



OHIO AUDITOR OF STATE
KEITH FABER



**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY
JUNE 30, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

MonDay Community Correctional Institution
Montgomery County
1951 South Gettysburg Avenue
Dayton, Ohio 45417

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each fund and the related notes of the MonDay Community Correctional Institution, Montgomery County, (the Facility) as of and for the years ended June 30, 2020 and 2019.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Facility's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Facility's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Facility prepared these financial statements using 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.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Facility does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis the Ohio Department of Rehabilitation and Corrections permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the 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 Facility as of June 30, 2020 and 2019, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each fund of the MonDay Community Correctional Institution, Montgomery County as of and for the years ended June 30, 2020 and 2019 in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits, described in Note 1.

Emphasis of Matter

As discussed in Note 7 to the financial statements for the year ended June 30, 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Facility. Additionally, as discussed in Note 8 to the financial statements for the year ended June 30, 2019, the Facility restated its June 30, 2018 Other Sources fund balance. We did not modify our opinion regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2020, 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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Facility's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2020

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES (REGULATORY CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	State Appropriations and Grants				Offender Funds				Totals
	ODRC 501-501	ODRC C50101	Federal Grant Match	Federal	Offender Personal Funds	Work Release	Other Sources	Other/ Misc.	
Cash Receipts:									
Intergovernmental	\$7,878,157	\$217,841	\$111,660	\$45,907					\$8,253,565
Receipts for offenders					\$412,420				412,420
Collections from offenders						\$51,029			51,029
Commissions						176,181		\$2,465	178,646
Reimbursement						8,420	\$142,637		151,057
Other						4	21,240	1,662	22,906
Total Cash Receipts	<u>7,878,157</u>	<u>217,841</u>	<u>111,660</u>	<u>45,907</u>	<u>412,420</u>	<u>235,634</u>	<u>163,877</u>	<u>4,127</u>	<u>9,069,623</u>
Cash Disbursements:									
Personnel	6,723,920		104,942	69,269			10		6,898,141
Operating costs	782,380		12,565	10,907		41,676	87,543	5,341	940,412
Program costs	204,264					79,517	48,442		332,223
Equipment	24,741					21,732	89		46,562
Capital Project		217,841							217,841
Offender Disbursements:									
Offender legal obligations					30				30
Offender reimbursements					19,279				19,279
Offender payments to CBCF					17,547				17,547
Other offender payments					305,646				305,646
Offender savings paid at exit					71,367				71,367
Total Cash Disbursements	<u>7,735,305</u>	<u>217,841</u>	<u>117,507</u>	<u>80,176</u>	<u>413,869</u>	<u>142,925</u>	<u>136,084</u>	<u>5,341</u>	<u>8,849,048</u>
Total Receipts Over/(Under) Disbursements	<u>142,852</u>	<u>0</u>	<u>(5,847)</u>	<u>(34,269)</u>	<u>(1,449)</u>	<u>92,709</u>	<u>27,793</u>	<u>(1,214)</u>	<u>220,575</u>
Fund Cash Balances, July 1, 2019	<u>719,046</u>	<u>0</u>	<u>(26,407)</u>	<u>(8,750)</u>	<u>17,235</u>	<u>191,150</u>	<u>149,690</u>	<u>5,573</u>	<u>1,047,537</u>
Fund Cash Balances, June 30, 2020	<u>\$861,898</u>	<u>\$0</u>	<u>(\$32,254)</u>	<u>(\$43,019)</u>	<u>\$15,786</u>	<u>\$283,859</u>	<u>\$177,483</u>	<u>\$4,359</u>	<u>\$1,268,112</u>
Unpaid Obligations/Open Purchase Orders	<u>\$76,952</u>								

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

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The 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 250 offenders as of June 30, 2020. 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 (Counties of Montgomery, Greene, Preble, Darke, Fayette, and Miami), and serves all 88 counties in the State of Ohio for females.

For the year ended June 30, 2020, the financial statement presents all funds related to the Facility.

B. Accounting Basis and Basis of Presentation

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Correction. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters the Ohio Department of Rehabilitation and Correction requires.

The Facility's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

C. Deposits and Investments

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 deposit and investment pool, valued at the County Treasurer's reported carrying amount. The Facility holds offenders' cash, work release cash, and benevolent/other cash in demand deposit accounts.

D. Fund Accounting

The Facility uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Facility are presented below:

1. State Appropriations and Grants

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

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. State Appropriations and Grants (Continued)

Ohio Department of Rehabilitation and Correction (ODRC) C50101 Funding: ODRC grants this funding, appropriated from the State's Adult Correctional Building Fund, to the Facility to support the Building 2 Roof Replacement Capital Project.

Federal Grant Match: Reports amounts received to meet any Federal program matching requirements.

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 to pay for program materials and resident food costs. This grant requires a 25% match from MonDay.

