



OHIO AUDITOR OF STATE
KEITH FABER



**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY
JUNE 30, 2018 AND 2017**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Western Ohio Regional Treatment and Habilitation Center
Allen County
243 East Bluelick Road
Lima, Ohio 45802

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each fund, and related notes of the Western Ohio Regional Treatment and Habilitation Center, Allen County, Ohio (the Facility) as of and for the fiscal 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 such 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 2 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 permits. Our opinions on this accounting basis are in the *Qualified Opinion on Regulatory Basis of Accounting and Unmodified Opinion on Regulatory Basis of Accounting* paragraphs 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, and the respective changes in financial position thereof for the fiscal years then ended.

Summary of Opinions on Regulatory Basis of Accounting

| Opinion Unit | Type of Opinion 2018 | Type of Opinion 2017 |
|--|----------------------|----------------------|
| ODRC 501-501 Funding Fund | Unmodified | Unmodified |
| Capital Fund | Unmodified | Unmodified |
| Federal Fund | Unmodified | Unmodified |
| Justice Reinvestment and Incentive Grant Fund | Unmodified | None |
| Probation Improvement and Incentive Grant Fund | Unmodified | Unmodified |
| Offender Personal Funds | Unmodified | Unmodified |
| Resident Program Fund | Qualified | None |
| I&E Fund Phone/Commissary Commissions Fund | Qualified | Qualified |
| Commissary Fund | Qualified | Qualified |
| Vending and Other / Miscellaneous Fund | Qualified | Qualified |

Basis for Qualified Opinion on Regulatory Basis of Accounting

Commissions receipts are reported at \$41,960 which is forty-six percent of Resident Program Fund receipts for the year ended June 30, 2018. Commissions receipts are reported at \$10,490 which is ninety-one percent of I&E Fund Phone/Commissary Commissions Fund receipts for the year ended June 30, 2018. Commissions receipts are reported at \$6,438 which is twenty-two percent of Commissary Fund receipts for the year ended June 30, 2018. Commissions receipts are reported at \$1,155 which is one hundred percent of Vending and Other / Miscellaneous Fund receipts for the year ended June 30, 2018. Reimbursement receipts are reported at \$49,252 which is fifty-four percent of Resident Program Fund receipts for the year ended June 30, 2018. Reimbursement receipts are reported at \$1,035 which is nine percent of I&E Fund Phone/Commissary Commissions Fund receipts for the year ended June 30, 2018. Reimbursement receipts are reported at \$23,019 which is seventy-eight percent of Commissary Fund receipts for the year ended June 30, 2018. Commissions receipts are reported at \$11,879 which is seventy-three percent of I&E Fund Phone/Commissary Commissions Fund receipts for the year ended June 30, 2017. Commissions receipts are reported at \$11,480 which is ninety-one percent of Vending and Other / Miscellaneous Fund receipts for the year ended June 30, 2017. Reimbursement receipts are reported at \$4,430 which is twenty-seven percent of I&E Fund Phone/Commissary Commissions Fund receipts for the year ended June 30, 2017. Reimbursement receipts are reported at \$40,160 which is eighty-nine percent of Commissary Fund receipts for the year ended June 30, 2017.

We were unable to obtain sufficient appropriate audit evidence supporting \$16,456 and \$6,100 of the amounts recorded as Commission receipts for the years ended June 30, 2018 and 2017. We were unable to obtain sufficient appropriate audit evidence supporting \$64,231 and \$44,590 of the amounts recorded as Reimbursement receipts for the fiscal years ended June 30, 2018 and 2017. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the Resident Program Fund, I&E Fund Phone/Commissary Commissions Fund, Commissary Fund, and Vending and Other / Miscellaneous Fund of the Western Ohio Regional Treatment and Habilitation Center, Allen County as of and for the fiscal year ended June 30, 2018 and the I&E Fund Phone/Commissary Commissions Fund, Commissary Fund, and Vending and Other / Miscellaneous Fund of the Western Ohio Regional Treatment and Habilitation Center, Allen County as of and for the fiscal year ended June 30, 2017 in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits, described in Note 2.

