



**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2006-2005



Mary Taylor, CPA
Auditor of State

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

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Mary Taylor, CPA

Auditor of State

Franklin County Community Based Correctional Facility
Franklin County
1745 Alum Creek Drive
Columbus, Ohio 43207-1708

To the 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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government 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 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 AOS permits.

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Mary Taylor, CPA
Auditor of State

April 9, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Franklin County Community Based Correctional Facility
Franklin County
1745 Alum Creek Drive
Columbus, Ohio 43207-1708

To the Facility Governing Board:

We have audited the accompanying financial statements of Franklin County Community Based Correctional Facility, Franklin County, Ohio (the Facility) as of and for the years ended June 30, 2006 and June 30, 2005. 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.

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 that our audit provides a reasonable basis for our opinion.

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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Facility to reformat its financial statement presentation and make other changes. Instead of the fund statements presented, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately. 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. Since the Facility does not use GAAP to measure financial statement amounts, 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 paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Facility's funds as of June 30, 2006 and June 30, 2005, or their changes in financial position or cash flows for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and unpaid obligations of the Franklin County Community Based Correctional Facility as of June 30, 2006 and June 30, 2005, and the related cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2007, on our consideration of the Facility's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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

April 9, 2007

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL FUNDS
FOR THE PERIOD ENDED JUNE 30, 2006**

	<u>State Appropriations and Grants</u>	<u>Offender Funds</u>		<u>Totals</u>
	<u>ODRC 501-501</u>	<u>Resident Fund Account</u>	<u>Industrial & Entertainment Fund Account</u>	
Cash Receipts:				
Intergovernmental	\$ 5,110,092	\$ -	\$ -	\$ 5,110,092
Receipts for offenders	-	197,726	-	197,726
Collections from offenders	-	-	22,818	22,818
Commissions	-	-	64,061	64,061
Reimbursement	-	-	28,438	28,438
Other Income	-	-	5,887	5,887
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	5,110,092	197,726	121,204	5,429,022
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Personnel	3,918,694	-	-	3,918,694
Operating Costs	813,348	-	127,474	940,822
Program Costs	141,565	-	-	141,565
Equipment	9,980	-	-	9,980
Offender Disbursements:				
Offender legal obligations	-	9,179	-	9,179
Offender reimbursements	-	28,438	-	28,438
Offender resident requests	-	137,808	-	137,808
Offender subsistence fees paid	-	22,818	-	22,818
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	4,883,587	198,243	127,474	5,209,304
	<hr/>	<hr/>	<hr/>	<hr/>
Disbursements from prior FY	347,536	-	-	347,536
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(121,031)	(517)	(6,270)	(127,818)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, July 1, 2005	1,200,179	20,360	403,771	1,624,310
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, June 30, 2006	<u>\$ 1,079,148</u>	<u>\$ 19,843</u>	<u>\$ 397,501</u>	<u>\$ 1,496,492</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Unpaid Obligations/Open Purchase Orders	<u>\$ 223,102</u>			

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

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL FUNDS
FOR THE PERIOD ENDED JUNE 30, 2005**

	<u>State Appropriations and Grants</u>	<u>Offender Funds</u>		<u>Totals</u>
	<u>ODRC 501-501</u>	<u>Resident Fund Account</u>	<u>Industrial & Entertainment Fund Account</u>	
Cash Receipts:				
Intergovernmental	\$ 6,595,474	\$ -	\$ -	\$ 6,595,474
Receipts for offenders	-	215,115	-	215,115
Collections from offenders	-	-	25,233	25,233
Commissions	-	-	58,095	58,095
Reimbursement	-	-	27,631	27,631
Other Income	-	-	2,365	2,365
	<u>6,595,474</u>	<u>215,115</u>	<u>113,324</u>	<u>6,923,913</u>
Total Cash Receipts	<u>6,595,474</u>	<u>215,115</u>	<u>113,324</u>	<u>6,923,913</u>
Cash Disbursements:				
Personnel	3,808,922	-	-	3,808,922
Operating Costs	756,752	-	89,132	845,884
Program Costs	173,548	-	-	173,548
Equipment	63,567	-	-	63,567
Offender Disbursements:				
Offender legal obligations	-	9,447	-	9,447
Offender reimbursements	-	27,631	-	27,631
Offender resident requests	-	152,105	-	152,105
Offender subsistence fees paid	-	25,233	-	25,233
	<u>4,802,789</u>	<u>214,416</u>	<u>89,132</u>	<u>5,106,337</u>
Total Cash Disbursements	<u>4,802,789</u>	<u>214,416</u>	<u>89,132</u>	<u>5,106,337</u>
Disbursements from prior FY	<u>654,414</u>	<u>-</u>	<u>-</u>	<u>654,414</u>
Total Receipts Over Disbursements	<u>1,138,271</u>	<u>699</u>	<u>24,192</u>	<u>1,163,162</u>
Fund Cash Balances, July 1, 2004	<u>61,908</u>	<u>19,661</u>	<u>379,579</u>	<u>461,148</u>
Fund Cash Balances, June 30, 2005	<u>\$ 1,200,179</u>	<u>\$ 20,360</u>	<u>\$ 403,771</u>	<u>\$ 1,624,310</u>
Unpaid Obligations/Open Purchase Orders	<u>\$ 347,536</u>			