Federal: Reports amounts received from the Federal Government, including amounts passed through other organizations.

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.

Miami Valley Career Technology Center (MVCTC) Funding: Miami Valley Career Technology Center serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from MVCTC under the ASPIRE Education Program (formerly ABLE). 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.

Wright State University (WSU) Funding: Wright State University serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from WSU under the Offender Reentry Program. These monies are used to pay salaries and fringe benefits of Screening Staff that assess potential residents for acceptance into MonDay's Program that will prepare them for successful reentry into the community.

2. Offender Funds

Offender Personal Funds: These 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.

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Offender Funds (Continued)

Work Release Fund: This fund receives other Offender Funds, such as telephone and vending commissions, receipts from the sale of phone cards to offenders 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.

Other Sources Fund: This fund receives miscellaneous receipts from other entities that are a reimbursement of the Facility's costs.

Other/Misc. 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 service recognition awards or activities which relate to employee functions or retirements.

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 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.

A summary of 2020 budgetary activity appears in Note 2.

F. Capital Assets

The Facility records disbursements for acquisitions of capital assets when paid. The accompanying 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. The financial statements do not include a liability for unpaid leave.

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. BUDGETARY ACTIVITY

Budgetary activity for ODRC 501-501 funding for the year ending June 30, 2020 follows:

2020 Budgeted vs. Actual Budgetary Basis Expenditures		
<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$7,878,157</u>	<u>\$7,510,129</u>	<u>\$368,028</u>

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.

Deposits - Offender, Work Release and Other Miscellaneous Funds

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

4. 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 2020, OPERS members contributed 10% of their gross salaries and the Facility contributed an amount equaling 14% of participants' gross salaries. The Facility has paid all contributions required through June 30, 2020.

5. 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.

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

6. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

7. SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Facility. The employee benefit plan in which the Facility participates has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Facility's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES (REGULATORY CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	State Appropriations and Grants				Offender Funds				Totals
	ODRC 501-501	ODRC C50101	Federal Grant Match	Federal	Offender Personal Funds	Work Release	Other Sources	Other/ Misc.	
Cash Receipts:									
Intergovernmental	\$7,495,271	\$293,345	\$96,031	\$44,061					\$7,928,708
Receipts for offenders					\$347,048				347,048
Collections from offenders						\$46,104			46,104
Commissions						107,031		\$3,724	110,755
Reimbursement						9,051	\$4,546		13,597
Other						14	342	2,259	2,615
Total Cash Receipts	7,495,271	293,345	96,031	44,061	347,048	162,200	4,888	5,983	8,448,827
Cash Disbursements:									
Personnel	6,549,321		97,175	35,000			54,814		6,736,310
Operating costs	852,220		2,011	17,811		53,205	134	10,089	935,470
Program costs	173,461					70,541	4,714		248,716
Equipment	33,550					826			34,376
Capital Project		293,345							293,345
Offender Disbursements:									
Offender legal obligations					1,325				1,325
Offender reimbursements					24,924				24,924
Offender payments to CBCF					20,073				20,073
Other offender payments					239,397				239,397
Offender savings paid at exit					60,414				60,414
Total Cash Disbursements	7,608,552	293,345	99,186	52,811	346,133	124,572	59,662	10,089	8,594,350
Total Receipts Over/(Under) Disbursements	(113,281)	0	(3,155)	(8,750)	915	37,628	(54,774)	(4,106)	(145,523)
Fund Cash Balances, July 1, 2018, Restated	832,327	0	(23,252)	0	16,320	153,522	204,464	9,679	1,193,060
Fund Cash Balances, June 30, 2019	\$719,046	\$0	(\$26,407)	(\$8,750)	\$17,235	\$191,150	\$149,690	\$5,573	\$1,047,537
Unpaid Obligations/Open Purchase Orders	\$302,734								

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

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The 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 250 offenders as of June 30, 2019. 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 (Counties of Montgomery, Greene, Preble, Darke, Fayette, and Miami), and serves all 88 counties in the State of Ohio for females.

For the year ended June 30, 2019, the financial statement presents all funds related to the Facility.

B. Accounting Basis and Basis of Presentation

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Correction. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters the Ohio Department of Rehabilitation and Correction requires.

The Facility's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

C. Deposits and Investments

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 deposit and investment pool, valued at the County Treasurer's reported carrying amount. The Facility holds offenders' cash, work release cash, and benevolent/other cash in demand deposit accounts.

D. Fund Accounting

The Facility uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Facility are presented below:

1. State Appropriations and Grants

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

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. State Appropriations and Grants (Continued)

Ohio Department of Rehabilitation and Correction (ODRC) C50101 Funding: ODRC grants this funding, appropriated from the State's Adult Correctional Building Fund, to the Facility to support the Building 1 Roof Replacement Capital Project.