Unmodified 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 the ODRC 501-501 Funding Fund, Capital Fund, Federal Fund, Justice Reinvestment and Incentive Grant Fund, Probation Improvement and Incentive Grant Fund and Offender Personal Funds of the Western Ohio Regional Treatment and Habilitation Center, Allen County as of and for the fiscal year ended June 30, 2018 and the ODRC 501-501 Funding Fund, Capital Fund, Federal Fund, Probation Improvement and Incentive Grant Fund, and Offender Personal Fund as of and for the fiscal year ended June 30, 2017 in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits, described in Note 2.

Emphasis of Matter

As discussed in Note 9 to the financial statements for the fiscal years ended June 30, 2018 and 2017, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Facility. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020, 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

November 6, 2020

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WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO

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

| | State Appropriations and Grants | | | | | Offender Funds | | | | | Totals | |
|---|---------------------------------|------------------|-------------------|---|--|-------------------------------|-----------------------------|---|-----------------|---|-------------|-------------------|
| | ODRC 501-501 Funding | Capital | Federal | Justice Reinvestment and Incentive Grant | Probation Improvement and Incentive Grant | Offender Personal Funds | Resident Program Fund | I&E Fund Phone/Commissary Commissions | Commissary | Vending and Other / Miscellaneous | | |
| Receipts: | | | | | | | | | | | | |
| Intergovernmental | \$ 2,994,323 | \$ 94,126 | \$ 0 | \$ 343,267 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 3,431,716 |
| Receipts for offenders | 0 | 0 | 0 | 0 | 0 | 95,970 | 0 | 0 | 0 | 0 | 0 | 95,970 |
| Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 41,960 | 10,490 | 6,438 | 1,155 | 0 | 60,043 |
| Reimbursement | 122,292 | 0 | 0 | 0 | 918 | 0 | 49,252 | 1,035 | 23,019 | 0 | 0 | 196,516 |
| Other income/interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Total receipts | 3,116,615 | 94,126 | 0 | 343,267 | 918 | 95,970 | 91,212 | 11,526 | 29,457 | 1,155 | 0 | 3,784,246 |
| Disbursements: | | | | | | | | | | | | |
| Personnel | 2,150,288 | 0 | 0 | 96,618 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,246,906 |
| Operating costs | 701,768 | 0 | 0 | 5,375 | 18,100 | 0 | 62,135 | 2,421 | 19,311 | 409 | 0 | 809,519 |
| Program costs | 125,774 | 0 | 0 | 8,305 | 0 | 0 | 24,759 | 2,076 | 30,560 | 0 | 0 | 191,474 |
| Equipment | 80,314 | 82,550 | 8,257 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 171,121 |
| Offender disbursements | 0 | 0 | 0 | 0 | 0 | 98,216 | 0 | 0 | 0 | 0 | 0 | 98,216 |
| Total disbursements | 3,058,144 | 82,550 | 8,257 | 110,298 | 18,100 | 98,216 | 86,894 | 4,497 | 49,871 | 409 | 0 | 3,517,236 |
| Total receipts over/(under) disbursements | 58,471 | 11,576 | (8,257) | 232,969 | (17,182) | (2,246) | 4,318 | 7,029 | (20,414) | 746 | 0 | 267,010 |
| Other financing sources (uses): | | | | | | | | | | | | |
| Transfers in | 0 | 0 | 0 | 0 | 0 | 0 | 36,258 | 0 | 13,045 | 22,413 | 0 | 71,716 |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 | (28,229) | (39,664) | (2,905) | (918) | 0 | (71,716) |
| Total other financing sources (uses) | 0 | 0 | 0 | 0 | 0 | 0 | 8,029 | (39,664) | 10,140 | 21,495 | 0 | 0 |
| Net change in fund balances | 58,471 | 11,576 | (8,257) | 232,969 | (17,182) | (2,246) | 12,347 | (32,635) | (10,274) | 22,241 | 0 | 267,010 |
| Fund balances (regulatory cash basis), July 1, 2017 | 365,576 | 6,400 | 262 | 0 | 51,558 | 6,507 | 0 | 32,635 | 10,274 | (22,241) | 0 | 450,971 |
| Fund balances (regulatory cash basis), June 30, 2018 | \$ 424,047 | \$ 17,976 | \$ (7,995) | \$ 232,969 | \$ 34,376 | \$ 4,261 | \$ 12,347 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 717,981 |
| Unpaid obligations/open purchase orders | \$ 262,195 | | | | | | | | | | | |

See accompanying notes to the financial statements.

