



**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2008-2007



Mary Taylor, CPA
Auditor of State

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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Mary Taylor, CPA

Auditor of State

West Central Community Correctional Facility
Union County
18200 State Route 4 North
P.O. Box 268
Marysville, Ohio 43040

To the Members of the Judicial Advisory Board and Facility Governing Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While the Ohio Department of Rehabilitations and Corrections (ODRC) does not legally require your Facility to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the ODRC prescribes and permits. .

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Mary Taylor, CPA
Auditor of State

December 12, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

West Central Community Correctional Facility
Union County
18200 State Route 4 North
P.O. Box 268
Marysville, Ohio 43040

To the Members of the Judicial Advisory Board and Facility Governing Board:

We have audited the accompanying financial statements of West Central Community Correctional Facility, Union County, (the Facility) as of and for the years ended June 30, 2008 and 2007. These financial statements are the responsibility of the Facility's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Excepted as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient evidence to support the completeness of vending sale receipts comprising 19% of the cash receipts in the Family Fund for 2007, nor were we able to satisfy ourselves by other auditing procedures.

As described more fully in Note 1, the Facility has prepared these financial statements using accounting practices the Ohio Department of Rehabilitation and Corrections prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Facility does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Facility uses. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended June 30, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Facility as of June 30, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, except for the effects of such adjustment, if any, as might have been determined necessary had we been able to examine evidence regarding the Family fund vending sales receipts for 2007, the financial statements referred to above present fairly, in all material respects, the fund cash balances and unpaid obligations of West Central Community Correctional Facility, Union County, Ohio as of June 30, 2008 and 2007, and the related cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Facility has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of the Facility's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 12, 2008

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
FOR THE PERIOD ENDED JUNE 30, 2008**

	State Appropriations and Grants			Offender Funds		Totals
	ODRC 501-501	Federal	Capital CAP 003	Family Fund	Resident Fund	
Cash Receipts:						
Intergovernmental	\$ 3,039,707	\$ 18,693	\$ -	\$ -	\$ -	\$ 3,058,400
Receipts for offenders	-	-	-	-	194,285	194,285
Cafeteria Sales	6,713	-	-	-	-	6,713
Telephone Commissions	-	-	-	16,444	-	16,444
Vending Sales	-	-	-	1,502	-	1,502
Charges for Services	18,215	-	-	36,841	-	55,056
Other	4,681	25	-	376	-	5,082
Advance In	-	66,726	-	40,907	-	107,633
Advance Out	-	(40,907)	-	(66,726)	-	(107,633)
Total Cash Receipts	3,069,316	44,537	-	29,344	194,285	3,337,482
Cash Disbursements:						
Personnel	2,181,064	-	-	-	-	2,181,064
Operating costs	484,362	875	-	6,760	22,008	514,005
Program costs	120,704	65,851	-	-	-	186,555
Equipment	4,210	-	-	2,024	-	6,234
Offender Disbursements:						
Offender legal obligations	-	-	-	-	20,303	20,303
Offender personal costs	-	-	-	-	4,320	4,320
Offender recreational costs	-	-	-	7,810	31,629	39,439
Offender program operating costs	-	-	-	46,618	4,726	51,344
Offender payments to Family Fund	-	-	-	-	36,841	36,841
Offender savings paid at exit	-	-	-	-	81,738	81,738
Total Cash Disbursements	2,790,340	66,726	-	63,212	201,565	3,121,843
Disbursements from prior FY (Including refund to ODRC)	323,019	-	-	-	-	323,019
Total Receipts Over/(Under) Disbursements	(44,043)	(22,189)	-	(33,868)	(7,280)	(107,380)
Fund Cash Balances, July 1, 2007	548,634	66,645	16,328	68,644	13,343	713,594
Fund Cash Balances, June 30, 2008	\$ 504,591	\$ 44,456	\$ 16,328	\$ 34,776	\$ 6,063	\$ 606,214
Unpaid Obligations/Open Purchase Orders	\$ 278,972	\$ 3,480	\$ -			

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
FOR THE PERIOD ENDED JUNE 30, 2007**

