



**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022-2021**



**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Corrections Commission of Northwest Ohio  
Williams County  
03151 County Road 2425  
Stryker, Ohio 43557-9418

To the Members of the Commission:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Corrections Commission of Northwest Ohio, Williams County, Ohio (the Commission), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Commission on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2023, on our consideration of the Commission'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's 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 Commission's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 6, 2023

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**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Multi-Jurisdictional Inmate Beds	\$10,022,005			\$10,022,005
Grants from State		\$88,444		88,444
Rental Revenue (Bed Overages)	346,700			346,700
Nonmember Inmate Bed Rental Income	8,668,450			8,668,450
Electronic Monitoring		130,273		130,273
Juvenile Center	51,353			51,353
Earnings on Investments	50,922	31,266	\$54,772	136,960
Commissary Commission		360,477		360,477
Medical Fee Revenue		5,203		5,203
Inmate Phone Commission	872,726			872,726
Inmate Programming		24,180		24,180
Miscellaneous	130,959	13,826	968	145,753
<i>Total Cash Receipts</i>	<u>20,143,115</u>	<u>653,669</u>	<u>55,740</u>	<u>20,852,524</u>
<b>Cash Disbursements:</b>				
Current:				
Salary, Wages and Benefits	12,938,171	177,144		13,115,315
Education, Training, Membership and Dues	22,936	5,398		28,334
Insurance	245,451	330	5,336	251,117
Travel	3,860			3,860
Supply Expenses	405,779	45,586	20,888	472,253
Contract Services	3,269,581	138,041		3,407,622
Postage Services	4,300			4,300
Utilities	806,626	3,406		810,032
Clothing and Linen	83,581	20,655		104,236
Repairs and Maintenance	129,191		29,900	159,091
Personnel Recruitment	57,246			57,246
Professional Services	56,443	3,095		59,538
Dry Cleaning	1,215			1,215
Non-Capital Equipment	68,232	7,792		76,024
Capital Outlay	43,178	2,690	137,944	183,812
<i>Total Cash Disbursements</i>	<u>18,135,790</u>	<u>404,137</u>	<u>194,068</u>	<u>18,733,995</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,007,325</u>	<u>249,532</u>	<u>(138,328)</u>	<u>2,118,529</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	720,513		720,513	1,441,026
Transfers Out	(1,441,026)			(1,441,026)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(720,513)</u>		<u>720,513</u>	
<i>Net Change in Fund Cash Balances</i>	1,286,812	249,532	582,185	2,118,529
Fund Cash Balances, January 1	7,141,442	2,736,380	2,937,787	12,815,609
<i>Fund Cash Balances, December 31</i>	<u>\$8,428,254</u>	<u>\$2,985,912</u>	<u>\$3,519,972</u>	<u>\$14,934,138</u>

See accompanying notes to the basic financial statements

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCE (REGULATORY CASH BASIS) - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Proprietary Fund Type</b>
	<b>Internal Service</b>
<b>Operating Cash Receipts:</b>	
Insurance Premiums	\$2,806,528
Stop Loss Coverage	845,798
Employer Contributions	400,000
Earnings on Investments	10,081
Miscellaneous	116,950
<i>Total Operating Cash Receipts</i>	<i>4,179,357</i>
<b>Operating Cash Disbursements:</b>	
Claims	3,095,025
Administrative Fees	914,519
<i>Total Operating Cash Disbursements</i>	<i>4,009,544</i>
<i>Net Change in Fund Cash Balance</i>	<i>169,813</i>
Fund Cash Balance, January 1	2,831,741
<i>Fund Cash Balance, December 31</i>	<i>\$3,001,554</i>
<i>See accompanying notes to the basic financial statements</i>	

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS) - ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Fiduciary Fund Types</b>
	<b>Other Custodial</b>
<b>Additions:</b>	
Amounts Held for Inmates	\$990,313
Amounts Held for Employees	50,144
	<u>1,040,457</u>
<i>Total Additions</i>	<u>1,040,457</u>
<b>Deductions:</b>	
Distributions on Behalf of Inmates	1,003,466
Distributions on Behalf of Employees	48,557
	<u>1,052,023</u>
<i>Total Deductions</i>	<u>1,052,023</u>
<i>Net Change in Fund Cash Balances</i>	(11,566)
Fund Cash Balances, January 1	<u>102,415</u>
<i>Fund Cash Balances, December 31</i>	<u>\$90,849</u>
<i>See accompanying notes to the basic financial statements</i>	

