

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**



Mary Taylor, CPA

Auditor of State

Members of the Judicial Advisory Board and Facility Governing Board
MonDay Community Correctional Institution
1951 South Gettysburg Avenue
Dayton, Ohio 45408

We have reviewed the *Independent Accountants' Report* of the MonDay Community Correctional Institution, Montgomery County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2006 through June 30, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 MonDay Community Correctional Institution is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 15, 2009

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**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

March 31, 2009

MonDay Community Correctional Institution
Montgomery County
1951 Gettysburg Avenue
Dayton, Ohio 45408

To the Members of the Governing Board:

We have audited the accompanying financial statements of **MonDay Community Correctional Institution, Montgomery County, Ohio**, (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.

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.

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 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 the new 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 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's funds as of June 30, 2008 and 2007 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 MonDay Community Correctional Institution as of June 30, 2008 and 2007, and the cash receipts and disbursements for the years then ended on the accounting basis described in Note 1.

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 March 31, 2009, 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. The 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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

	State Appropriations and Grants				Offender Funds			Totals	
	ODRC 501-501	Federal Grant Match	Federal	ABLE Federal	TITLE 1 Federal	Offender Personal Funds	Work Release		Other/ Misc.
Cash Receipts:									
Intergovernmental	\$ 4,681,000	\$ 60,760	\$ 26,159	\$ 37,842	\$ 29,614	\$ -	\$ -	\$ -	\$ 4,835,375
Receipts for offenders	-	-	-	-	-	185,051	-	-	185,051
Collections from offenders	-	-	-	-	-	-	11,421	-	11,421
Commissions	-	-	-	-	-	-	48,209	203	48,412
Reimbursement	-	-	-	-	-	-	981	-	981
Other	-	-	-	-	-	-	8,377	29	8,406
Total Cash Receipts	4,681,000	60,760	26,159	37,842	29,614	185,051	68,988	232	5,089,646
Cash Disbursements:									
Personnel	3,891,095	50,636	-	42,905	39,500	-	-	-	4,024,136
Operating cost	694,122	-	26,159	-	-	-	87,512	3,474	811,267
Program cost	60,452	-	-	-	-	-	4,494	-	64,946
Equipment	31,672	-	-	-	-	-	5,505	-	37,177
Offender Disbursements:									
Offender legal obligations	-	-	-	-	-	40,894	-	-	40,894
Offender reimbursements	-	-	-	-	-	12,664	-	-	12,664
Offender payments to CBCF	-	-	-	-	-	12,774	-	-	12,774
Other Offender payments	-	-	-	-	-	58,466	-	-	58,466
Offender savings paid at exit	-	-	-	-	-	58,538	-	-	58,538
Total Cash Disbursements	4,677,341	50,636	26,159	42,905	39,500	183,336	97,511	3,474	5,120,862
Refund to ODRC	1,168	-	-	-	-	-	-	-	1,168
Total Receipts Over/(Under) Disbursements	2,491	10,124	-	(5,063)	(9,886)	1,715	(28,523)	(3,242)	(32,384)
Fund Cash Balances, July 1, 2007	163,319	(21,516)	-	(8,162)	-	11,529	235,906	8,919	389,995
Fund Cash Balances, June 30, 2008	\$ 165,810	\$ (11,392)	\$ -	\$ (13,225)	\$ (9,886)	\$ 13,244	\$ 207,383	\$ 5,677	\$ 357,611
Unpaid Obligations/Open Purchases Orders	<u>\$ 164,680</u>								

The notes to the financial statements are an integral part of the financial statements