Federal Grant Match: Reports amounts received to meet any Federal program matching requirements.

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 to pay for program materials. This grant requires a 25% match from MonDay.

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC.

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.

Miami Valley Career Technology Center (MVCTC) Funding: Miami Valley Career Technology Center serves as a pass through organization for monies being distributed by the Federal Government. MonDay receives monies from MVCTC under the ASPIRE Education Program (formerly ABLE). 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.

2. Offender Funds

Offender Personal Funds: These 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, receipts from the sale of phone cards to offenders 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.

Other Sources Fund: This fund receives miscellaneous receipts from other entities that are a reimbursement of the Facility's costs.

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Offender Funds (Continued)

Other/Misc. 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 service recognition awards or activities which relate to employee functions or retirements.

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 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.

A summary of 2019 budgetary activity appears in Note 2.

F. Capital Assets

The Facility records disbursements for acquisitions of capital assets when paid. The accompanying 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. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for ODRC 501-501 funding for the year ending June 30, 2019 follows:

2019 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$7,635,271	\$7,623,050	\$12,221

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

Deposits - Offender, Work Release and Other Miscellaneous Funds

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 year 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.

Refund to ODRC	
	2019
Cash, July 1	\$832,327
Disbursements Against Prior Year Budget	(\$288,236)
Payable to ODRC, July 1	\$0
Sub-Total	\$544,091
501 Cash Receipts	\$7,495,271
Budgetary Basis Disbursements	(\$7,623,050)
Amount Subject to Refund, June 30	\$416,312
One-Twelfth of 501 Award	(\$624,606)
Refundable to ODRC	\$0

Calculation of Payable to ODRC	
	2019
Payable, July 1	\$0
Cash Refunded	0
Refundable to ODRC, June 30	0
Payable, June 30	\$0

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

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

5. 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 2019, OPERS members contributed 10% of their gross salaries and the Facility contributed an amount equaling 14% of participants' gross salaries. The Facility has paid all contributions required through June 30, 2019.

6. 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.

7. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

8. RESTATEMENT OF FUND BALANCE

The Facility restated the June 30, 2018 Other Sources fund balance to include a workers compensation refund account, held by Montgomery County (the fiscal agent). This change had the following effect on net position in the Other Sources Fund as reported at June 30, 2018:

	Other Sources Fund
Fund Cash Balance, June 30, 2018	\$0
Adjustment to Fund Cash Balance	204,464
Fund Cash Balance, June 30, 2018, Restated	<u>\$204,464</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

MonDay Community Correctional Institution
Montgomery County
1951 South Gettysburg Avenue
Dayton, Ohio 45417

To the Governing Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each fund of the MonDay Community Correctional Institution, Montgomery County, (the Facility) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2020, wherein we noted the Facility followed financial reporting provisions the Ohio Department of Rehabilitation and Correction permits. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Facility and the Facility restated its June 30, 2018 Other Sources fund balance.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Facility's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Facility's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Facility's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be 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, opining 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*.

Facility's Response to Finding

The Facility's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Facility's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Facility's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Facility's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2020

**MONDAY COMMUNITY CORRECTIONAL INSTITUTION
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2020 AND 2019**

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

FINDING NUMBER 2020-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to lack of controls over the review of the financial statements, the Facility's financial statements for fiscal year 2019 contained the following errors which were identified as material and resulted in audit adjustments which are reflected in the accompanying financial statements:

- The Facility properly accounted for the activity and balance of the workers' compensation refund account held with the fiscal agent, Montgomery County. However, this account was not included within the financial statements in the Other Sources fund for fiscal year 2019. As a result, beginning fund cash balance at July 1, 2018 was understated by \$204,464, personnel disbursements were understated by \$54,774, and ending fund cash balance at June 30, 2019 was understated by \$149,690 in the Other Sources fund. The Facility properly included this account within the fiscal year 2020 financial statements.

The Facility should implement procedures to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

Official's Response: In our FY19 and FY20 Financial Audit performed by the Ohio Auditor of State's Office, MonDay was issued a Finding as a result of a misstated Other Sources Fund Balance. We are in complete agreement on the fact that the misstatement occurred and the fund balances were corrected on FY20's Financial Statement. MonDay has been receiving credits back from Montgomery County for overpayments made to Workers' Compensation for many years and the credits were simply "paper entries" back on to MonDay's books. While we knew the credits were in the Other Sources Fund, we did not realize that these credits needed to be reflected in the fund balance...however, now that it has been brought to our attention, we do agree with our Auditors that they should have been reflected in the balance all along. We appreciate our Auditors bringing this to our attention so that our future Financial Statements will be accurate and fairly presented.

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OHIO AUDITOR OF STATE KEITH FABER



MONDAY COMMUNITY CORRECTIONAL INSTITUTION

MONTGOMERY 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 10/15/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov