



**Auditor of State  
Betty Montgomery**



**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types – For the Year Ended December 31, 2004 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Agency Fund Type - For the Year Ended December 31, 2004 .....	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003 .....	7
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Agency Fund Type - For the Year Ended December 31, 2003 .....	8
Notes to the Financial Statements .....	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

Tri-County Regional Jail  
Champaign County  
4099 State Route 559  
Mechanicsburg, Ohio 43044

To the Correction Commission:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

July 14, 2005

**This page intentionally left blank.**



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Tri-County Regional Jail  
Champaign County  
4099 State Route 559  
Mechanicsburg, Ohio 43044

To the Correction Commission:

We have audited the accompanying financial statements of Tri-County Regional Jail, Champaign County, (the Jail), as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Jail's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient evidential matter supporting the activity within the Inmate Accounts Fund (Agency Fund), nor were we able to satisfy ourselves as to the completeness and accuracy by other auditing procedures. This financial activity represents beginning and ending balances, all reported revenue and disbursement transactions for the Inmate Account Fund – Agency Fund Type.

As described more fully in Note 1, the Jail has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Jail to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Jail does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Jail has elected not to reformat its statements. Since this Jail does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402  
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Jail as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, except for effects of such adjustment, if any, as might have been determined to be necessary, had we been able to examine sufficient evidence supporting the amounts reported for the Inmate Account - Agency Fund, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Tri-County Regional Jail, Champaign County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Jail to include Management's Discussion and Analysis for the year ended December 31, 2004. The Jail has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2005, on our consideration of the Jail'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Betty Montgomery**  
Auditor of State

July 14, 2004

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$3,199,270		\$3,199,270
Charges for Services	99,507		99,507
Sales		\$55,138	55,138
Other Revenue	68,922		68,922
	<hr/>		<hr/>
Total Cash Receipts	3,367,699	55,138	3,422,837
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	2,086,786		2,086,786
Supplies	312,107	58,275	370,382
Equipment	43,796		43,796
Professional Services	46,654		46,654
Medical	15,351		15,351
Utilities	225,150	2,103	227,253
Tech Services	18,086		18,086
Insurance	132,961		132,961
Uniforms	17,371		17,371
Training	10,881		10,881
Sanitation Removal	7,212		7,212
Other Miscellaneous	5,462		5,462
	<hr/>		<hr/>
Total Cash Disbursements	2,921,817	60,378	2,982,195
	<hr/>		<hr/>
Total Receipts Over/(Under) Disbursements	445,882	(5,240)	440,642
<b>Other Financing Receipts and (Disbursements):</b>			
Reimbursement and Refunds	221		221
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	446,103	(5,240)	440,863
	<hr/>		<hr/>
Fund Cash Balances, January 1	228,698	5,600	234,298
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$674,801</u></b>	<b><u>\$360</u></b>	<b><u>\$675,161</u></b>

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

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
AGENCY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>Inmate Account</b>
<b>Cash Receipts:</b>	
Other Revenue	\$264,543
<b>Cash Disbursements:</b>	
Other Disbursements	<u>253,201</u>
Total Receipts Over/(Under) Disbursements	11,342
Fund Cash Balance, January 1	<u>15,107</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$26,449</u></u>

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

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$2,900,301		\$2,900,301
Charges for Services	126,131		126,131
Sales		\$66,641	66,641
Other Revenue	72,633		72,633
	<u>3,099,065</u>	<u>66,641</u>	<u>3,165,706</u>
<b>Total Cash Receipts</b>	<b>3,099,065</b>	<b>66,641</b>	<b>3,165,706</b>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	2,103,130		2,103,130
Supplies	318,345	72,871	391,216
Equipment	28,463		28,463
Professional Services	60,966		60,966
Medical	33,046		33,046
Utilities	233,774	2,224	235,998
Tech Services	18,339		18,339
Insurance	53,651		53,651
Uniforms	14,732		14,732
Training	8,625		8,625
Sanitation Removal	10,776		10,776
Other Miscellaneous	708		708
	<u>2,884,555</u>	<u>75,095</u>	<u>2,959,650</u>
<b>Total Cash Disbursements</b>	<b>2,884,555</b>	<b>75,095</b>	<b>2,959,650</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>214,510</b>	<b>(8,454)</b>	<b>206,056</b>
<b>Other Financing Receipts and (Disbursements):</b>			
Refunds	497		497
Other Uses	(74,910)		(74,910)
	<u>(74,413)</u>		<u>(74,413)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(74,413)</b>		<b>(74,413)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>140,097</b>	<b>(8,454)</b>	<b>131,643</b>
<b>Fund Cash Balances, January 1</b>	<b>88,601</b>	<b>14,054</b>	<b>102,655</b>
<b>Fund Cash Balances, December 31</b>	<b><u>\$228,698</u></b>	<b><u>\$5,600</u></b>	<b><u>\$234,298</u></b>