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

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Franklin County Community Based Correctional Facility, Franklin 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 183 offenders as of June 30, 2006. The Facility Governing Board administers the Facility. The Board is comprised of common pleas court judges from the County the Facility serves. The Facility serves Franklin County.

For the years ended June 30, 2006 and June 30, 2005, 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 Auditor of State requires.

C. Cash

The Franklin 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.

Offender Funds

Resident Fund Account: 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.

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

Industrial and Entertainment Fund: This fund receives other Offender Funds, such as telephone and commissary commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment. The Resident Fund reimburses this fund for costs chargeable to Offender Funds.

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 Franklin County's payment approval process. The County Auditor must approve (i.e., certify and encumber) certain payments when the Facility commits to make a payment. The budgetary disbursement amounts reported in Note 3 include cash disbursed against the current year budget plus amounts spent within ninety days of June 30 to liquidate year-end commitments. Amounts not liquidated within ninety days of June 30 are subject to refund to ODRC, unless ODRC approves an extension. (See Note 4.)

A summary of 2006 and 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for ODRC 501-501 funding for the years ending June 30, 2006 and June 30, 2005 follows:

2006 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$5,110,093	\$5,106,689	\$3,404

2005 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$5,260,093	\$5,150,325	\$109,768

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.

Resident Fund and Industrial and Entertainment Fund

The Facility has Federal Deposit Insurance Corporation coverage of \$100,000 for both funds.

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.

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

4. REFUND TO ODRC (Continued)

Refund to ODRC		
	2006	2005
Cash, July 1	\$1,200,179	\$1,397,288
Disbursements Against Prior Year Budget	(347,536)	(654,414)
Payable to ODRC, July 1	(414,302)	(312,786)
Sub-Total	438,341	430,088
501 Cash Receipts	5,110,092	5,260,094
Budgetary Basis Disbursements	(5,106,689)	(5,150,325)
Amount Subject to Refund, June 30	441,744	539,857
One-Twelfth of 501 Award	(425,841)	(438,341)
Refundable to ODRC	\$15,903	\$101,516

Calculation of Payable to ODRC		
	2006	2005
Payable, July 1	\$414,302	\$312,786
Cash Refunded	-	-
Refundable to ODRC, June 30	15,903	101,516
Payable, June 30	\$430,205	\$414,302

The Facility did not receive \$1,335,380 of its 2004 ODRC allocation, until after the fiscal year ended June 30, 2004. The accompanying financial statements do reflect this receipt since the Facility reports on a comprehensive basis of accounting other than generally accepted accounting principles. However, in order to determine the refund to ODRC for the year ended June 30, 2005, the receipt is not included in the 501 Cash Receipts total but is included in the Cash, July 1 balance in the above schedule.

5. RETIREMENT SYSTEMS

The Facility's employees belong to the Ohio Public Employees Retirement System (OPERS). Certified teachers belong to the State Teachers Retirement System (STRS). OPERS and STRS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes plan benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 9 percent in 2006 and 8.5 percent in 2005 of their gross salaries to OPERS. The Facility contributed an amount equal to 13.70 percent in 2006 and 13.55 percent in 2005 of participants' gross salaries. For 2006 and 2005, STRS members contributed 10 percent of their gross salaries to STRS. The Facility contributed an amount equal to 14 percent of participants' gross salaries to STRS. The Facility has paid all contributions required through December 31, 2006.