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Reporting Entity**

The Corrections Commission of Northwest Ohio, Williams County, Ohio (the Commission) is a public entity organized September 30, 1987, under Ohio Revised Code § 307.93 for the purpose of establishing a multi-county municipal correction center, constructing that center, overseeing its operation and administration and promoting other cooperative programs relating to the center.

The Board of County Commissioners of Defiance, Fulton, Henry, Lucas, and Williams Counties and the Toledo City Council established the Commission. A Commissioner and the Sheriff of each participating county and the Mayor and Police Chief of each participating municipality comprise the Governing Board of the Commission. Effective August 20, 2016, the City of Toledo withdrew its membership from the Commission.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Commission's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the proprietary fund type and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Commission 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 Commission are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Commission had the following significant Special Revenue Funds:

***State Grants Fund*** The states grant fund accounts for monies received from the Ohio Department of Rehabilitation and Corrections for the Community Corrections Act grant. The Community Corrections Act grant is to assist in the monitoring of offenders via electronic devises.

***Supervision Fund*** The supervision fund accounts for the electronic monitoring services of inmates not housed at the facility but are under house arrest and can pay for the applicable fees of the service.

***Inmate Support Fund*** The inmate support fund accounts for monies received and expended specifically for the benefit of the inmates.

***Capital Project Fund*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Commission had the following Capital Project Fund:

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

**Capital Fund** The capital fund accounts for funding determined by the member jurisdictions on an as needed basis.

**Internal Service Fund** This fund accounts for services provided by one department to other departments of the government unit. The Commission had the following Internal Service Fund:

**Self-funded Health Insurance Fund** The self-funded health insurance fund accounts for insurance premium payments from other funds to pay medical, dental, and prescription claims of employees enrolled in the health insurance plan.

**Fiduciary Funds** Fiduciary funds include pension and other employee benefit trust funds, private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Commission's custodial funds account for the money held for the incarcerated inmates of the facility and flexible savings accounts for employees.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Commission is not required to follow the budgetary requirements under Ohio Revised Code § 5705. However, Management does estimate receipts and budget expenditures (appropriations) internally. Appropriations and budgeted expenditures (that is disbursements and encumbrances) are presented to the Commission monthly. The Commission does encumber its expenditures against its appropriations. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

The Commission's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Commission records disbursements for acquisitions of property, plant, and equipment 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.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the commission.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The Governing Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Governing Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$19,454,363	\$20,863,628	\$1,409,265
Special Revenue	931,453	653,669	(277,784)
Capital Projects	143,153	776,253	633,100
Internal Service	4,060,000	4,179,357	119,357
Fiduciary	1,620,000	1,040,457	(579,543)
Total	\$26,208,969	\$27,513,364	\$1,304,395

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$19,826,631	\$19,887,152	(\$60,521)
Special Revenue	941,573	429,531	512,042
Capital Projects	213,711	267,247	(53,536)
Internal Service	4,060,000	4,009,544	50,456
Fiduciary	1,620,000	1,052,023	567,977
Total	\$26,661,915	\$25,645,497	\$1,016,418

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Commission is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Commission's deposit and investment accounts are as follows:

	2022
Demand deposits	\$7,814,800
STAR Ohio	10,211,741
Total deposits and investments	\$18,026,541

The Commission does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Commission is holding \$100,249 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Depository 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.

At December 31, 2022, \$1,316,717 of deposits were not insured or collateralized. The Commission's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

***Investments***

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Interfund Transactions**

***Transfers***

The Commission transferred \$720,513 from the General Fund to the Reserve fund to fund future retirement and termination payouts. This fund is included in the General Fund for reporting purposes. The Commission transferred \$720,513 from the General Fund to the Capital Fund to finance future capital improvements.

***Advances***

Outstanding advances at December 31, 2022, consisted of \$22,111 advanced to the State Grant Fund to provide working capital for grant expenses prior to reimbursement.

