



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED JUNE 30, 2022-2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members Joint Advisory & Facility Governing Board
Lucas County Correctional Treatment Facility
1100 Jefferson Avenue
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Lucas County Correctional Treatment Facility, Lucas County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2020 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 18, 2023

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**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Lucas County Correctional Treatment Facility
Lucas County
1100 Jefferson Avenue
Toledo, Ohio 43604

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

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Lucas County Correctional Treatment Facility, Lucas County, Ohio (the Facility), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Facility, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Facility on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Facility's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Facility's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Facility's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2023, 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 purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Facility's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Facility's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

April 7, 2023

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND BALANCES (REGULATORY CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	State Appropriations and Grants	Offender Funds		Total
	ODRC 501-501	Offender Personal	Resident Program	
Cash Receipts				
Intergovernmental	\$ 4,687,750	\$ -	\$ -	\$ 4,687,750
Receipts for Offenders	-	289,454	-	289,454
Collections from Offenders	-	-	40,055	40,055
Commissions	-	-	203,787	203,787
Other	-	479	28,364	28,843
<i>Total Cash Receipts</i>	<u>4,687,750</u>	<u>289,933</u>	<u>272,206</u>	<u>5,249,888</u>
Cash Disbursements				
Personnel	3,545,530	-	-	3,545,530
Operating Costs	521,354	200,155	8,417	729,926
Program Costs	143,709	-	307,964	451,673
Equipment	9,649	-	32,005	41,654
Offender Disbursements:				
Offender Legal Obligations/Recreation	-	-	3,285	3,285
Offender Reimbursements/Release of Funds	-	235	-	235
Offender Payments to RPF Fund	-	92,474	-	92,474
Offender Savings Paid at Exit	-	31,482	-	31,482
<i>Total Cash Disbursements</i>	<u>4,220,242</u>	<u>324,346</u>	<u>351,671</u>	<u>4,896,259</u>
Disbursements from Prior FY	<u>635,310</u>	<u>-</u>	<u>-</u>	<u>635,310</u>
<i>Total Receipts Over (Under) Disbursements</i>	<u>(167,802)</u>	<u>(34,413)</u>	<u>(79,465)</u>	<u>(281,681)</u>
<i>Fund Cash Balances, July 1, 2021</i>	<u>974,836</u>	<u>52,789</u>	<u>166,486</u>	<u>1,194,111</u>
<i>Fund Cash Balances, June 30, 2022</i>	<u>\$ 807,034</u>	<u>\$ 18,376</u>	<u>\$ 87,021</u>	<u>\$ 912,430</u>

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

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1 - Reporting Entity

The Lucas County Correctional Treatment Facility (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 140 offenders. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the County the Facility serves compose 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 Lucas County.

For the year ended June 30, 2022, the financial statement presents all funds related to the Facility.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

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:

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.

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

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

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

Offender Funds

Telephone Commissions Reports amounts received from telephone commissions generated by calls offenders place to locations outside the Facility. The Facility spends this money for programs and services benefitting the offenders.

Offender Personal Funds Are amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds 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.

Commissary Reports amounts charged to non-indigent offenders' personal funds for use of the commissary, per Ohio Revised Code Section 2301.58.

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Resident Program Fund This fund receives other Offender Funds such as telephone and commissary commissions, and reimbursable costs for supplies, intake packets, laundry and medical. This fund pays for programs and services benefitting offenders, such as indigent offender's supplies and entertainment. The Offender Personal Fund reimburses this Fund for costs chargeable to Offender Funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Corrections. 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 Corrections requires.

Budgetary Process

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.

Encumbrances Disbursements from State appropriations and Grants are subject to Lucas 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 4 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 the 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Lucas 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 hold offenders' cash in demand deposit accounts.

Capital Assets

The Facility records disbursements for acquisitions of capital assets when paid. The accompanying financial statements do not report these items as assets.

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.

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 3 - Budgetary Activity

Budgetary activity for ODRC 501-501 funding the year ended June 30, 2022 as follows:

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
ODRC 501-501	\$ 4,687,750	\$ 4,257,891	\$ 429,859
Total	\$ 4,687,750	\$ 4,257,891	\$ 429,859

Note 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 the County holds as custodian for the Facility.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Refund to ODRC

The agreement between the County and ODRC permits the Facility to retain a maximum of one-twenty fourth of the grant award after liquidating encumbrances outstanding at June 30. The Facility must refund any excess over this amount to ODRC. As of July 1, 2019, the ODRC operating grant became a biannual grant. No amounts are payable or due to ODRC until the end of the current period (July 1, 2022 – June 30, 2023).

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Facility pays the State Workers' Compensation System a premium based on a percent that varies from year to year. The rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Facility is included in Lucas County's commercial insurance policies for the following risks:

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

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Facility employees participate in OPERS.

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 these plans' benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. 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, 2022.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 fiscal year 2022.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Facility are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. The Facility's counsel cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Subsequent Events

The Correctional Treatment Facility is operating on a two-year budget, July 1, 2021 – June 30, 2023.

Note 11 – COVID-19

The Correctional Treatment Facility received \$14,341 in January 2022 for reimbursement of cleaning supplies.

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND BALANCES (REGULATORY CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	State Appropriations and Grants	Offender Funds		Total
	ODRC 501-501	Offender Personal	Resident Program	
Cash Receipts				
Intergovernmental	\$ 4,554,133	\$ -	\$ -	\$ 4,554,133
Receipts for Offenders	-	267,400	-	267,400
Collections from Offenders	-	-	31,377	31,377
Commissions	-	-	155,445	155,445
Other	-	744	29,448	30,192
<i>Total Cash Receipts</i>	<u>4,554,133</u>	<u>268,144</u>	<u>216,270</u>	<u>5,038,547</u>
Cash Disbursements				
Personnel	3,598,315	-	-	3,598,315
Operating Costs	446,910	171,902	7,211	626,023
Program Costs	139,702	-	119,019	258,721
Equipment	19,061	-	-	19,061
Offender Disbursements:				-
Offender Legal Obligations/Recreation	-	-	998	998
Offender Reimbursements/Release of Funds	-	60	-	60
Offender Payments to RPF Fund	-	68,109	-	68,109
Offender Savings Paid at Exit	-	22,502	-	22,502
<i>Total Cash Disbursements</i>	<u>4,203,988</u>	<u>262,573</u>	<u>127,228</u>	<u>4,593,789</u>
<i>Total Receipts Over (Under) Disbursements</i>	<u>350,145</u>	<u>5,571</u>	<u>89,042</u>	<u>444,758</u>
<i>Fund Cash Balances, July 1, 2020 (Restated)</i>	<u>624,690</u>	<u>47,219</u>	<u>77,445</u>	<u>749,354</u>
<i>Fund Cash Balances, June 30, 2021</i>	<u>\$ 974,835</u>	<u>\$ 52,790</u>	<u>\$ 166,487</u>	<u>\$ 1,194,112</u>

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

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1 - Reporting Entity

The Lucas County Correctional Treatment Facility (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 140 offenders. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the County the Facility serves compose 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 Lucas County.

For the year ended June 30, 2021, the financial statement presents all funds related to the Facility.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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State Appropriations and Grants

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Commissary Reports amounts charged to non-indigent offenders' personal funds for use of the commissary, per Ohio Revised Code Section 2301.58.

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Resident Program Fund This fund receives other Offender Funds such as telephone and commissary commissions, and reimbursable costs for supplies, intake packets, laundry and medical. This fund pays for programs and services benefitting offenders, such as indigent offender's supplies and entertainment. The Offender Personal Fund reimburses this Fund for costs chargeable to Offender Funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Corrections. 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 Corrections requires.

Budgetary Process

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.

Encumbrances Disbursements from State appropriations and Grants are subject to Lucas 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 4 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 the 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Lucas 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 hold offenders' cash in demand deposit accounts.

Capital Assets

The Facility records disbursements for acquisitions of capital assets when paid. The accompanying financial statements do not report these items as assets.

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.

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)**

Note 3 - Budgetary Activity

Budgetary activity for ODRC 501-501 funding the year ended June 30, 2021 as follows:

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
ODRC 501-501	\$ 4,554,133	\$ 4,203,988	\$ 350,145
Total	\$ 4,554,133	\$ 4,203,988	\$ 350,145

Note 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 the County holds as custodian for the Facility.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 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 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 prior June 30. The Facility refunds amounts computed below in the fiscal year following the computation below. Currently the Facility is on a 2 year budget. The amount under “Refundable to ODRC” are spendable funds in the 2nd year of the 2 year budget.

Refund to ODRC	
	2021
Cash, July 1	\$ 624,690
Disbursements Against Prior Year Budget	(635,310)
Payable to ODRC, July 1	-
Sub-Total	(10,620)
501 Cash Receipts	4,554,133
Budgetary Basis Disbursements	(4,203,988)
Amounts Subject to Refund, June 30	339,525
One-Twelfth of 501 Award	(379,511)
Refundable to ODRC	\$ (39,986)

Calculation of Payable to ODRC	
	2021
Payable, July 1	\$ -
Cash Refunded	-
Refundable to ODRC, June 30	-
Payable, June 30	\$ -

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)**

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Facility pays the State Workers' Compensation System a premium based on a percent that varies from year to year. The rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Facility is included in Lucas County's commercial insurance policies for the following risks:

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Facility employees participate in OPERS.

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 these plans' benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. 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, 2021.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 fiscal year 2021.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Facility are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. The Facility's counsel cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Subsequent Events

The Correctional Treatment Facility is operating on a two-year budget. The Ohio Department of Rehabilitation and Correction extend our budget through August 31, 2021 to encumber any funds.

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)**

Note 11 – Restatement of Beginning Fund Balance

The Resident Program fund balance was restated as of July 1, 2020 due to a prior period check that cleared in 2020. The effect of the restatement is noted below.

	Resident Program Fund
Ending Fund Balance at June 30, 2020	\$ 77,670
Restatement	<u>(225)</u>
Restated Fund Balance July 1, 2020	<u>\$ 77,445</u>



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

Lucas County Correctional Treatment Facility
Lucas County
1100 Jefferson Avenue
Toledo, Ohio 43604

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

We have audited, 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, the financial statements of **Lucas County Correctional Treatment Facility, Lucas County**, (the Facility) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated April 7, 2023, wherein we noted the Facility followed financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Facility’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Facility’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Facility’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Facility’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Facility’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Facility's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Facility's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

April 7, 2023

**LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022-2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Partially Corrected	Moved to Management Letter

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OHIO AUDITOR OF STATE KEITH FABER



LUCAS COUNTY CORRECTIONAL TREATMENT FACILITY

LUCAS 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 5/30/2023

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