	State Appropriations and Grants			Offender Funds		Totals
	ODRC 501-501	Federal	Capital CAP 003	Family Fund	Resident Fund	
Cash Receipts:						
Intergovernmental	\$ 2,927,947	\$ 78,341	\$ 58,692	\$ -	\$ -	\$ 3,064,980
Receipts for offenders	-	-	-	-	238,853	238,853
Collections from offenders	-	-	-	20	-	20
Cafeteria Sales	7,282	-	-	-	-	7,282
Telephone Commissions	-	-	-	15,909	-	15,909
Vending Sales	-	-	-	12,822	-	12,822
Charges for Services	19,204	-	-	46,729	-	65,933
Other	3,272	-	-	54	-	3,326
Advance In	4,884	29,096	-	20,549	-	54,529
Advance Out	-	(25,433)	-	(29,096)	-	(54,529)
Total Cash Receipts	2,962,589	82,004	58,692	66,987	238,853	3,409,125
Cash Disbursements:						
Personnel	2,091,687	-	-	-	-	2,091,687
Operating costs	470,857	8,432	-	8,177	19,207	506,673
Program costs	91,942	31,118	-	-	-	123,060
Equipment	48,578	3,906	-	5,253	-	57,737
Capital project	-	-	85,982	-	-	85,982
Other	-	845	-	688	-	1,533
Offender Disbursements:						
Offender legal obligations	-	-	-	-	30,837	30,837
Offender personal costs	-	-	-	-	16,541	16,541
Offender recreational costs	-	-	-	5,846	19,160	25,006
Offender program operating costs	-	-	-	55,893	7,330	63,223
Offender payments to Family Fund	-	-	-	-	46,665	46,665
Offender savings paid at exit	-	-	-	-	98,065	98,065
Total Cash Disbursements	2,703,064	44,301	85,982	75,857	237,805	3,147,009
Disbursements from prior FY (Including refund to ODRC)	381,577	-	-	-	-	381,577
Total Receipts Over/(Under) Disbursements	(122,052)	37,703	(27,290)	(8,870)	1,048	(119,461)
Fund Cash Balances, July 1, 2006 (Restated)	670,686	28,942	43,618	77,514	12,295	833,055
Fund Cash Balances, June 30, 2007	\$ 548,634	\$ 66,645	\$ 16,328	\$ 68,644	\$ 13,343	\$ 713,594
Unpaid Obligations/Open Purchase Orders	\$ 323,019	\$ 11,811	\$ -			

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The West Central Community Correctional Facility, Union County, Ohio (the Facility) provides an alternative to prison incarceration for felony offenders. The Facility is the last step in the continuum of increasing punishment before prison incarceration. The Facility is a minimum security operation housing approximately 85 offenders. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the Counties the Facility serves comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facilities Governing Board regarding Facility matters. The Board includes at least one common pleas court judge from each county the Facility serves. The Facility serves the following counties:

Champaign County	Logan County	Morrow County
Clark County	Madison County	Union County
Delaware County	Marion County	

For the years ended June 30, 2008 and 2007, the financial statements present all funds related to the Facility.

B. Basis of Accounting

These financial statements follow the basis of accounting the Ohio Department of Rehabilitation and Corrections prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Facility recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

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

C. Cash and Investments

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

D. Fund Accounting

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

State Appropriations and Grants

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

State Appropriations and Grants (Continued)

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC. The Facility received ABLE and Title I funding for contracting instructors and specialists to aid in the rehabilitation of offenders.

Capital CAP 003: Reports amounts received from the ODRC to finance all or part of the cost of the renovating or building facilities.

Offender Funds

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

Family Fund: This fund receives other Offender Funds, such as telephone commissions, vending and commissary sales, and a per diem rate charged to employed offenders. This fund pays for programs and services benefiting offenders and staff employed by the Facility, such as indigent offenders' supplies and entertainment. The Resident Fund reimburses this fund for costs chargeable to the Family Fund.