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**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 1 - Reporting Entity

The Western Ohio Regional Treatment and Habilitation Center (the Facility), Allen County, a Community Based Corrections Center, 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 a maximum of 99 offenders. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the Counties 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 Facility's Governing Board regarding Facility matters. The Board includes at least one common pleas court judge from each county the Facility serves. The Facility serves the following counties:

| | | |
|---------------|-----------------|-----------------|
| Allen County | Auglaize County | Hancock County |
| Hardin County | Mercer County | Paulding County |
| Putnam County | Shelby County | Van Wert County |

For the year ended June 30, 2018, the financial statements present all funds related to the Facility.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Facility uses fund accounting to segregate amounts that are restricted as to use. The Facility has the following funds:

State Appropriations and Grants

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

Capital Reports amount received from the ODRC to finance all or part of the cost of renovating or building facilities.

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

Prison Rape Elimination Act (PREA) These grant receipts are to provide funds for cameras and radio costs.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Justice Reinvestment and Incentive Grant (JRIG) These grant revenues are funded through the State of Ohio to assist local governments in community-based law enforcement services.

Probation Improvement and Incentive Grant (PIIG) These grant revenues are funded through the State of Ohio to assist local governments in community-based law enforcement services.

Offender Funds

Offender Personal Funds This fund accounts for the amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries offenders 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.

Resident Program Fund This fund receives other Offender Funds, such as telephone and commissary commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment. The Offender Personal Fund reimburses this Fund for costs chargeable to Offender Funds. This fund also accounts for amounts charged to non-indigent offenders' personal funds for use of the commissary and receives other significant sources of receipts, such as vending machine commissions.

I&E Fund Phone/Commissary Commissions This fund receives other Offender Funds, such as telephone and commissary commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment. The Offender Personal Fund reimburses this Fund for costs chargeable to Offender Funds.

Commissary This fund accounts for amounts charged to non-indigent offenders' personal funds for use of the commissary, per Ohio Revised Code §2301.58.

Vending and Other/Miscellaneous This fund receives other significant sources of receipts, such as vending machine commissions.

During fiscal year 2018, the Facility combined the existing I&E fund phone/commissary commissions, the commissary fund and the vending and other miscellaneous fund into one new fund, the resident program fund. Cash balances (deficits) in the existing funds at the time of combination were reported as transfers to the new fund.

Basis of Accounting

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Corrections. 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).

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Budgetary Process

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.

Encumbrances Disbursements from State appropriations and Grants are subject to Allen 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 3 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. (See Note 5)

A summary of 2018 budgetary activity appears in Note 3.

Deposits

The Allen 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 in demand deposit accounts.

Capital Assets

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

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.

Note 3 – Budgetary Activity

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

| <u>2018 Budgeted vs. Actual Budgetary Basis Expenditures</u> | | |
|--|---------------------------|--------------|
| Appropriation Authority | Budgetary Expenditures | Variance |
| \$ 2,994,323 | \$ 3,198,047 | \$ (203,724) |

Reimbursement activity of \$122,292 is not included in the budgetary expenditures. Budgetary expenditures include unpaid obligations/open purchase orders at year end.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 4 – Collateral on Deposits and Investments

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

Offender Funds

Deposits Deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Offender Funds did not exceed the FDIC coverage of \$250,000 during fiscal year 2018.

Note 5 – 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 | \$ 365,576 |
| Disbursements against prior year budget | (234,177) |
| Payable to ODRC, July 1 | 0 |
| Sub-total | 131,399 |
| 501 Cash receipts | 2,994,323 |
| Budgetary basis disbursements | (3,198,047) |
| Amount subject to refund, June 30 | (72,325) |
| One-twelfth of 501 award | (249,527) |
| Refundable to ODRC | \$ 0 |

Note 6 – Risk Management

Commercial Insurance

The Facility is included in Allen County’s commercial insurance policies through County Risk Sharing Authority, Inc. (CORSA). CORSA is a public entity shared risk pool among 65 counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a primary group and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials’ error and omissions liability insurance.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Each member, one from each member county, has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligation to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The county does not have an equity interest or financial responsibility.

