility has commercial insurance coverage for the following risks:

- Comprehensive property and general liability.
- Automobile liability.
- Public Employers liability.

7. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY
MONDAY COMMUNITY CORRECTIONAL INSTITUTION**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES (REGULATORY CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	State Appropriations and Grants				Offender Funds				Totals
	ODRC 501-501	ODRC C50101	Federal Grant Match	Federal	Offender Personal Funds	Work Release	Other Sources	Other/ Misc.	
Cash Receipts:									
Intergovernmental	\$7,449,649	\$413,383	\$96,683	\$55,880					\$8,015,595
Receipts for offenders					287,695				287,695
Collections from offenders						22,068			22,068
Commissions						89,509		4,016	93,525
Reimbursement						6,259	7,982		14,241
Other						29	1,417	2,742	4,188
Total Cash Receipts	7,449,649	413,383	96,683	55,880	287,695	117,865	9,399	6,758	8,437,312
Cash Disbursements:									
Personnel	6,015,595		95,637	32,095					6,143,327
Operating costs	931,846		1,888	21,910		28,989	8,164	6,239	999,036
Program costs	168,333					33,031			201,364
Equipment	315,339					4,880	1,235		321,454
Capital Project		415,743							415,743
Offender Disbursements:									
Offender legal obligations					42,703				42,703
Offender reimbursements					23,134				23,134
Offender payments to CBCF					8,119				8,119
Other offender payments					183,063				183,063
Offender savings paid at exit					19,290				19,290
Total Cash Disbursements	7,431,113	415,743	97,525	54,005	276,309	66,900	9,399	6,239	8,357,233
Total Receipts Over/(Under) Disbursements	18,536	(2,360)	(842)	1,875	11,386	50,965	0	519	80,079
Fund Cash Balances, July 1, 2016	1,120,925	2,360	(25,722)	(1,875)	4,695	183,024	0	9,536	1,292,943
Fund Cash Balances, June 30, 2017	\$1,139,461	\$0	(\$26,564)	\$0	\$16,081	\$233,989	\$0	\$10,055	\$1,373,022
Unpaid Obligations/Open Purchase Orders	\$627,796								

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

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The MonDay Community Correctional Institution (The Facility) provides an alternative to prison incarceration for felony offenders. The Facility is the last step in the continuum of increasing punishment before prison incarceration. The Facility is a minimum-security operation housing approximately 250 offenders as of June 30, 2017. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the County the Facility serves comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facilities Governing Board regarding Facility matters. The Facility serves a 6 county catchment area for males (Counties of Montgomery, Greene, Preble, Darke, Fayette, and Miami), and serves all 88 counties in the State of Ohio for females.

For the year ended June 30, 2017, the financial statement presents all funds related to the Facility.

B. Accounting Basis and Basis of Presentation

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Correction. This basis is similar to the cash receipts and disbursements accounting basis. The Facility recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters the Ohio Department of Rehabilitation and Correction requires.

The Facility's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

C. Deposits

The Montgomery County Treasurer is the custodian of the Facility's grant funds and State appropriations. The County holds these Facility assets in the County's deposit and investment pool, valued at the County Treasurer's reported carrying amount. The Facility holds offenders' cash, work release cash, and benevolent/other cash in demand deposit accounts.

D. Fund Accounting

The Facility uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Facility are presented below:

1. State Appropriations and Grants

Ohio Department of Rehabilitation and Correction (ODRC) 501-501 Funding: ODRC grants this funding, appropriated from the State's General Fund, to the Facility to support general operating costs.

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. State Appropriations and Grants (Continued)

Ohio Department of Rehabilitation and Correction (ODRC) C50101 Funding: ODRC grants this funding, appropriated from the State's Adult Correctional Building Fund, to the Facility to support the Rooftop Unit Replacement Capital Project.

Federal Grant Match: Reports amounts received to meet any Federal program matching fund requirements.

Ohio Office of Criminal Justice Services (OCJS) Funding: OCJS serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from OCJS under the Residential Substance Abuse Treatment (RSAT) Program. These monies are used to pay salaries and fringe benefits of Staff that work directly with MonDay residents that are in the RSAT Program, and to pay for program materials. This grant requires a 25% match from MonDay.

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC.

Department of Education (DOE) Funding: MonDay receives Federal monies from DOE under the National School Lunch Program. DOE reimburses MonDay for food costs associated with providing meals to residents that are under the age of 21.

Miami Valley Career Technology Center (MVCTC) Funding: Miami Valley Career Technology Center serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from MVCTC under the Adult Basic Literacy Education (ABLE) Program. These monies are used to pay salaries and fringe benefits of Teachers that work directly with MonDay residents that are enrolled in MonDay's Education Program.