E. Budgetary Process

1. Appropriations

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

2. Encumbrances

Disbursements from State appropriations and Grants are subject to Clark County's payment approval process. The County Auditor must approve (i.e., certify and encumber) certain payments when the Facility commits to make a payment. The budgetary disbursement amounts reported in Note 2 include cash disbursed against the current year budget plus amounts spent within ninety days of June 30 to liquidate year-end commitments. Amounts not liquidated within ninety days of June 30 are subject to refund to ODRC, unless ODRC approves an extension. (See Note 4)

A summary of 2008 and 2007 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for ODRC 501-501 funding for the years ending June 30, 2008 and 2007 follows:

2008 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$ 3,039,707	\$ 3,039,707	\$ -

2007 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$ 2,927,947	\$ 2,927,696	\$ 251

3. COLLATERAL ON DEPOSITS AND INVESTMENTS

Grants and State Appropriations

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

OFFENDER FUNDS

Deposits

The Facility has Federal Deposit Insurance Corporation coverage of \$100,000 for Offender Funds. There were no uncollateralized amounts at June 30, 2008 and 2007.

4. REFUND TO ODRC

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

4. REFUND TO ODRC (Continued)

Refund to ODRC		
	2008	2007
Cash, July 1	\$ 548,634	\$ 670,686
Disbursements Against Prior Year Budget	(259,411)	(252,919)
Payable to ODRC, July 1	(63,608)	(192,266)
Sub-Total	225,615	225,501
501 Cash Receipts	3,039,707	2,932,831
Budgetary Basis Disbursements	(3,039,704)	(2,927,696)
Amount Subject to Refund, June 30	225,618	230,636
One-Twelfth of 501 Award	(253,309)	(243,996)
Refundable to ODRC	\$ -	\$ -

Calculation of Payable to ODRC		
	2008	2007
Payable, July 1	\$ 63,608	\$ 192,266
Cash Refunded	(63,608)	(128,658)
Refundable to ODRC, June 30		
Payable, June 30	\$ -	\$ 63,608

5. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5 percent of their gross salaries to OPERS. The Facility contributed an amount equal to 14 and 13.85 percent, respectively, of participants' gross salaries. The Facility has paid all contributions required through June 30, 2008.

6. RISK MANAGEMENT

Commercial Insurance

The Facility has obtained commercial insurance for the following risks:

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

7. ACCOUNTING CHANGE

The amount reported as "Offender Payments to Family Fund" in the Resident Fund and "Charges for Services" in the Family Fund was understated by \$63,810 as of June 30, 2006. The effect of the prior year adjustment on the July 1, 2006 fund cash balances for the Family Fund and the Resident Fund is summarized below.

	Family Fund	Resident Fund
Fund Cash Balance at July 1, 2006	\$13,704	\$76,105
Accounting Change	63,810	(63,810)
Restated Fund Cash Balance at July 1, 2006	<u>\$77,514</u>	<u>\$12,295</u>

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Mary Taylor, CPA

Auditor of State

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

West Central Community Correctional Facility
Union County
18200 State Route 4 North
P.O. Box 268
Marysville, Ohio 43040

To the Members of the Judicial Advisory Board and Facility Governing Board:

We have audited the financial statements of the West Central Community Correctional Facility, Union County, Ohio (the Facility) as of and for the year ended June 30, 2008 and 2007, and have issued our report thereon dated December 12, 2008, wherein we noted the Facility followed accounting practices the Ohio Department of Rehabilitations and Corrections prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted that we were unable to obtain sufficient evidence to support the completeness of vending sale receipts in the Family Fund for 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Facility's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Facility's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Facility's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned function, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Facility's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Facility's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2008-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Facility's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, the significant deficiency described above is also a material weakness.

We also noted certain internal control matters that we reported to the Facility's management in a separate letter dated December 12, 2008

Compliance and Other Matters

As part of reasonably assuring whether the Facility's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-002.

We also noted a certain noncompliance or other matter not requiring inclusion in this report that we reported to the Facility's management in a separate letter dated December 12, 2008.

