



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

## **Community Correctional Center of Butler, Clermont and Warren Counties**

REGULAR AUDIT

YEARS ENDED JUNE 30, 2024 and 2023





65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

Facility Governing Board  
Community Correctional Center of Butler, Clermont, Warren Counties  
5234 State Route 63  
Lebanon, Ohio 45036

We have reviewed the *Independent Auditor's Report* of the Community Correctional Center of Butler, Clermont, Warren Counties, Warren County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2022 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Community Correctional Center of Butler, Clermont, Warren Counties is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

December 27, 2024

**This page intentionally left blank.**

## TABLE OF CONTENTS

Independent Auditors' Report .....	1 – 3
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) For the Year Ended June 30, 2024 .....	4
Notes to the Financial Statements for the Year Ended June 30, 2024.....	5 – 8
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) For the Year Ended June 30, 2023 .....	9
Notes to the Financial Statements for the Year Ended June 30, 2023.....	10 – 13
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	14 – 15
Schedule of Findings and Responses .....	16

**This page intentionally left blank.**

## INDEPENDENT AUDITORS' REPORT

To the Members of the Facility Governing Board  
Community Correctional Center of Butler, Clermont, and Warren Counties:

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

#### **Unmodified and Adverse Opinions**

We have audited the financial statements of Community Correctional Center of Butler, Clermont, and Warren Counties (the "Center") which comprises the cash balances, receipts and disbursements for each fund as of and for the years ended June 30, 2024 and 2023, 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 fund of the Community Correctional Center of Butler, Clermont, and Warren Counties as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits as described in Note 1.

#### **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 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 Center as of June 30, 2024 and 2023, or the changes in financial position 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Center 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 1, the financial statements are prepared by the Center on 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. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 these financial statements in accordance with the financial reporting provisions of the Ohio Department of Rehabilitation and Corrections. 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 Center'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.

### **Auditors' 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 auditors' 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 *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 judgement 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 judgement 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 Center'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 November 26, 2024, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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 Center's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
November 26, 2024

OHIO DEPARTMENT OF REHABILITATION AND CORRECTION  
COMMUNITY BASED CORRECTIONAL FACILITY

COMMUNITY CORRECTIONAL CENTER OF BUTLER, CLERMONT AND WARREN COUNTIES

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2024

	State Appropriations and Grants			Offender Fund	
	ODRC 501-501	Federal	State	Industrial / Entertainment	Totals
<b>Cash receipts:</b>					
Intergovernmental	\$ 4,447,257	37,005	-	-	4,484,262
Collections from offenders	-	-	-	19,589	19,589
Commissions	-	-	-	50,901	50,901
<b>Total cash receipts</b>	<b>4,447,257</b>	<b>37,005</b>	<b>-</b>	<b>70,490</b>	<b>4,554,752</b>
<b>Cash disbursements:</b>					
Personnel	2,033,560	26,796	-	-	2,060,356
Operating costs	1,555,191	10,209	52,341	61,101	1,678,842
Program costs	395,273	-	-	22,929	418,202
Equipment	21,900	-	-	-	21,900
<b>Total cash disbursements</b>	<b>4,005,924</b>	<b>37,005</b>	<b>52,341</b>	<b>84,030</b>	<b>4,179,300</b>
Disbursements from prior FY (including refund to ODRC)	67,445	-	-	-	67,445
<b>Total receipts over/(under) disbursements</b>	<b>373,888</b>	<b>-</b>	<b>(52,341)</b>	<b>(13,540)</b>	<b>308,007</b>
Fund cash balances, July 1	376,350	-	-	130,959	507,309
Fund cash balances, June 30	\$ 750,238	-	(52,341)	117,419	815,316

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

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

**COMMUNITY CORRECTIONAL CENTER OF BUTLER, CLERMONT, AND WARREN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Community Correctional Center of Butler, Clermont, and Warren Counties, (the Center), provides an alternative to prison incarceration for felony offenders. The Center is the last step in the continuum of increasing punishment before prison incarceration. The Center is a minimum security operation housing approximately 110 offenders. A Facility Governing Board oversees the Center's operations. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facilities Governing Board regarding Center matters. The Center serves Butler, Clermont and Warren Counties.

The financial statement presents all funds related to the Center.

The Facilities Governing Board has contracted Center operation responsibilities to Talbert House, a non-profit organization. Talbert House is responsible for essentially all management decisions related to the Center, subject to the Facilities Governing Board's oversight.

**B. Basis of Accounting**

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Corrections (regulatory cash basis). This basis is similar to the cash receipts and disbursements accounting basis. The Center recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Ohio Department of Rehabilitation and Corrections requires.

The Center is a cost center on the books of Talbert House. In compliance with the reporting requirements of the Ohio Department of Rehabilitation and Corrections, any capital equipment that is purchased is expensed during the period of acquisition less amounts of the refund payable due to ODRC.