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

	State Appropriations and Grants					Offender Funds			Totals
	ODRC 501-501	Federal Grant Match	Federal	ABLE Federal	TITLE 1 Federal	Offender Personal Funds	Work Release	Other/ Misc.	
Cash Receipts:									
Intergovernmental	\$ 4,642,800	\$ 49,838	\$ 28,642	\$ 33,340	\$ 28,617	\$ -	\$ -	\$ -	\$ 4,783,237
Receipts for offenders	-	-	-	-	-	171,489	-	-	171,489
Collections from offenders	-	-	-	-	-	-	11,579	-	11,579
Commissions	-	-	-	-	-	-	36,861	154	37,015
Reimbursement	-	-	-	-	-	-	1,398	-	1,398
Other	-	-	-	-	-	-	12,536	60	12,596
Total Cash Receipts	4,642,800	49,838	28,642	33,340	28,617	171,489	62,374	214	5,017,314
Cash Disbursements:									
Personnel	3,890,317	51,114	-	32,804	10,000	-	-	-	3,984,235
Operating cost	682,707	-	28,642	-	-	-	55,335	9,901	776,585
Program cost	59,529	-	-	-	-	-	6,668	-	66,197
Equipment	14,998	-	-	-	-	-	7,268	-	22,266
Offender Disbursements:									
Offender legal obligations	-	-	-	-	-	32,965	-	-	32,965
Offender reimbursements	-	-	-	-	-	12,953	-	-	12,953
Offender payments to CBCF	-	-	-	-	-	13,472	-	-	13,472
Other Offender payments	-	-	-	-	-	57,422	-	-	57,422
Offender savings paid at exit	-	-	-	-	-	52,130	-	-	52,130
Total Cash Disbursements	4,647,551	51,114	28,642	32,804	10,000	168,942	69,271	9,901	5,018,225
Total Receipts Over/(Under) Disbursements	(4,751)	(1,276)	-	536	18,617	2,547	(6,897)	(9,687)	(911)
Fund Cash Balances, July 1, 2006 (Restated - See Note 2)	168,070	(20,240)	-	(8,698)	(18,617)	8,982	242,803	18,606	390,906
Fund Cash Balances, June 30, 2007	\$ 163,319	\$ (21,516)	\$ -	\$ (8,162)	\$ -	\$ 11,529	\$ 235,906	\$ 8,919	\$ 389,995
Unpaid Obligations/Open Purchases Orders	<u>\$ 161,863</u>								

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

MonDay Community Correctional Institution (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 170 offenders as of June 30, 2008. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the County 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 Facility serves a 6 county catchment area for males, and serves all 88 counties in the State of Ohio for females.

For the years ended June 30, 2008 and 2007, the financial statement presents 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

The Montgomery County Auditor is the fiscal agent of the Facility's grant funds and State appropriations. The Montgomery 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, work release cash and benevolent 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.

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Grant Match

Ohio Office of Criminal Justice Services (OCJS) Funding: OCJS serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from OCJS under the Residential Substance Abuse Treatment (RSAT) Program. These monies are used to pay salaries and fringe benefits of Staff that work directly with MonDay residents that are in the RSAT Program, and for food supplies that are provided to the RSAT residents. This grant requires a 25% match from MonDay.

Federal

Department of Education (DOE) Funding: MonDay receives Federal monies from DOE under the National School Lunch Program. DOE reimburses MonDay for food costs associated with providing meals to residents that are under the age of 21. It should be noted that these monies are not in the form of a grant.

Ohio Department of Rehabilitation and Corrections (ODRC) Funding: ODRC serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from ODRC under the Adult Basic Literacy Education (ABLE) Program. These monies are used to pay salaries and fringe benefits of Teachers that work directly with MonDay residents that are enrolled in MonDay's Education Program.

Ohio Department of Rehabilitation and Corrections (ODRC) Funding: ODRC serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from ODRC under the Title 1 Education Program. These monies are used to pay salaries and fringe benefits of Teachers that work directly with MonDay residents that are under the age of 21 and are enrolled in MonDay's Education Program. These monies are also used for purchasing education supplies.

Offender Funds

Offender Personal Funds: Are amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries that offenders may 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.

Work Release Fund: This fund receives other Offender Funds, such as telephone and vending commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' personal care supplies, clothing and other miscellaneous supplies to meet residents' needs.

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Funds

Benevolent Fund: This fund receives other funds, such as vending commissions and donations. This fund is for the benefit of MonDay Staff, and is used for purchases such as flowers for hospitalized Staff or deceased relatives of Staff, and for Staff recognition awards.

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 submit a Budget Revision to obtain approval from ODRC to transfer amounts between budget categories.

2. Encumbrances

Disbursements from State appropriations and Grants are subject to Montgomery 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 5.)

A summary of 2008 and 2007 budgetary activity appears in Note 3.

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.

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

2. PRIOR PERIOD FUND BALANCE RESTATEMENT

Restatement of prior period balances resulted from errors in recording disbursements as follows:

	<u>Federal Grant Match</u>	<u>ABLE Federal</u>
Balance as of June 30, 2005	\$ 110,069	\$ 8,667
Adjustment - Timing adjustment not reversed	(106,822)	(8,667)
Adjustment - Disbursements not recorded	(63,412)	-
Restated Balance June 30, 2005	<u>\$ (60,165)</u>	<u>\$ -</u>
Restated Balance June 30, 2006	<u>\$ (20,240)</u>	<u>\$ (8,698)</u>

3. 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		
<u>Budget</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$ 4,681,000</u>	<u>\$ 4,680,158</u>	<u>\$ 842</u>
2007 Budgeted vs. Actual Budgetary Basis Expenditures		
<u>Budget</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$ 4,642,800</u>	<u>\$ 4,642,513</u>	<u>\$ 287</u>

4. COLLATERAL ON DEPOSITS AND INVESTMENTS

Grants and State Appropriations

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

Deposits

Offender Work Release and Other Misc. (Benevolent) Funds

Offender Funds and Benevolent Funds deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution, or (3) collateralized by the financial institution's public entity deposit pool.