**Note 6 - Risk Management**

***Workers' Compensation***

The Commission participates in the Ohio Rural Water Association Group Rating Plan (GRP) for workers' compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

***Commercial Insurance***

The Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

***Self-Insurance***

The Commission is also self-insured for health, dental, and prescription coverage. The Self-Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. The Commission reinsures certain risks with Medical Mutual of Ohio to limit its losses for large aggregate and individual losses. A comparison of Self-Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	2022
Cash and investments	\$3,001,554
Actuarial liabilities	604,916

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Commission 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent, of their gross salaries and the Commission contributed an amount equaling 14 percent, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

OPERS offers 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 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 10 – Fund Balances**

Included in fund balances are amounts the Commission cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies		\$4,529		\$4,529
Outstanding Encumbrances	\$310,336	25,394	\$73,179	408,909
Total	<u>\$310,336</u>	<u>\$29,923</u>	<u>\$73,179</u>	<u>\$413,438</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Multi-Jurisdictional Inmate Beds	\$7,154,022			\$7,154,022
Grants from State		\$88,444		88,444
Rental Revenue (Bed Overages)	373,409			373,409
Nonmember Inmate Bed Rental Income	8,277,179			8,277,179
Electronic Monitoring		154,985		154,985
Juvenile Center	39,554			39,554
Earnings on Investments	2,755	1,328	\$1,079	5,162
Commissary Commission		444,628		444,628
Medical Fee Revenue		4,208		4,208
Inmate Phone Commission	1,080,588			1,080,588
Miscellaneous	111,380	14,159	45,895	171,434
<i>Total Cash Receipts</i>	<u>17,038,887</u>	<u>707,752</u>	<u>46,974</u>	<u>17,793,613</u>
<b>Cash Disbursements:</b>				
Current:				
Salary, Wages and Benefits	12,383,162	95,231		12,478,393
Education, Training, Membership and Dues	11,149	4,001		15,150
Insurance	234,778	256	5,021	240,055
Travel	2,262			2,262
Supply Expenses	403,130	30,621		433,751
Contract Services	3,067,884	463,202		3,531,086
Postage Services	4,097	66		4,163
Utilities	730,438	3,306		733,744
Clothing and Linen	84,505	1,118		85,623
Repairs and Maintenance	122,717			122,717
Personnel Recruitment	43,838			43,838
Professional Services	93,336	3,125		96,461
Dry Cleaning	1,494			1,494
Non-Capital Equipment	72,719	3,533		76,252
Capital Outlay	90,785		122,884	213,669
<i>Total Cash Disbursements</i>	<u>17,346,294</u>	<u>604,459</u>	<u>127,905</u>	<u>18,078,658</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(307,407)</u>	<u>103,293</u>	<u>(80,931)</u>	<u>(285,045)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	540,809		1,340,809	1,881,618
Transfers Out	(1,881,618)			(1,881,618)
Advances In		22,111		22,111
Advances Out		(22,111)		(22,111)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,340,809)</u>		<u>1,340,809</u>	
<i>Net Change in Fund Cash Balances</i>	<u>(1,648,216)</u>	<u>103,293</u>	<u>1,259,878</u>	<u>(285,045)</u>
Fund Cash Balances, January 1	8,789,658	2,633,087	1,677,909	13,100,654
<i>Fund Cash Balances, December 31</i>	<u>\$7,141,442</u>	<u>\$2,736,380</u>	<u>\$2,937,787</u>	<u>\$12,815,609</u>

See accompanying notes to the basic financial statements

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCE (REGULATORY CASH BASIS) - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Proprietary Fund Type</b>
	<b>Internal Service</b>
<b>Operating Cash Receipts:</b>	
Insurance Premiums	\$2,925,390
Stop Loss Coverage	919,043
Miscellaneous	155,975
	<u>4,000,408</u>
<i>Total Operating Cash Receipts</i>	<u>4,000,408</u>
<b>Operating Cash Disbursements:</b>	
Claims	2,981,172
Administrative Fees	849,690
	<u>3,830,862</u>
<i>Total Operating Cash Disbursements</i>	<u>3,830,862</u>
<i>Net Change in Fund Cash Balance</i>	169,546
Fund Cash Balance, January 1	<u>2,662,195</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$2,831,741</u></u>
<i>See accompanying notes to the basic financial statements</i>	

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS) - ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Fiduciary Fund Types</b>
	<b>Other Custodial</b>
<b>Additions:</b>	
Amounts Held for Inmates	\$1,153,867
Amounts Held for Employees	53,162
	1,207,029
<i>Total Additions</i>	<i>1,207,029</i>
<b>Deductions:</b>	
Distributions on Behalf of Inmates	1,169,034
Distributions on Behalf of Employees	49,522
	1,218,556
<i>Total Deductions</i>	<i>1,218,556</i>
<i>Net Change in Fund Cash Balances</i>	<i>(11,527)</i>
Fund Cash Balances, January 1	113,942
<i>Fund Cash Balances, December 31</i>	<i>\$102,415</i>
<i>See accompanying notes to the basic financial statements</i>	

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 1 – Reporting Entity**

The Corrections Commission of Northwest Ohio, Williams County, Ohio (the Commission) is a public entity organized September 30, 1987, under Ohio Revised Code § 307.93 for the purpose of establishing a multi-county municipal correction center, constructing that center, overseeing its operation and administration and promoting other cooperative programs relating to the center.

The Board of County Commissioners of Defiance, Fulton, Henry, Lucas, and Williams Counties and the Toledo City Council established the Commission. A Commissioner and the Sheriff of each participating county and the Mayor and Police Chief of each participating municipality comprise the Governing Board of the Commission. Effective August 20, 2016, the City of Toledo withdrew its membership from the Commission.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Commission's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the proprietary fund type and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Commission 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 Commission are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Commission had the following significant Special Revenue Funds:

***State Grants Fund*** The states grant fund accounts for monies received from the Ohio Department of Rehabilitation and Corrections for the Community Corrections Act grant. The Community Corrections Act grant is to assist in the monitoring of offenders via electronic devises.

***Supervision Fund*** The supervision fund accounts for the electronic monitoring services of inmates not housed at the facility but are under house arrest and can pay for the applicable fees of the service.

***Inmate Support Fund*** The inmate support fund accounts for monies received and expended specifically for the benefit of the inmates.

***Capital Project Fund*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Commission had the following Capital Project Fund:

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

**Capital Fund** The capital fund accounts for funding determined by the member jurisdictions on an as needed basis.

**Internal Service Fund** This fund accounts for services provided by one department to other departments of the government unit. The Commission had the following Internal Service Fund:

**Self-funded Health Insurance Fund** The self-funded health insurance fund accounts for insurance premium payments from other funds to pay medical, dental, and prescription claims of employees enrolled in the health insurance plan.

**Fiduciary Funds** Fiduciary funds include pension and other employee benefit trust funds, private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Commission's custodial funds account for the money held for the incarcerated inmates of the facility and flexible savings accounts for employees.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Commission is not required to follow the budgetary requirements under Ohio Revised Code § 5705. However, Management does estimate receipts and budget expenditures (appropriations) internally. Appropriations and budgeted expenditures (that is disbursements and encumbrances) are presented to the Commission monthly. The Commission does encumber its expenditures against its appropriations. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

The Commission's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Commission records disbursements for acquisitions of property, plant, and equipment 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.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the commission.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The Governing Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Governing Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$19,407,357	\$17,579,696	(\$1,827,661)
Special Revenue	557,770	707,752	149,982
Capital Projects	217,905	1,387,783	1,169,878
Internal Service	3,900,000	4,000,408	100,408
Fiduciary	1,320,000	1,207,029	(112,971)
Total	\$25,403,032	\$24,882,668	(\$520,364)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$19,740,648	\$19,600,180	\$140,468
Special Revenue	1,727,501	614,578	1,112,923
Capital Projects	217,905	198,463	19,442
Internal Service	3,900,000	3,830,862	69,138
Fiduciary	1,320,000	1,218,556	101,444
Total	\$26,906,054	\$25,462,639	\$1,443,415

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Commission is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Commission's deposit and investment accounts are as follows:

	2021
Demand deposits	\$11,178,084
STAR Ohio	4,571,681
Total deposits and investments	\$15,749,765

The Commission does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Commission is holding \$138,688 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Depository 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.