The Facility is insured through Alliance Municipal Insurance for the following risks:

- Law Enforcement Liability – occurrence coverage
- Public Officials Liability – claims made coverage
- Employment Practices Liability – claims made coverage
- General Liability for Equipment, Electronic Data, and Property
- Bonding (Employee Dishonesty) through Old Republic Surety Company

The Facility insures against injuries to employees through the Ohio Bureau of Worker's Compensation. This coverage is obtained through the Allen County Commissioners.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees 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 this plan's benefits, which include postretirement health care and survivor and disability benefits.

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 the period from July 1, 2017 through December 31, 2017 and 0 percent for the period from January 1, 2018 through June 30, 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during fiscal year 2018.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 9 – COVID-19 Pandemic

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Facility. The investments of the pension and other employee benefit plan in which the Facility participates fluctuate with marked conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Facility's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO

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

| | State Appropriations and Grants | | | | Offender Funds | | | | Totals |
|---|---------------------------------|-----------------|---------------|--|-------------------------------|---|------------------|---|-------------------|
| | ODRC 501-501 Funding | Capital | Federal | Probation Improvement and Incentive Grant | Offender Personal Funds | I&E Fund Phone/Commissary Commissions | Commissary | Vending and Other / Miscellaneous | |
| Receipts: | | | | | | | | | |
| Intergovernmental | \$ 3,072,880 | \$ 40,408 | \$ 34,038 | \$ 206,991 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,354,317 |
| Receipts for offenders | 0 | 0 | 0 | 0 | 137,586 | 0 | 0 | 0 | 137,586 |
| Commissions | 0 | 0 | 0 | 0 | 0 | 11,879 | 0 | 11,480 | 23,359 |
| Reimbursement | 77,243 | 0 | 0 | 0 | 0 | 4,430 | 40,160 | 1,089 | 122,922 |
| Other income/interest | 0 | 0 | 0 | 0 | 0 | 0 | 4,779 | 0 | 4,779 |
| Total receipts | 3,150,123 | 40,408 | 34,038 | 206,991 | 137,586 | 16,309 | 44,939 | 12,569 | 3,642,963 |
| Disbursements: | | | | | | | | | |
| Personnel | 2,026,652 | 0 | 0 | 143,364 | 0 | 0 | 0 | 0 | 2,170,016 |
| Operating costs | 732,341 | 87,359 | 0 | 8,543 | 0 | 5,965 | 28,373 | 19,149 | 881,730 |
| Program costs | 126,410 | 0 | 0 | 6,543 | 0 | 9,371 | 31,226 | 0 | 173,550 |
| Equipment | 16,236 | 0 | 34,038 | 37,007 | 0 | 0 | 0 | 0 | 87,281 |
| Offender disbursements | 0 | 0 | 0 | 0 | 139,513 | 0 | 0 | 0 | 139,513 |
| Total disbursements | 2,901,639 | 87,359 | 34,038 | 195,457 | 139,513 | 15,336 | 59,599 | 19,149 | 3,452,090 |
| Total receipts over/(under) disbursements | 248,484 | (46,951) | 0 | 11,534 | (1,927) | 973 | (14,660) | (6,580) | 190,873 |
| Fund balances (regulatory cash basis), July 1, 2016 | 117,092 | 53,351 | 262 | 40,024 | 8,434 | 31,662 | 24,934 | (15,661) | 260,098 |
| Fund balances (regulatory cash basis), June 30, 2017 | \$ 365,576 | \$ 6,400 | \$ 262 | \$ 51,558 | \$ 6,507 | \$ 32,635 | \$ 10,274 | \$ (22,241) | \$ 450,971 |
| Unpaid obligations/open purchase orders | \$ 234,177 | | | | | | | | |

See accompanying notes to the financial statements.

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**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Note 1 - Reporting Entity

The Western Ohio Regional Treatment and Habilitation Center (the Facility), Allen County, a Community Based Corrections Center, 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 a maximum of 99 offenders. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the Counties 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 Facility's Governing Board regarding Facility matters. The Board includes at least one common pleas court judge from each county the Facility serves. The Facility serves the following counties:

| | | |
|---------------|-----------------|-----------------|
| Allen County | Auglaize County | Hancock County |
| Hardin County | Mercer County | Paulding County |
| Putnam County | Shelby County | Van Wert County |

For the year ended June 30, 2017, the financial statements present all funds related to the Facility.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Facility uses fund accounting to segregate amounts that are restricted as to use. The Facility has the following funds:

State Appropriations and Grants

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

Capital Reports amount received from the ODRC to finance all or part of the cost of renovating or building facilities.