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

5. REFUND TO ODRC

The agreement between the County and ODRC permits the Facility to retain a maximum of one-twelfth of the grant award after liquidating encumbrances outstanding at June 30. The Facility must refund any excess over this amount to ODRC. The schedule below computes the refund to ODRC for the years ending June 30, 2008, and 2007. 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 upon receiving an invoice from ODRC requesting the refund of unspent funds. This refund is usually requested upon completion of the fiscal year's audit.

Refund to ODRC		
	2008	2007
Cash, July 1	\$ 163,319	\$ 168,070
Cash Refunded to ODRC	(1,168)	-
Disbursements Against Prior Year Budget	(161,864)	(166,902)
Payable to ODRC, July 1	287	1,168
Sub-Total	-	-
501 Cash Receipts	4,681,000	4,642,800
Budgetary Basis Disbursements	(4,680,158)	(4,642,513)
Amount Subject to Refund, June 30	842	287
1/12 of 501 Award or June 30 Cash Balance	165,810	163,319
Refundable to ODRC	\$ -	\$ -

Calculation of Payable to ODRC		
	2008	2007
Payable, July 1	\$ -	\$ -
Cash Refunded	1,168	-
Refundable to ODRC	-	-

The Facility chose not to retain remaining grant award amounts. As such, unspent funds of \$1,168 were refunded to the ODRC in 2008.

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

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

6. RETIREMENT SYSTEM

The Facility's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes 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 9.5 and 9.0 percent respectively of their gross salaries to OPERS. The Facility contributed an amount equal to 13.85 and 13.7 percent of participants' gross salaries for 2008 and 2007, respectively. The Facility has paid all contributions required through June 30, 2008.

7. RISK MANAGEMENT

Commercial Insurance

The Facility is included in Montgomery County's commercial insurance policies, and is charged once a year by the County for its allocation of annual premiums. The Facility has commercial insurance coverage for the following risks:

- Comprehensive property and general liability.
- Automobile liability.
- Public Employers liability.

8. CONTINGENT LIABILITIES

The facility was a defendant in a case in the United States District Court for the Southern District of Ohio, Western Division as of June 30, 2006. In this case, the plaintiff, an inmate at the MonDay Community Correctional Institution claims a guard raped her. On December 20, 2006, the Court entered summary judgment in favor of the Defendants, Montgomery County and the Facility Director. The lawsuit was terminated upon docket of Court on April 17, 2007 and is no longer pending.

Perry & Associates
Certified Public Accountants, A.C.

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

March 31, 2009

MonDay Community Correctional Institution
Montgomery County
1951 Gettysburg Avenue
Dayton, Ohio 45408

To the Members of the Governing Board:

We have audited the financial statements of **MonDay Community Correctional Institution, Montgomery County, Ohio** (the Facility), as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated March 31, 2009, 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 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 Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government'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 a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the 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 finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

Internal Control Over Financial Reporting (Continued)

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. We believe the significant deficiency finding number 2008-001 described above is also a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Facility's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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*.

The Facility's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Facility's response and, accordingly, we express no opinion on it.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Facility's management in a separate letter dated March 31, 2008.

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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**MONDAY COMMUNITY CORRECTIONAL FACILITY
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 and 2007**

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

FINDING NUMBER 2008-001

Significant Deficiency/Material Weakness

Reconciliation with Fiscal Agent

The Montgomery County Auditor is the fiscal agent of the Facility's grant funds and State appropriations. The Montgomery County Treasurer is the custodian of the Facility's grant funds and State appropriations. During our audit, it was noted that reconciliations to the fiscal agent were not performed. This resulted in differences between the Facility's financial statements and the records of the fiscal agent. Audit adjustments were necessary to reconcile the Facility with the fiscal agent.

We understand the differences to be due to timing. We recommend reconciliations be performed promptly after month end and reviewed by the Accounting Manager.

Management's Response – We have made the audit adjustments and implemented the necessary reconciliation procedures.



Mary Taylor, CPA
Auditor of State

MONDAY COMMUNITY CORRECTIONAL INSTITUTION

MONTGOMERY 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
MAY 7, 2009**