At December 31, 2021, \$1,684,389 of deposits were not insured or collateralized. The Commission's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

***Investments***

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Interfund Transactions**

***Transfers***

The Commission transferred \$540,809 from the General Fund to the Reserve fund to fund future retirement and termination payouts. This fund is included in the General Fund for reporting purposes. The Commission transferred \$1,340,809 from the General Fund to the Capital Fund to finance future capital improvements.

***Advances***

Outstanding advances at December 31, 2021, consisted of \$22,111 advanced to the State Grant Fund to provide working capital for grant expenses prior to reimbursement.

**Note 6 - Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Commission pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

***Self-Insurance***

The Commission is also self-insured for health, dental, and prescription coverage. The Self-Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. The Commission reinsures certain risks with Medical Mutual of Ohio to limit its losses for large aggregate and individual losses. A comparison of Self-Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	2021
Cash and investments	\$2,831,741
Actuarial liabilities	538,525

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Commission 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 healthcare and survivor and disability benefits.

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent, of their gross salaries and the Commission contributed an amount equaling 14 percent, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2021.

**Note 8 – Postemployment Benefits**

OPERS offers 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 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 10 – Fund Balances**

Included in fund balances are amounts the Commission cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies		\$3,872		\$3,872
Outstanding Encumbrances	\$372,268	10,119	\$70,558	452,945
<b>Total</b>	<b>\$372,268</b>	<b>\$13,991</b>	<b>\$70,558</b>	<b>\$456,817</b>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



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

Corrections Commission of Northwest Ohio  
Williams County  
03151 County Road 2425  
Stryker, Ohio 43557-9418

To the Members of the Commission:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Corrections Commission of Northwest Ohio, Williams County, Ohio (the Commission) and have issued our report thereon dated September 6, 2023, wherein we noted the Commission followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

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

***Commission's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit and described in the accompanying schedule of findings. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 6, 2023

**CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**Material Weakness – Financial Reporting**

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.

The following errors were identified for the year ended December 31, 2022:

- Budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts approved by the Commission members. Budgeted receipts were understated in the General and Capital Project funds in the amounts of \$720,513 and \$720,513, respectively.
- Appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by the Commission members. Appropriation authority was understated in the General fund in the amount of \$1,441,026.

The following errors were identified for the year ended December 31, 2021:

- Budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts approved by the Commission members. Budgeted receipts were understated in the General and Capital Project funds in the amounts of \$540,809 and \$1,340,809, respectively.
- Appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by the Commission members. Appropriation authority was understated in the General fund in the amount of \$1,881,618.

These errors were not identified and corrected prior to the Commission preparing its financial statements and notes to the financial statements due to deficiencies in the Commission's internal controls over financial statement monitoring. The accompanying notes to the financial statements have been adjusted to correct these errors. Failure to complete accurate financial statements could lead to the Members of the Commission making misinformed decisions.

In addition to the adjustments noted above, we also identified additional misstatements ranging from \$5,042 to \$24,180 that we have brought to the Commission's attention.

The Commission should adopt policies and procedures, including final review of the financial statements and notes to the financial statements by the Fiscal Manager and audit committee, to help identify and correct errors and omissions.

**Officials' Response:**

Management is aware and understands the importance of the information presented on the financial statements and will ensure these errors will be accurately identified and reported.

# Corrections Commission of Northwest Ohio

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Stryker, Ohio 43557-9418  
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Administration Fax: (419) 428-2119  
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Community Corrections Fax: (419) 428-5802  
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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding first reported in 2019. Material weakness due to financial statement reporting errors.	Not corrected and reissued as Finding 2022-001 in this report.	Additional errors occurred which were not detected by management. Management is aware and understands the importance of the information presented on the financial statements and will ensure these errors will be accurately identified and reported.

Serving the counties of Defiance, Fulton, Henry, Lucas, and Williams.

# OHIO AUDITOR OF STATE KEITH FABER



**CORRECTIONS COMMISSION OF NORTHWEST OHIO**

**WILLIAMS 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 9/21/2023**

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](http://www.ohioauditor.gov)