Probation Improvement and Incentive Grant (PIIG) These grant revenues are funded through the State of Ohio to assist local governments in community-based law enforcement services.

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

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Prison Rape Elimination Act (PREA) These grant receipts are to provide funds for cameras and radio costs.

Offender Funds

Offender Personal Funds This fund accounts for the amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries offenders 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.

I&E Fund Phone/Commissary Commissions This fund receives other Offender Funds, such as telephone and commissary commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment. The Offender Personal Fund reimburses this Fund for costs chargeable to Offender Funds.

Commissary This fund accounts for amounts charged to non-indigent offenders' personal funds for use of the commissary, per Ohio Revised Code §2301.58.

Vending and Other/Miscellaneous This fund receives other significant sources of receipts, such as vending machine commissions.

Basis of Accounting

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Corrections. 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 Corrections requires.

Budgetary Process

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.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Encumbrances Disbursements from State appropriations and Grants are subject to Allen 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 3 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. (See Note 5)

A summary of 2017 budgetary activity appears in Note 3.

Deposits

The Allen 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 in demand deposit accounts.

Capital Assets

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

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.

Note 3 – Budgetary Activity

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

| <u>2017 Budgeted vs. Actual Budgetary Basis Expenditures</u> | | |
|--|-----------------------------------|------------------|
| <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
| <u>\$ 3,072,879</u> | <u>\$ 3,058,573</u> | <u>\$ 14,306</u> |

Reimbursement activity of \$63,423 is not included in the budgetary expenditures. Total reimbursement receipts of \$77,243 reported on the Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) report also include \$13,820 related to the PREA grant that were paid by the ODRC 501-501 Funding Fund in fiscal year 2016 and reimbursed in fiscal year 2017 when the grant revenue was received. Budgetary expenditures include unpaid obligations/open purchase orders at year end.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Note 4 – Collateral on Deposits and Investments

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

Offender Funds

Deposits Deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Offender Funds did not exceed the FDIC coverage of \$250,000 during fiscal year 2017. The offender funds are maintained by the Facility.

Note 5 – 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 | \$ 117,092 |
| Disbursements against prior year budget | 0 |
| Payable to ODRC, July 1 | 0 |
| Sub-total | 117,092 |
| 501 Cash receipts | 3,072,880 |
| Budgetary basis disbursements | (3,058,573) |
| Amount subject to refund, June 30 | 131,399 |
| One-twelfth of 501 award | (256,073) |
| Refundable to ODRC | \$ 0 |

Note 6 – Risk Management

Commercial Insurance

The Facility is included in Allen County’s commercial insurance policies through County Risk Sharing Authority, Inc. (CORSA). CORSA is a public entity shared risk pool among 65 counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a primary group and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials’ error and omissions liability insurance.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Each member, one from each member county, has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligation to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The county does not have an equity interest or financial responsibility.

The Facility is insured through Alliance Municipal Insurance for the following risks:

- Law Enforcement Liability – occurrence coverage
- Public Officials Liability – claims made coverage
- Employment Practices Liability – claims made coverage
- General Liability for Equipment, Electronic Data, and Property
- Bonding (Employee Dishonesty) through Old Republic Surety Company

The Facility insures against injuries to employees through the Ohio Bureau of Worker's Compensation. This coverage is obtained through the Allen County Commissioners.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees 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 this plan's benefits, which include postretirement health care and survivor and disability benefits.

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 2 percent during the period from July 1, 2016 through December 31, 2016 and 1 percent for the period from January 1, 2017 through June 30, 2017. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during fiscal year 2017.