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

The Facility has obtained commercial insurance for the following risks:

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

7. SUBSEQUENT EVENTS

HB 162 was passed by the Ohio Legislature with an effective date of October 12, 2006 and was to be implemented within thirty days. The revised law states that the Facility Governing Board (JCB) will become the Judicial Advisory Board (JAB). Judges on the JAB will appoint two-thirds of the members of a newly created Facility Governing Board (FGB) and the County Commissioners will appoint one-third of the six member FGB. The FGB will oversee the operation of the Facility. The JAB will advise the FGB on facility matters. The JAB will meet with the Facility Director at least once a year. The current Citizen's Advisory Board, which gave advice to the Facility, will be abolished. The JCB met on November 2, 2006, to effect these changes. The FGB took over operational control of the Facility on November 13, 2006.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Franklin County Community Based Correctional Facility
Franklin County
1745 Alum Creek Drive
Columbus, Ohio 43207-1708

To the Facility Governing Board:

We have audited the financial statements of Franklin County Community Based Correctional Facility, Franklin County, Ohio (the Facility) as of and for the years ended June 30, 2006 and June 30, 2005, and have issued our report thereon dated April 9, 2007, wherein we noted the Facility followed accounting practices the Ohio Department of Rehabilitation and Corrections prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Facility's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Facility's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2006-001 and 2006-002.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. In a separate letter to the Facility's management dated April 9, 2007, we reported another matter involving internal control over financial reporting which we did not deem a reportable condition.

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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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Facility's management dated April 9, 2007, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management, the Facility Governing Board, and the Ohio Department of Rehabilitation and Corrections. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

April 9, 2007

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Resident and Industrial and Entertainment Funds Accounting Systems and Reconciliation

The activity and balances of the Resident Fund and the Industrial and Entertainment Fund are not transacted through a formal accounting system and maintained only on Excel worksheets by month. Monthly summaries of activity are entered into another summary worksheet to give year to date totals but they are not electronically linked. Based on the volume of activity, ability for account coding or formula error or manipulation, and the propensity for breaks in links the resulting financial statements produced are subject to greater error without the timely detection of management.

Additionally, the Facility uses the Correctional Computers of Wisconsin (CCW) computer software system to record and track individual resident accounts, due to the Excel worksheets limitation to tracking individual accounts. Resident accounts are monies held by the Facility on behalf of the resident. The CCW computer software system is used to post receipts and disbursements, and maintain balances of the resident accounts as a real time report and past the date the information cannot be generated. The CCW system can only provide a current total dollar amount for all resident accounts. This report should be printed and maintained at each month's end and reconciled to the Resident Fund balance from the overall account transaction ledgers and the bank balance each month. Without such a reconciliation, the Facility cannot determine if the total of all individual resident accounts is equal to the fund balance of the overall transaction ledgers and reconciled to the bank balance.

We recommend the Facility obtain a computerized accounting system to transact and maintain the balances of the Resident and Industrial and Entertainment Funds. Additionally, if the system obtained does not track individual resident balances, procedures should be enacted to ensure the CCW system is reconciled in total to the account balance of the Resident Fund from the accounting system on a monthly basis.

Officials' Response:

The Facility is currently using Correctional Computers of Wisconsin (CCW) computer software system to record and track individual resident accounts. It was recommended we investigate whether they can modify the software to fit our needs or obtain software than can perform the totaling function. We have spoken with CCW and they are not able to make the changes needed. We've had meetings with two vendors to review their jail management system and are evaluating other software packages. We have determined that we will not continue to use CCW software in the future.

**FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2006 AND 2005
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-002

Monitoring of Resident Fund and Industrial and Entertainment Fund

Monitoring controls should be comprised of regular management and supervisory activities established to oversee whether management's objectives are being achieved, including operational, legal compliance, and financial control objectives. Effective monitoring controls should identify unexpected results or exceptions (including significant compliance exceptions), investigate underlying causes, and take corrective actions.

The Finance and Purchasing Manager reviews financial ledger detail of the Resident and Industrial and Entertainment Funds only on a quarterly basis and does not make any indications in the way of sign offs or initials to evidence her review. Additionally, the Facility Governing Board does not receive detailed reports of the financial activity of the Correctional Facility's Resident Fund or Industrial and Entertainment Fund as a component of their quarterly financial information packets. Currently the Board is reviewing and monitoring only the quarterly reports over grant funds from the Ohio Department of Rehabilitation and Corrections. Lack of effective monitoring controls could allow for operational failures and errors to occur without timely detection and appropriate management action.

We recommend the Finance and Purchasing Manager review the Resident and Industrial and Entertainment Funds financial ledgers on a monthly basis in accordance with the monthly bank to book reconciliations and document an evidence of her review. We further recommend the Board receive and approve detailed expenditure and receipt information with their quarterly packets for all activity for both the Resident Fund and the Industrial and Entertainment Fund.

Officials' Response:

The CBCF will begin providing the Facility Governing Board with financial reports on the Resident Fund and Industrial & Entertainment accounts and the monthly reports will be reviewed and initialed as evidence of review by the Finance & Purchasing Manager.



Mary Taylor, CPA
Auditor of State

FRANKLIN COUNTY COMMUNITY BASED CORRECTIONAL FACILITY

FRANKLIN 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
JULY 3, 2007**