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

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
AGENCY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Inmate Account</u>
<b>Cash Receipts:</b>	
Other Revenue	\$245,954
<b>Cash Disbursements:</b>	
Other Disbursements	<u>264,452</u>
Total Receipts Over/(Under) Disbursements	(18,498)
Fund Cash Balance, January 1	<u>33,605</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$15,107</u></u>

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

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Tri-County Regional Jail, Champaign County (the Jail) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Jail was established by the Board of County Commissioners of Union, Champaign and Madison Counties. The Jail is overseen by the Tri-County Corrections Commission (the Commission) pursuant to Revised Code Sections 153.61 and 307.93. The Commission is directed by the Sheriff of each participating county, the presiding Judge of the Court of Common Pleas of each participating county and one Commissioner of each participating county. The Commission was established to use the authority common to the Members to develop, construct, operate and administer a multi-county correctional center to augment county jail programs and facilities.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Jail recognizes when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

Champaign County Treasurer holds the Jail's cash as the Jail's custodian. The County holds the Jail's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**D. Fund Accounting**

The Jail uses fund accounting to segregate cash and investments that are restricted as to use. The Jail classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds account for proceeds from specific sources (other than from trusts or for capital projects) restricted to expenditure for specific purposes. The Jail had the following significant Special Revenue Fund:

**Commissary** – This fund receives funds collected from inmates for the purchases of commissary items.

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Fiduciary Fund (Agency Fund)**

Funds for which the Jail is acting in an agency capacity are classified as agency funds. The Jail had the following significant Agency Fund:

**Inmate Accounts** – This fund receives funds collected from inmates or their friends and/or family to be used to purchase commissary items, doctor visits or haircuts.

**E. Property, Plant, and Equipment**

The Jail records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**F. 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. EQUITY IN POOLED CASH AND INVESTMENTS**

The Jail maintains a bank account for the inmate accounts at Citizens National Bank. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$26,449</u>	<u>\$15,107</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. RETIREMENT SYSTEM**

The Jail's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Jail contributed an amount equal to 13.55 percent of participants' gross salaries. The Jail has paid all contributions required through December 31, 2004.

**4. RISK MANAGEMENT**

**Risk Pool Membership**

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**4. RISK MANAGEMENT (Continued)**

**Casualty Coverage**

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**Property Coverage**

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 and 2003.

<u><b>Casualty Coverage</b></u>	<b>2004</b>	<b>2003</b>
Assets	\$30,547,049	\$25,288,098
Liabilities	<u>(16,989,918)</u>	<u>(12,872,985)</u>
Retained earnings	<u>\$13,557,131</u>	<u>\$12,415,113</u>
<u><b>Property Coverage</b></u>	<b>2004</b>	<b>2003</b>
Assets	\$3,652,970	\$3,158,813
Liabilities	<u>(544,771)</u>	<u>(792,061)</u>
Retained earnings	<u>\$3,108,199</u>	<u>\$2,366,752</u>

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

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

Tri-County Regional Jail  
Champaign County  
4099 State Route 559  
Mechanicsburg, Ohio 43044

To the Correction Commission:

We have audited the financial statements of the Tri-County Regional Jail, Champaign County, (the Jail) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated July 14, 2005, wherein we noted the Jail followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America, and which was qualified due to a lack of sufficient evidence supporting the inmate account agency fund balances and activity. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Jail's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Jail's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2004-005 and 2004-006.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition #2004-005 listed above to be a material weakness.

In a separate letter to the Jail's management dated July 14, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Jail's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 thru 2004-004.

We intend this report solely for the information and use of the audit committee, management and Correction Commission. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

July 14, 2005

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2004-001**

Diane Hunt's authorized salary, and wages received for 2004 as approved by the Correction Commission was as follows:

Approved base salary	\$22,065.00
Overtime at approved rate	81.34
Total approved wages	22,146.34
Pay received in 2004	22,791.23
Overpayment	\$644.89

This resulted in monies having been illegally expended in the amount of six hundred forty-four dollars and eighty-nine cents (\$644.89).

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Diane Hunt, and in favor of Tri-County Regional Jail's General Fund for the amount of six hundred forty-four dollars and eighty-nine cents (\$644.89). Ms. Hunt repaid \$500, as evidenced by receipt # 28363 (8/12/05) and \$144.89 as evidenced by receipt # 28624 (9/13/05).