**C. Cash**

Talbert House is the custodian for the Center's cash. Talbert House segregates cash related to the Industrial and Entertainment (I&E)/Telephone Commission fund in a separate bank account.

Talbert House commingles the Center's State Appropriations and Grants with cash from non-community based correction facility activities. Ending Fund Cash Balance on the statements represents a net receivable from Talbert House.

## 1. Summary of Significant Accounting Policies (Continued)

### D. Fund Accounting

The Center uses fund accounting to segregate amounts that are restricted as to use. The Center 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 Center to support general operating costs.

Ohio Department of Mental Health & Addiction Services (OHMAS) (State): OHMAS grants this funding to reimburse costs of medications for residents of Community-Based Correctional Facilities that are mental health related or substance use disorder related.

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC. The Center received ABLE and School Lunch grants during the fiscal year ended June 30, 2024. ABLE grants are used for teacher salaries and supplies. These are both cost reimbursement grants.

<u>Grant Name</u>	<u>Pass-Through Entity</u>	<u>Description of Grant</u>
ABLE	ODRC	Funding for adult basic literacy and education program
National School Lunch	ODE	Funding to provide nutritious meals for children

#### **Offender Funds**

Industrial and Entertainment Fund: This fund receives other Offender Funds, such as telephone commissions and a reception fee of \$125 from each offender. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment.

### E. Budgetary Process

#### **1. Appropriations**

The Center 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 Center cannot spend or obligate (i.e., encumber) more than the appropriation. Facilities must obtain approval from ODRC to transfer amounts between budget categories.

#### **2. Encumbrances**

The Center had no encumbrances outstanding on June 30, 2024. A summary of 2024 budgetary activity appears in Note 2.

### F. Capital Assets

The Center records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these acquisitions as assets.

## **G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Center uses.

### **2. Budgetary Activity**

Budgetary activity for ODRC 501-501 funding for the year ending June 30, 2024:

#### **Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Budget</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$ 4,447,257</u>	<u>\$ 4,005,924</u>	<u>\$ 441,333</u>

### **3. Deficit Cash Fund Balance**

The Center reported a deficit cash fund balance of \$52,341 related to state grants. The deficit cash fund balance is a result of timing differences in the receipt of OHMAS grant reimbursements. These funds are expected to be reimbursed in the subsequent fiscal year.

### **4. Collateral on Deposits and Investments**

#### **Grants and State Appropriations**

Talbert House, as custodian of the Center's cash, is responsible for collateralizing deposits and investments for grants and State appropriations. Talbert House maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. Talbert House has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

### **4. Retirement Systems**

The employees of the Community Based Correctional Facility are not members of the Ohio Public Employee Retirement System. All employees contribute to Social Security.

The Center's employees may contribute pre-tax dollars to a 403(b) plan at time of hire. The plan changed in January 2022 and Talbert House now contributes to an employee's plan after 1000 hours of employment with increasing contribution rates based on length of employment. The plan changed in 2017 to a 50% match up to 7% of compensation and vested after three years. The Center's contribution for fiscal year 2024 was \$40,757.

### **5. Risk Management**

#### **Commercial Insurance**

The Center has obtained commercial insurance from allocated cost of Talbert House (As disclosed in Note 7) for the following risks: Comprehensive property and general liability, Vehicles, Professional liability, Director and officer liability, Fiduciary liability, Excess liability, Directors and Officers, Sexual Molestation/Abuse Coverage, Accident Policy, and Computer Coverage Policy.

## 6. Related Party Transactions

Talbert House allocates central service costs to the Center. The allocation methods are systemic across the agency and charged monthly in the financial statements. Allocation methods and amounts for the period are:

<b>Expense Allocated</b>	<b>Allocation Method</b>	<b>Allocation</b>
Administration, Finance, Public Relations	Total Cost Center Expense	\$ 299,003
Human Resources Training, Quality & Clinical Services	Full-time Equivalents	140,201
Management Information Systems	Number of Logins	107,727
Fringe Benefits	Total Paid Hours, Total Payroll Dollars	277,168
FICA, Workers Compensation, Unemployment Taxes	Total Payroll Dollars	131,784
Primary Care	Number of Care Visits	39,303
Professional Liability Insurance, Auto Insurance	Budgeted Wages	14,024
General Liability Insurance Property Insurance	Total Property Values (except for Information System Insurance which is based on number of PC users)	25,858

