



**MULTI-COUNTY CORRECTIONAL CENTER
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MULTI-COUNTY CORRECTIONAL CENTER
MARION COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Multi-County Correctional Center
Marion County
1514 Victory Road
Marion, Ohio 43302

To the Board of Commissioners:

We have audited the accompanying financial statements of Multi-County Correctional Center, Marion County, Ohio, ("the Correctional Center") as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Correctional Center'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Correctional Center prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserve for encumbrances of the Correctional Center as of December 31, 2000 and December 31, 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2001 on our consideration of the Correctional Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management and the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

June 18, 2001

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**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Project</u>	
Cash Receipts:			
Intergovernmental	\$3,070,584	\$0	\$3,070,584
Charges for Services	52,446	0	52,446
Fees- Telephone	85,295	0	85,295
Other Revenue	1,686	0	1,686
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	3,210,011	0	3,210,011
Cash Disbursements:			
Current:			
Salaries and Benefits	2,173,811	0	2,173,811
Insurance	327,190	0	327,190
Supplies	79,000	0	79,000
Equipment	10,176	113,152	123,328
Contract Repair and Services	207,019	0	207,019
Travel	5,849	0	5,849
Advertising/Printing	4,667	0	4,667
Medical Expenses	143,163	0	143,163
Utilities	137,432	0	137,432
Food	161,668	0	161,668
Transport of Prisoners	7,182	0	7,182
Other Expenses	13,960	0	13,960
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	3,271,117	113,152	3,384,269
Total Receipts Over/(Under) Disbursements	<u>(61,106)</u>	<u>(113,152)</u>	<u>(174,258)</u>
Other Financing Receipts/(Disbursements):			
Other Sources	67,474		67,474
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	67,474	0	67,474
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	6,368	(113,152)	(106,784)
Fund Cash Balances, January 1, 2000	163,503	304,392	467,895
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 2000	<u>\$169,871</u>	<u>\$191,240</u>	<u>\$361,111</u>
Reserve for Encumbrances, December 31, 2000	<u>\$84,369</u>	<u>\$0</u>	<u>\$84,369</u>

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

**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Commissary Sales	\$87,051	\$0	\$87,051
Total Operating Cash Receipts	87,051	0	87,051
Operating Cash Disbursements:			
Supply Expense	94,503	0	94,503
Total Operating Cash Disbursements	94,503	0	94,503
Operating Income/(Loss)	(7,453)	0	(7,453)
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	0	174,045	174,045
Total Non-Operating Cash Receipts	0	174,045	174,045
Non-Operating Cash Disbursements:			
Other Non-Operating Disbursements	0	173,545	173,545
Total Non-Operating Cash Disbursements	0	173,545	173,545
Excess of Receipts Over/(Under) Disbursements	(7,453)	500	(6,953)
Fund Cash Balances, January 1, 2000	16,982	20	17,002
Fund Cash Balances, December 31, 2000	<u>\$9,530</u>	<u>\$520</u>	<u>\$10,050</u>

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

**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Project</u>	
Cash Receipts:			
Intergovernmental	\$2,467,185	\$818,326	\$3,285,511
Charges for Services- Pay for Stay	12,805	0	12,805
Fees- Telephone	38,742	0	38,742
Fines, Forfeitures, and Penalties	0	0	0
Earnings on Investments	0	33,013	33,013
Other Revenue	8,326	209	8,536
	<u>2,527,059</u>	<u>851,548</u>	<u>3,378,607</u>
Total Cash Receipts			
	<u>2,527,059</u>	<u>851,548</u>	<u>3,378,607</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	1,443,149	0	1,443,149
Insurance	191,558	0	191,558
Supplies	200,796	0	200,796
Equipment	59,705	394,580	0
Contract Repair and Services	185,300	741,192	926,492
Travel	9,458	0	9,458
Advertising/Printing	8,723	0	0
Medical Expenses	81,990	0	0
Utilities	111,868	0	0
Food	123,352	0	0
Transport of Prisoners	31,487	0	0
Other Expenses	15,411	2,468	17,878
	<u>2,462,797</u>	<u>1,138,240</u>	<u>2,789,332</u>
Total Cash Disbursements			
	<u>2,462,797</u>	<u>1,138,240</u>	<u>2,789,332</u>
Total Receipts Over/(Under) Disbursements	<u>64,262</u>	<u>(286,691)</u>	<u>(222,430)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>64,262</u>	<u>(286,691)</u>	<u>(222,430)</u>
Fund Cash Balances, January 1, 1999	<u>99,241</u>	<u>591,083</u>	<u>690,324</u>
Fund Cash Balances, December 31, 1999	<u>\$163,503</u>	<u>\$304,392</u>	<u>\$467,895</u>
Reserve for Encumbrances, December 31, 1999	<u>\$8,730</u>	<u>\$10,542</u>	<u>\$19,272</u>