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Note 9 – COVID - 19 Pandemic

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Facility. The investments of the pension and other employee benefit plan in which the Facility participates fluctuate with marked conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Facility's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



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

Western Ohio Regional Treatment and Habilitation Center
Allen County
243 East Bluelick Road
Lima, Ohio 45802

To the Members of the 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 Western Ohio Regional Treatment and Habilitation Center, Allen County, (the Facility) as of and for the fiscal years ended June 30, 2018 and 2017 and the related notes to the financial statements and have issued our report thereon dated November 6, 2020, wherein we noted the Facility followed financial reporting provisions the Ohio Department of Rehabilitation and Corrections prescribes or permits. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Facility. We qualified our opinion in 2018 for the amounts reported as commissions receipts in the Resident Program Fund, the I&E Fund Phone/Commissary Commissions Fund, the Commissary Fund, and the Vending and Other / Miscellaneous Fund; and in 2017 for the amounts reported in the I&E Fund Phone/Commissary Commissions Fund, and in the Vending and Other / Miscellaneous Fund. We also qualified our opinion in 2018 for the amounts reported as reimbursement receipts in the Resident Program Fund, the I&E Fund Phone/Commissary Commissions Fund, and in the Commissary Fund; and in 2017 for the amounts reported in the I&E Fund Phone/Commissary Commissions Fund and the Commissary Fund.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-002.

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 communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 6, 2020

**WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER
ALLEN COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2018 AND 2017**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

FINDING NUMBER 2018-001

Material Weakness – Commissions Receipts and Reimbursement Receipts

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to lack of controls over review of financial reports and posting of transactions, the following errors were identified in the financial statements:

For the year ended June 30, 2018:

- Receipts in the amount of \$5,677 were incorrectly recorded in the Commissary Fund as reimbursement receipts, instead of as commission receipts in the I&E Fund/Phone/Commissary Commissions Fund; and
- Receipts in the amount of \$26,742 were incorrectly recorded in the Resident Program Fund as reimbursement receipts, instead of as commission receipts;
- Receipts in the amount of \$2,025 were incorrectly recorded in the Resident Program Fund as reimbursement receipts, instead of as reimbursement receipts in the Commissary Fund; and
- Receipts in the amount of \$1,430 were incorrectly recorded in the Commissary Fund as reimbursement receipts, instead of as commissions receipts.

For the year ended June 30, 2017:

- Receipts in the amount of \$1,521 were incorrectly recorded in the I&E Fund/Phone/Commissary Commissions Fund as reimbursement receipts, instead of as commission receipts;
- Receipts related to phone commissions in the amount of \$1,889 were incorrectly recorded in the Vending and Other/Miscellaneous Fund, instead of in the I&E Fund/Phone/ Commissary Commissions fund;
- Soft drink vending commission receipts in the amount of \$1,217 were recorded in the I&E Fund/Phone/Commissary Commissions Fund, instead of the Vending and Other/Miscellaneous Fund;
- Reimbursements receipts in the amount of \$880 were classified as commission receipts and recorded in the Vending and Other/Miscellaneous Fund instead of the Commissary Fund; and
- Commission receipts in the amount of \$344 were recorded in the Vending and Other/Miscellaneous Fund to reconcile the bank balance to the book balance.

The accounting records did not require adjustment. The accompanying financial statements records were adjusted for these errors, however, we were unable to obtain sufficient appropriate audit evidence supporting \$16,456 and \$6,100 of the amounts recorded as Commission receipts for the fiscal years ended June 30, 2018 and 2017. In addition, we were unable to obtain sufficient appropriate audit evidence supporting \$64,231 and \$44,590 of the amounts recorded as Reimbursement receipts for the fiscal years ended June 30, 2018 and 2017. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The failure to have procedures and/or controls to verify documentation was maintained to support commissions receipts and reimbursement receipts, and the lack of monitoring procedures to ensure these receipts were classified correctly and in the correct fund, resulted in the qualification of commissions receipts and reimbursement receipts in the Offender Funds.

**FINDING NUMBER 2018-001
(Continued)**

For the year ended June 30, 2018, the Facility rolled the I&E Phone/Commissary Commissions, Commissary, and the Vending and Other / Miscellaneous funds into the Resident Program Fund by recording transfers. As a result of the audit adjustments recorded to the commissions and reimbursement receipts, the following additional transfers were recorded to return the fund balances to \$0 at year-end: transfers-out were increased by \$6,349 for the I&E Fund Phone/Commissary Commissions Fund; transfers-in were increased by \$5,677 for the Commissary Fund; transfers-In were increased by \$1,552 for the Vending and Other/Miscellaneous Fund, transfers-out were increased by \$2,905 for the Commissary Fund, and transfers-in were increased by \$2,025 for the Resident Program Fund.