OHIO DEPARTMENT OF REHABILITATION AND CORRECTION  
COMMUNITY BASED CORRECTIONAL FACILITY

COMMUNITY CORRECTIONAL CENTER OF BUTLER, CLERMONT AND WARREN COUNTIES

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2023

	State Appropriations and Grants			Offender Fund	
	ODRC 501-501	Federal	State	Industrial / Entertainment	Totals
<b>Cash receipts:</b>					
Intergovernmental	\$ 3,841,752	27,439	86,464	-	3,955,655
Collections from offenders	-	-	-	19,840	19,840
Commissions	-	-	-	65,362	65,362
<b>Total cash receipts</b>	<b>3,841,752</b>	<b>27,439</b>	<b>86,464</b>	<b>85,202</b>	<b>4,040,857</b>
<b>Cash disbursements:</b>					
Personnel	1,941,791	26,796	88,158	-	2,056,745
Operating costs	1,482,974	643	-	47,171	1,530,788
Program costs	327,515	-	-	9,144	336,659
Equipment	198,686	-	-	-	198,686
<b>Total cash disbursements</b>	<b>3,950,966</b>	<b>27,439</b>	<b>88,158</b>	<b>56,315</b>	<b>4,122,878</b>
<b>Total receipts over/(under) disbursements</b>	<b>(109,214)</b>	<b>-</b>	<b>(1,694)</b>	<b>28,887</b>	<b>(82,021)</b>
<b>Fund cash balances, July 1</b>	<b>485,564</b>	<b>-</b>	<b>1,694</b>	<b>102,072</b>	<b>589,330</b>
<b>Fund cash balances, June 30</b>	<b>\$ 376,350</b>	<b>-</b>	<b>-</b>	<b>130,959</b>	<b>507,309</b>

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

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

**COMMUNITY CORRECTIONAL CENTER OF BUTLER, CLERMONT, AND WARREN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Community Correctional Center of Butler, Clermont, and Warren Counties, (the Center), provides an alternative to prison incarceration for felony offenders. The Center is the last step in the continuum of increasing punishment before prison incarceration. The Center is a minimum security operation housing approximately 110 offenders. A Facility Governing Board oversees the Center's operations. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facilities Governing Board regarding Center matters. The Center serves Butler, Clermont and Warren Counties.

The financial statement presents all funds related to the Center.

The Facilities Governing Board has contracted Center operation responsibilities to Talbert House, a non-profit organization. Talbert House is responsible for essentially all management decisions related to the Center, subject to the Facilities Governing Board's oversight.

**B. Basis of Accounting**

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Corrections (regulatory cash basis). This basis is similar to the cash receipts and disbursements accounting basis. The Center recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Ohio Department of Rehabilitation and Corrections requires.

The Center is a cost center on the books of Talbert House. In compliance with the reporting requirements of the Ohio Department of Rehabilitation and Corrections, any capital equipment that is purchased is expensed during the period of acquisition less amounts of the refund payable due to ODRC. See Note 4.

**C. Cash**

Talbert House is the custodian for the Center's cash. Talbert House segregates cash related to the Industrial and Entertainment (I&E)/Telephone Commission fund in a separate bank account.

Talbert House commingles the Center's State Appropriations and Grants with cash from non-community based correction facility activities. Ending Fund Cash Balance on the statements represents a net receivable from Talbert House.

## 1. Summary of Significant Accounting Policies (Continued)

### D. Fund Accounting

The Center uses fund accounting to segregate amounts that are restricted as to use. The Center 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 Center to support general operating costs.

Justice Reinvestment and Incentive Funding (State): ORDC grants this funding to the Center to adopt policies and practices to reduce the number of offenders on probation supervision who violate the conditions of their supervision.

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC. The Center received ABLE and School Lunch grants during 2023. ABLE grants are used for teacher salaries and supplies. These are both cost reimbursement grants.

<u>Grant Name</u>	<u>Pass-Through Entity</u>	<u>Description of Grant</u>
ABLE	ODRC	Funding for adult basic literacy and education program
National School Lunch	ODE	Funding to provide nutritious meals for children

#### **Offender Funds**

Industrial and Entertainment Fund: This fund receives other Offender Funds, such as telephone commissions and a reception fee of \$125 from each offender. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment.

### E. Budgetary Process

#### **1. Appropriations**

The Center 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 Center cannot spend or obligate (i.e., encumber) more than the appropriation. Facilities must obtain approval from ODRC to transfer amounts between budget categories.

#### **2. Encumbrances**

The Center had no encumbrances outstanding at June 30, 2023. A summary of budgetary activity appears in Note 2.

### F. Property, Plant, and Equipment

The Center records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these acquisitions as assets.