**FINDING NUMBER 2004-002**

Sandra Marsh's authorized salary, and wages received for 2004 as approved by the Correction Commission was as follows:

Approved base salary	\$31,319.00
Pay received in 2004	31,860.07
Overpayment	541.07

This resulted in monies having been illegally expended in the amount of five hundred forty-one dollars and seven cents (\$541.07).

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Sandra Marsh, and in favor of Tri-County Regional Jail's General Fund for the amount of five hundred forty-one dollars and seven cents (\$541.07).

Ms. Marsh repaid \$541.07 as evidenced by receipt # 28362 (8/12/05).

#### **FINDING NUMBER 2004-003**

**Ohio Rev. Code Section 149.351** states all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Section 149.38 – 149.42, Revised Code.

Bank reconciliations and support documentation such as the outstanding checklist and un-cleared deposits for the Inmate's bank account were not made available for audit. Jail personnel should retain all records as stated in their approved records retention schedule.

#### **FINDING NUMBER 2004-004**

**Ohio Rev. Code 117.38** requires each public office to file their annual reports with the Auditor of State within 60 days of the fiscal year end. The reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not prescribed a form for the report, the public office shall submit its report on the form utilized by the public office. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfilled, not to exceed seven hundred fifty dollars. At the time the report is filed with the Auditor of State, the chief fiscal officer shall publish a notice in a local newspaper that the annual financial report has been completed and is available for inspection at the office of the chief fiscal officer.

The annual reports for 2003 and 2004 were not filed until June 2005.

#### **FINDING NUMBER 2004-005**

##### **Monthly Reconciliation of Inmate Account**

The following weaknesses were noted when attempts were made to reconcile the Inmate Account's monthly bank statements:

- the Program Director was reconciling the bank statement to the checkbook balance instead of the inmate account balances;
- support documentation such as outstanding checklist and deposits were not printed after August 2004;
- neither bank reconciliations nor support documentation were printed for the period of December 2002 – April 2003;
- Sixteen outstanding checks (2 for over \$1,500) were removed from the list in May 2003 by showing the check amount as a deposit, but the checks and deposits were not cleared on the system resulting in them being shown on the system as both an outstanding check and deposit in transit for 2 years;
- the un-cleared deposit list has 253 void items for \$0.00 dated back to 12/31/00 that could cause legitimate outstanding deposits to be removed from the list and go unnoticed;
- the Jail Standard Operating Procedures Section 4.22 states that any check issued to an inmate upon release which has not been cashed in six months from the date of issuance shall be deemed unclaimed. The Jail has 819 outstanding checks dated between 12/12/00 and 6/29/04;
- a list of inmate account balances could not be printed for 2003 or 2004 which resulted in the Program Director not knowing the book balance when reconciling each month.

The above weaknesses resulted in the Inmate Agency Fund not being balanced to individual inmate accounts.

**FINDING NUMBER 2004-005  
(Continued)**

The Program Director should complete the following procedures with regards to the Inmate Account in order to reconcile the book balance to the individual account balances.

- The outstanding checklist and un-cleared deposit list should be printed, and filed, each month after reconciling.
- Checks that are on both the outstanding checklist and un-cleared deposit list should be researched, and corrected. The Program Director should determine the status of the checks, and adjust the account balances accordingly.
- All voided checks for \$0.00 on the un-cleared deposit list should be cleared.
- All checks over 6 months old should be posted for 30 days per Jail Standard Operating Procedures Section 4.22. At the end of the 30 days, if the monies are unclaimed the checks should be marked cleared on the outstanding checklist and the monies posted to the Unclaimed Fund account. The Program Director should also verify that the inmate's account has been closed out.
- The Program Director should print out the Summary Report at the end of each month and reconcile the bank statement to the inmate account balances. To insure accuracy of the statement, the Program Director should print out an Individual History Report and verify the inmate and balances per the Individual History Report to the Summary Report.
- Any remaining variance in the Inmate Agency Fund should be eliminated through a cash transfer with the Commissary Fund.

**FINDING NUMBER 2004-006**

**Salary Increase Approval**

Salary increases for non-union employees were not approved by the Correction Commission (Commission) in all instances. The Commission has the responsibility to formally approve all personnel actions for jail staff. The Administrative Assistant and Records Clerk received salary increases in September 2004 that were not approved by the Commission resulting in both employees being overpaid. To help prevent future errors in calculation of salaries, personnel actions for wage increases should be approved by the Commission.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**TRI-COUNTY REGIONAL JAIL**

**CHAMPAIGN 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  
OCTOBER 4, 2005**