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

**MULTI-COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Commissary Sales	\$47,528	\$0	\$47,528
Total Operating Cash Receipts	47,528	0	47,528
Operating Cash Disbursements:			
Current:			0
Supply Expense	30,545	0	30,545
Total Operating Cash Disbursements	30,545	0	30,545
Operating Income/(Loss)	16,982	0	16,982
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	0	67,117	67,117
Total Non-Operating Cash Receipts	0	67,117	67,117
Non-Operating Cash Disbursements:			
Other Non-Operating Disbursements	0	67,097	67,097
Total Non-Operating Cash Disbursements	0	67,097	67,097
Excess of Receipts Over/(Under) Disbursements	16,982	20	17,002
Fund Cash Balances, January 1, 1999	0	0	0
Fund Cash Balances, December 31, 1999	<u>\$16,982</u>	<u>\$20</u>	<u>\$17,002</u>

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

**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Multi-County Correctional Center, Marion County, (the Correctional Center) is a public entity organized December 31, 1996 under Section 307.93 of the Ohio Revised Code for the purpose of establishing a multi-county correctional center, constructing that center, overseeing its operations and administration and promoting other cooperative programs relating to the correctional center.

The members of the Commission include Marion and Hardin counties. The receipts in the accompanying financial statements were received from the Members for the purpose stated above.

The Correctional Center's management believes these financial statements present all activities for which the Correctional Center is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Correctional Center uses fund accounting to segregate cash that is restricted as to use. The Correctional Center classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Enterprise Fund

This fund is used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Correctional Center had the following significant Enterprise Fund:

Commissary Fund - This fund receives monies from two sources. First, money held by the inmates at the time of entering the Correctional Center. Also, monies deposited by family and friends of the inmates. These monies can be expended by the inmate toward incidentals and toiletries.

3. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Correctional Center had the following significant Capital Project Fund:

**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Projects Fund (Continued)

Construction Fund - This fund received a grant from the State of Ohio for the purpose of constructing and maintaining the Correctional Center.

4. Agency Fund

This fund the Center is acting in an agency capacity. The Correctional Center had the following significant Agency fund.

Bond Fund - This fund receives monies from inmates at the time of entry into the Correctional Center. These monies are promptly remitted to the Municipal Court when received.

E. Budgetary Process

The Correctional Center budgets its governmental funds.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Board of Commissioners must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Correctional Center to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Correctional Center.

2. CASH/ CASH WITH FISCAL AGENT

The Correctional Center's cash attributable to the governmental funds are maintained by Marion County, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and the County is responsible for compliance. As of December 31, 2000 and December 31, 1999, the Correctional Center's share of the County's cash pool was \$361,111 and \$467,895, respectively. All risk associated with such deposits are the responsibility of Marion County. The Correctional Center maintains a commissary and bond account that are not reflected on the fiscal agent's books. The carrying amount of these deposits as of December 31, 1999 and 2000 are \$17,002 and \$10,050, respectively. This money is federally insured under the FDIC.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,290,784	\$3,277,485	(\$13,299)
Capital Project	10,542	0	(10,542)
Total	<u>\$3,301,325</u>	<u>\$3,277,485</u>	<u>(\$23,840)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,434,286	\$3,355,486	\$78,800
Capital Project	160,542	113,152	47,390
Total	<u>\$3,594,828</u>	<u>\$3,468,638</u>	<u>\$126,190</u>

**MULTI COUNTY CORRECTIONAL CENTER
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,566,639	\$2,527,059	(\$39,581)
Capital Project	<u>1,262,249</u>	<u>851,548</u>	<u>(410,700)</u>
Total	<u><u>\$3,828,888</u></u>	<u><u>\$3,378,607</u></u>	<u><u>(\$450,281)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,544,972	\$2,471,527	\$73,445
Capital Project	<u>1,412,249</u>	<u>1,148,782</u>	<u>263,467</u>
Total	<u><u>\$3,957,221</u></u>	<u><u>\$3,620,309</u></u>	<u><u>\$336,912</u></u>

The Correctional Center is not required to budget for the commissary or bond accounts

4. FUNDING

Annually the Commission estimates costs for the next fiscal year. Such estimates are considered by the Members and are then modified or accepted by the Members. Each Member thereafter remits its share of the Commission's costs to the Commission in the amount and at the times directed by the fiscal agent. If the aggregate of the Member's contributions for the estimated costs for a fiscal year are insufficient to pay the Commission's expenses then the fiscal agent shall assess each Member its proportional share of the additional cost

5. RETIREMENT SYSTEMS

The Correctional Center's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. The Correctional Center's PERS members contributed 8.5% of their gross salaries. The Correctional Center contributed an amount equal to 13.55% of participants' gross salaries in 1999, and 10.84% in 2000. The Correctional Center has paid all contributions required through December 31, 2000.



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Multi-County Correctional Center
Marion County
1514 Victory Road
Marion, Ohio 43302

To the Board of Commissioners:

We have audited the accompanying financial statements of Multi-County Correctional Center, Marion County, Ohio ("the Correctional Center"), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 18, 2001. We conducted our audit in accordance with auditing standards 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.

Compliance

As part of obtaining reasonable assurance about whether the Correctional Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Correctional Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Correctional Center in a separate letter dated June 18, 2001.

Multi-County Correctional Center
Marion County
Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the management, and the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

June 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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MULTI COUNTY CORRECTIONAL CENTER

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2001**