## **G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Center uses.

### **2. Budgetary Activity**

Budgetary activity for ODRC 501-501 funding for the year ending June 30, 2023 follows:

<b>Budgeted vs. Actual Budgetary Basis Expenditures</b>		
<u>Budget</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$ 3,841,752</u>	<u>\$ 3,950,966</u>	<u>\$ (109,214)</u>

### **3. Collateral on Deposits and Investments**

#### **Grants and State Appropriations**

Talbert House, as custodian of the Center's cash, is responsible for collateralizing deposits and investments for grants and State appropriations. Talbert House maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. Talbert House has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

### **4. Retirement Systems**

The employees of the Community Based Correctional Facility are not members of the Ohio Public Employee Retirement System. All employees contribute to Social Security. The Center's employees may contribute pre-tax dollars to a 403(b) plan at time of hire. Talbert House contributes to an employee's plan after 1000 hours of employment with increasing contribution rates based on length of employment. The plan changed in 2017 to a 50% match up to 7% of compensation and vested after three years. The Center's contributions for 2023 were \$37,743.

### **5. Risk Management**

#### **Commercial Insurance**

The Center has obtained commercial insurance from allocated cost of Talbert House (As disclosed in Note 7) for the following risks: Comprehensive property and general liability, Vehicles, Professional liability, Director and officer liability, Fiduciary liability, Excess liability, Directors and Officers, Sexual Molestation/Abuse Coverage, Accident Policy, and Computer Coverage Policy.

### **6. Refund to ODRC**

The agreement between Butler County and ODRC permits the Center to retain a maximum of one-twenty-fourth of the grant award after liquidating encumbrances outstanding at the end of the grant cycle/period. The Center must refund any excess over this amount to ODRC. The schedule below computes the refund to ODRC for the biennial grant period ending June 30, 2023. Disbursements below include cash paid to liquidate encumbrances outstanding at June 30, 2023 and exclude disbursements made during the fiscal year against amounts encumbered the prior June 30, 2023.

## 6. Refund to ODRC (continued)

The Center refund amount follows the computation below.

Refund to ODRC		
Beginning Balance, July 1	\$	285,701
Disbursements Against Prior Year Budget		-
Payable to ODRC, July 1		-
Sub-Total		285,701
501 Receipts		7,530,832
Budgetary Basis Disbursements		(7,440,184)
Amount Subject to Refund, June 30		376,349
Approved Cash Reserve		(280,000)
Refundable to ODRC		96,349
Calculation of Payable to ODRC		
Payable, July 1		-
Cash Refunded		-
Refundable to ODRC, June 30		96,349
Payable, June 30	\$	96,349

The Center refunded \$67,445 to ODRC during the year ending June 30, 2024. The remaining amount will be remitted at a later date as determined by ODRC.

## 6. Related Party Transactions

Talbert House allocates central service costs to the Center. The allocation methods are systemic across the agency and charged monthly in the financial statements. Allocation methods and amounts for the period are:

Expense Allocated	Allocation Method	FY23 Allocation
Administration, Finance, Public Relations	Total Cost Center Expense	\$ 322,011
Human Resources Training, Quality & Clinical Services	Full-time Equivalents	133,599
Management Information Systems	Number of Logins	85,734
Fringe Benefits	Total Paid Hours, Total Payroll Dollars	275,699
FICA, Workers Compensation, Unemployment Taxes	Total Payroll Dollars	137,654
Primary Care	Number of Care Visits	27,969
Professional Liability Insurance, Auto Insurance	Budgeted Wages	18,821
General Liability Insurance Property Insurance	Total Property Values (except for Information System Insurance which is based on number of PC users)	27,749

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

To the Members of the Facility Governing Board  
Community Correctional Center of Butler, Clermont, and Warren Counties:

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 Community Correctional Center of Butler, Clermont, and Warren Counties (the “Center”) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements, and have issued our report thereon dated November 26, 2024, wherein we noted the Center follows accounting practices the Ohio Department of Rehabilitation and Corrections prescribes rather than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Center’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’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 entity’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we considered to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Center's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Center's response to the finding identified in our audit and described in the accompanying schedule of finds and responses. The Center's response was not subjected to 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
November 26, 2024

**Community Corrections Center  
Schedule of Findings and Responses  
Years Ended June 30, 2024 and 2023**

**2024-001      Financial Reporting**

During the course of our audit, we identified a misstatement in the financial statements for the year ended June 30, 2024, that was not initially identified by the Center's internal control over financial reporting. A deficiency in internal control exists when the design of 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. In this case, the internal controls over the preparation and review of the Center's financial statements did not operate as designed. We proposed an audit adjustment to accurately report intergovernmental cash receipts.

We also identified a number of immaterial audit adjustments for the years ended June 30, 2024 and 2023. Management elected to record these adjustments.

We recommend the Center enhance its internal controls over financial reporting with steps such as management's review to ensure the preparation of complete, accurate and reliable financial statements.

*Views of Responsible Officials: We will enhance our internal controls over financial reporting with steps such as additional management analysis of the financial statements*



**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



## COMMUNITY CORRECTIONAL CENTER OF BUTLER CLERMONT AND WARREN WARREN 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 1/9/2025

65 East State 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)