The Facility's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Facility's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management, the Facility Governing Board and the Judicial Advisory Board. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 12, 2008

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Material Weakness/Significant Deficiency

Vending Machine Sales

From July 1, 2006 through April 18, 2007 the Facility purchased miscellaneous items for resale in vending machines located within the Facility. Items sold consisted of snack and soda products and certain personal care items, which could be purchased by residents directly from these machines. The Facility purchased its own stock for these vending machines from various local suppliers. Costs for these items varied depending on where supplier items are purchased from, availability of items, or available sale pricing. The Facility did not always purchase the same products, but would substitute products for others due to lack of availability or the ability to purchase an alternate item for less money. General mark-up on these items was set by the Fiscal Specialist, but the mark-up was not adjusted to reflect any fluctuation in purchase prices or changes in products stocked. The Facility would also provide necessary items to residents from the vending machine stock if they were unable to pay for the items at that time. Vending machine stock was also given away to residents for certain special occasions.

Inventory records were not maintained for the number of individual items purchased, or for the number of individual items sold or given away at no charge. Cash collected from the machines could not be compared to the number of items sold from the machines to determine accuracy of the sales or to determine if mark-up was adequate as it relates to the initial cost. Further, by not maintaining these records the Facility could not ensure that all items purchased were accounted for, and were not being lost due to misappropriation.

Therefore, we were unable to obtain sufficient evidence to support the completeness of vending sale receipts comprising 19% of the cash receipts in the Family Fund for 2007, nor were we able to satisfy ourselves by other auditing procedures.

On April 18, 2007 the Facility sold the inventory on hand to Sheehan Brothers Vending for \$1,588.82. Subsequent to April 18, 2007 the Facility retained the services of Sheehan Brothers Vending to maintain the Facility's vending machines. The Facility then received sales commission receipts from Sheehan Brother Vending each month.

The Board should ensure that the vending company provides the services agreed to and remits the agreed upon sales commission to the Facility each month.

Officials' Response:

During the period from July 1, 2006 through April 18, 2007 we researched alternative ways in which to accurately maintain vending machine sales. We were made aware of the possibility of misappropriation and we found that the best way to correct potential problems was to use an outside vendor that would control inventory, services, and sales. We contacted several vendors, submitted their proposals to our Facility Governing Board and agreed to contract with Sheehan Brothers Vending for vending machine sales. In order for West Central's Family Fund to receive any benefit, a sales commission was agreed upon and approved by the Board.

We will continue to monitor the vending machine services provided in the years to come.

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2008 AND 2007
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2008-002

Noncompliance Citation

Ohio Revised Code § 9.38 states that a person who is a public official other than a state officer, employee, or agent shall deposit all public moneys received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions to safeguard the public moneys until they are deposited.

Deposits were not made on the business day next following the day of receipt for 60 percent of Resident Fund receipts tested. In these instances, receipts were held for up to five days prior to being deposited. Currently, the Facility does not have a policy to document the time frame in which collection can be held in a safe at the Facility until the deposit can be made.

We recommend the Facility deposit all receipts collected by the following business day. The Facility should also consider adopting a policy permitting a different time period, not to exceed three business days if the daily receipts are less than one thousand dollars, provided the moneys are properly safeguarded until such time of deposit.

Officials' Response:

Although a safeguard has been established at West Central for money collected we understand that a policy needs to be set in order to document a time frame in which collection can be held in a safe at the Facility until the deposit can be made. Furthermore, the deposit of all receipts is to be made on the business next following the day of receipt.

The amount collected is often time less than one thousand dollars. As recommended we will submit a proposal to our Facility Governing Board to adopt a policy permitting a different time period, not to exceed three business days next following the day of receipt for making such deposits, and that the money will be safeguarded until such time as the moneys are deposited.

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Cash reconciliations to Clark County for the General Operating (501) fund were not prepared as required by the Grant Manual.	Yes	N/A
2006-002	Vending machine sales are not supported by inventory records, mark-up on products are not Board approved or analyzed for cost recovery.	No	Repeated in current year Schedule of Findings as Finding 2008-001.
2006-003	Judicial Corrections Board does not monitor financial activity for the Offender Funds	Yes	N/A
2006-004	Resident payments for in-house services were reported on individual resident accounts but were not reflected within accounting system. A reconciliation of Individual Resident Accounts to the accounting system is not performed.	Yes	N/A



Mary Taylor, CPA
Auditor of State

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 5, 2009**