2. Offender Funds

Offender Personal Funds: These funds are amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries that offenders may earn while confined, and maintains separate balances for each offender. The Facility makes payments as directed by the offender or per program requirements. Upon release, the Facility pays remaining funds to the offender.

Work Release Fund: This fund receives other Offender Funds, such as telephone and vending commissions, receipts from the sale of phone cards to offenders and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' personal care supplies, clothing and other miscellaneous supplies to meet residents' needs.

Other Sources Fund: This fund receives miscellaneous receipts from other entities that are a reimbursement of the Facility's costs.

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Offender Funds (Continued)

Other/Misc. Fund: This fund receives other funds, such as vending commissions and donations. This fund is for the benefit of MonDay Staff, and is used for purchases such as flowers for hospitalized Staff or deceased relatives of Staff, and for Staff recognition awards.

E. Budgetary Process

1. Appropriations

The Facility must budget its intended uses of ODRC 501-501 funding as part of its funding application to ODRC. After ODRC approves the budget, the Board formally adopts it. The Facility cannot spend or obligate (i.e., encumber) more than the appropriation. Facilities must obtain approval from ODRC to transfer amounts between budget categories.

2. Encumbrances

Disbursements from State appropriations and Grants are subject to Montgomery County's payment approval process. The County Auditor must approve (i.e., certify and encumber) certain payments when the Facility commits to make a payment. The budgetary disbursement amounts reported in Note 2 include cash disbursed against the current year budget plus amounts spent within ninety days of June 30 to liquidate year-end commitments. Amounts not liquidated within ninety days of June 30 are subject to refund to ODRC, unless ODRC approves an extension.

A summary of 2017 budgetary activity appears in Note 2.

F. Capital Assets

The Facility records disbursements for acquisitions of capital assets when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for ODRC 501-501 funding for the year ending June 30, 2017 follows:

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)**

2. BUDGETARY ACTIVITY (Continued)

2017 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 7,449,649	\$ 7,441,246	\$ 8,403

3. COLLATERAL ON DEPOSITS AND INVESTMENTS

Grants and State Appropriations

The County Treasurer is responsible for collateralizing deposits and investments for grants and State appropriations the County holds as custodian for the Facility.

Deposits - Offender, Work Release and Other Miscellaneous Funds

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities pooled by the financial institution.

4. REFUND TO ODRC

The agreement between the County and ODRC permits the Facility to retain a maximum of one-twelfth of the grant award after liquidating encumbrances outstanding at June 30. The Facility must refund any excess over this amount to ODRC. The schedule below computes the refund to ODRC for the year ending June 30. Disbursements below include cash paid to liquidate encumbrances outstanding at June 30 and exclude disbursements made during the fiscal year against amounts encumbered the prior June 30. The Facility refunds amounts computed below in the fiscal year following the computation below.

Refund to ODRC	
	2017
Cash, July 1	\$1,120,925
Disbursements Against Prior Year Budget	(\$617,664)
Payable to ODRC, July 1	\$0
Sub-Total	\$503,261
501 Cash Receipts	\$7,449,649
Budgetary Basis Disbursements	(\$7,441,246)
Amount Subject to Refund, June 30	\$511,664
One-Twelfth of 501 Award	(\$620,804)
Refundable to ODRC	\$0

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION
COMMUNITY BASED CORRECTIONAL FACILITY**

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)**

4. REFUND TO ODRC (Continued)

Calculation of Payable to ODRC	
	2017
Payable, July 1	\$0
Cash Refunded	
Refundable to ODRC, June 30	
Payable, June 30	\$0

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members contributed 10% of their gross salaries and the Facility contributed an amount equaling 14% of participants' gross salaries. The Facility has paid all contributions required through June 30, 2017.

6. RISK MANAGEMENT

Commercial Insurance

The Facility is included in Montgomery County's commercial insurance policies, and is charged once a year by the County for its allocation of annual premiums. The Facility has commercial insurance coverage for the following risks:

- Comprehensive property and general liability.
- Automobile liability.
- Public Employers liability.

7. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 1 percent during calendar year 2017. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2017.

OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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

MonDay Community Correctional Institution
Montgomery County
1951 South Gettysburg Avenue
Dayton, Ohio 45417

To the Governing Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each fund of the MonDay Community Correctional Institution, Montgomery County, (the Facility) as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated August 22, 2019, wherein we noted the Facility followed financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Facility's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Facility's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Facility's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Facility's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Facility's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Facility's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2019

OHIO AUDITOR OF STATE KEITH FABER



MONDAY COMMUNITY CORRECTIONAL INSTITUTION

MONTGOMERY 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
SEPTEMBER 17, 2019**