The Facility should establish and implement procedures that require supporting documentation when recording a receipt to help ensure the receipt is classified correctly and recorded in the correct fund and that the documentation is maintained. Additionally, the Board or a finance or audit committee should perform a periodic review of the accounting records to ensure that documentation exists to support each receipt.

FINDING NUMBER 2018-002

Noncompliance Citation

Ohio Rev. Code § 117.38(A) states, in part, that each public office, " shall file a financial report within 60 days after the close of the fiscal year."

The Facility filed the financial report for the fiscal year ended June 30, 2018 on February 21, 2020, which was not by the required date of August 29, 2018. The Facility filed the financial report for the fiscal year ended June 30, 2017 on January 30, 2020, which was not by the required date of August 29, 2017. **Ohio Rev. Code § 117.38** imposes a penalty of \$25 per day (\$750 maximum) for incomplete filings.

Financial reporting errors in the fiscal years ended June 30, 2015 and 2016 which impacted fund balances and bank to book reconciliations for the fiscal years ended June 30, 2017 and 2018 may have contributed to the failure to file financial reports by the required filing dates.

The Facility should establish and implement procedures to eliminate the recording errors that contribute to delays in the filing of the annual financial statements. The Board should monitor the filing of the annual report to verify it is filed in a timely manner.

OFFICIALS' RESPONSE: We did not receive a response from Officials to the findings reported above.



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Western Ohio Regional Treatment and Habilitation Center

Enhancing the WORTH of individuals by giving them skills and insight to become successful, caring, and involved community members.

EXECUTIVE DIRECTOR
 Brent Burk

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 JUNE 30, 2018 and 2017**

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|--|---|---|
| 2016-001 | Material Weakness – Bank to Book Reconciliations | Partially Corrected – repeated in management letter | The WORTH Center Board shall review and approve all bank to book reconciliations and supporting documentation monthly. Evidence of the Board's review and approval of the reconciliations will be noted on the reconciliations or in the minutes. |
| 2016-002 | Material Weakness – Accuracy of Financial Reporting | Not Corrected | Repeated as finding 2018-001 |
| 2016-003 | Material Weakness – Offender Personal Funds Activity | Partially Corrected – repeated in management letter | The Facility will monitor the fund more carefully and implement policies and procedures to track and maintain all resident files and supporting documentation for all transactions in order for them to be traced to the appropriate Offender's Account Balance Report. |
| 2016-004 | Material Weakness – Documentation for Reimbursements from the Offender Personal Funds | Fully Corrected | |
| 2016-005 | Significant Deficiency – Support for Use of Compensatory Time and Compensatory Policy | Fully Corrected | |
| 2016-006 | Significant Deficiency – Non-payroll Transactions | Partially Corrected – repeated in management letter | The Facility plans to take corrective action and implement a policy to ensure supporting documentation is properly maintained. |
| 2016-007 | Significant Deficiency – Health Savings Account Activity | Fully Corrected | |
| 2016-008 | Finding for Recovery – Public Monies Illegally expended (lack of supporting documentation) | Fully Corrected | |

PRIMARY COUNTIES

Allen • Auglaize • Hancock • Hardin
 Mercer • Paulding • Putnam • Shelby • Van Wert

| | | | |
|----------|---|---|---|
| 2016-009 | Finding For Recovery – Public Monies Illegally Expended (interest and late fees) | Partially Corrected – repeated in management letter | The Facility is working on implementing an updated credit card policy to prevent this from occurring in the future. |
| 2016-010 | Noncompliance Citation - Community-Based Correctional Facility (CBCF) FY16 and FY15 Grant Manual – Failure to record grant activity | Fully Corrected | |
| 2016-011 | Noncompliance Citation - Community-Based Correctional Facility (CBCF) FY16 and FY15 Grant Manual – lack of supporting documentation for reimbursements. | Fully Corrected | |

OHIO AUDITOR OF STATE KEITH FABER



WESTERN OHIO REGIONAL TREATMENT AND HABILITATION CENTER

ALLEN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/10/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov