



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Judicial Advisory Board and Facilities Governing Board
West Central Community Correctional Facility
18200 State Route 4 North
Marysville, Ohio 43040

We have reviewed the *Independent Auditor's Report* of the West Central Community Correctional Facility, Union County, prepared by BHM CPA Group, Inc., 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 West Central Community Correctional 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

March 22, 2023

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**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITIES
UNION COUNTY**

*For the Fiscal Years Ended June 30, 2022 and 2021
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INDEPENDENT AUDITOR'S REPORT

West Central Community Correctional Facility
Union County
18200 State Route 4 North
Marysville, Ohio 43040

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

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the West Central Community Correctional Facility, Union County, Ohio (the Facility), which comprises the cash balances, receipts and disbursements for each fund 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 fund 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 the Ohio Department of Rehabilitation and Corrections permits, described in Note 1.

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 Opinions

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 1 of the financial statements, the financial statements are prepared by the Facility on 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. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Facility. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits. Management is also responsible 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 the financial audit standards in the Comptroller General of the United States' *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 January 30, 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
January 30, 2023

*West Central Community Correctional Facility
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)
For the Period Ended June 30, 2022*

	State Appropriations and Grants				Offender Funds		Totals
	ODRC 501-501	JRIG	Capital CAP 003	Federal	Family Fund	Resident Fund	
Cash Receipts							
Intergovernmental	\$4,213,121	\$465,560	\$1,472,686	\$65,039	\$0	\$0	\$6,216,406
Cafeteria Sales	8,329	0	0	0	4,281	0	\$12,611
Insurance claim - van	9,188	0	0	0	0	0	\$9,188
Jury duty	20	0	0	0	0	0	\$20
Credit outstanding warrants	918	0	0	0	30	0	\$948
Receipts for offenders	0	0	0	0	3,095	187,509	\$190,604
Collections from offenders	0	0	0	0	87,779	0	\$87,779
Commissions	0	0	0	0	62,289	0	\$62,289
Refunds	3,015	0	0	289	0	0	\$3,303
Reimbursement	51,335	15,796	0	0	0	0	\$67,131
Charges for services	9,476	0	0	0	0	0	\$9,476
<i>Total Cash Receipts</i>	<u>4,295,402</u>	<u>481,356</u>	<u>1,472,686</u>	<u>65,328</u>	<u>157,474</u>	<u>187,509</u>	<u>6,659,754</u>
Cash Disbursements							
Personnel	3,104,493	294,198	0	0	0	0	3,398,691
Operating costs	773,667	60,610	1,378,128	0	18,611	657	2,231,673
Program costs	132,610	51,524	0	77,003	56,347	50	317,535
Equipment	29,684	8,896	0	0	0	0	38,580
Offender Disbursements:							0
Offender recreational costs	0	0	0	0	55,445	99,576	155,021
Offender legal obligations	0	0	0	0	0	373	373
Offender reimbursements	0	0	0	0	0	0	0
Offender payments to CBCF	0	0	0	0	0	87,274	87,274
Offender savings paid at exit	0	0	0	0	0	7,556	7,556
<i>Total Cash Disbursements</i>	<u>4,040,455</u>	<u>415,228</u>	<u>1,378,128</u>	<u>77,003</u>	<u>130,403</u>	<u>195,486</u>	<u>6,236,703</u>
Disbursements from prior FY (Including refund to ODRC)	<u>323,509</u>	<u>165,784</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>489,293</u>
<i>Total Receipts Over/(Under) Disbursements</i>	<u>(68,562)</u>	<u>(99,656)</u>	<u>94,558</u>	<u>(11,675)</u>	<u>27,071</u>	<u>(7,977)</u>	<u>(66,241)</u>
Fund Cash Balances, July 1, 2021	<u>507,978</u>	<u>223,695</u>	<u>7,993</u>	<u>32,323</u>	<u>7,790</u>	<u>35,834</u>	<u>815,613</u>
<i>Fund Cash Balances, June 30, 2022</i>	<u>\$439,416</u>	<u>\$124,039</u>	<u>\$102,551</u>	<u>\$20,648</u>	<u>\$34,861</u>	<u>\$27,857</u>	<u>\$749,372</u>
Unpaid Obligations/Open Purchase Orders	<u>\$0</u>						

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The West Central Community Correctional 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 128 offenders as of June 30, 2022. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the Counties 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 Board includes at least one common pleas court judge from each county the Facility serves. The Facility serves the following counties:

Champaign County	Logan County	Morrow County
Clark County	Madison County	Union County
Delaware County	Marion County	

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

B. Accounting Basis

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.

C. Deposits

The Clark County and Union County Treasurers are the custodians 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 in demand deposit accounts.

D. Fund Accounting

The Facility uses fund accounting to segregate amounts that are restricted as to use. The Facility has the following funds:

State Appropriations and Grants

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC. The Facility received ABLE, now called ASPIRE funding for contracting instructors and specialists to aid in the rehabilitation of offenders.

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

Probation: Reports amounts received from the ODRC for a Probation Improvement and Incentive Funding grant for the purpose of adopting and administering evidence-based programs, policies, projects, or practices to reduce the number of felony offenders on community control who violate the conditions of their supervision and are admitted to prison. This grant was replaced by the **Justice Reinvestment Incentive Grant** in 2017.

Offender Funds

Resident Fund: Are amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries offenders 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.

Family Fund: This fund receives Offender Funds, such as telephone and commissary commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment. The resident fund reimburses this fund for costs chargeable to Offender Funds.

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 Clark and Union 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 2022 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 acquisitions as assets.

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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

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 years ending June 30, 2022 follows:

2022 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$4,213,121	\$3,958,174	\$254,947

3. COLLATERAL ON DEPOSITS AND INVESTMENTS

Grants and State Appropriations

The Clark County and Union County Treasurers are responsible for collateralizing deposits and investments for grants and State appropriations the County holds as custodian for the Facility.

OFFENDER FUNDS

Deposits

The Facility has Federal Deposit Insurance Corporation coverage of \$250,000 for Offender Funds. There were no uncollateralized amounts as of June 30, 2022.

4. DEFINED BENEFIT PENSION PLANS

The Facility's employees belong to the Ohio Public Employees Retirement System (OPERS). Certified teachers belong to the State Teachers Retirement System (STRS). OPERS and STRS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes plan benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10 percent of their gross salaries and the Facility contributed an amount equaling 14 percent, respectively, of participants' gross salaries. For 2022, STRS members contributed 14 percent of their gross salaries and the Facility contributed an amount equaling 14 percent. The Facility has paid all contributions required through June 30, 2022.

5. POSTEMPLOYMENT BENEFITS

Both OPERS and STRS offer 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. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent fiscal year 2022. STRS contributes 0 percent to fund these benefits.

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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

6. RISK MANAGEMENT

Commercial Insurance

The Facility has obtained commercial insurance for the following risks:

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

7. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Facility. The impact on the Facility's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

*West Central Community Correctional Facility
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)
For the Period Ended June 30, 2021*

	State Appropriations and Grants				Offender Funds		Totals
	ODRC 501-501	JRIG	Capital CAP 003	Federal	Family Fund	Resident Fund	
Cash Receipts							
Intergovernmental	\$4,069,377	\$489,000	\$264,748	\$65,011	\$0	\$0	\$4,888,136
Cafeteria sales	\$5,014	\$0	\$0	\$0	\$3,916	\$0	\$8,929
OCJS Grant	\$71,276	\$0	\$0	\$0	\$0	\$0	\$71,276
Receipts for offenders	\$0	\$0	\$0	\$0	\$0	\$192,246	\$192,246
Collections from offenders	\$0	\$0	\$0	\$0	\$87,731	\$0	\$87,731
Charges for services	27,500	0	0	0	0	0	\$27,500
Commissions	0	0	0	0	47,326	0	\$47,326
Donations	0	0	0	0	2,000	0	\$2,000
Jury Duty	20	0	0	0	0	0	\$20
Reimbursement	60,657	0	0	0	0	36	\$60,693
Refunds	145	1,529	0	0	471	0	\$2,145
<i>Total Cash Receipts</i>	<u>4,233,990</u>	<u>490,529</u>	<u>264,748</u>	<u>65,011</u>	<u>141,444</u>	<u>192,282</u>	<u>5,388,003</u>
Cash Disbursements							
Personnel	3,283,933	309,584	0	0	0	0	3,593,518
Operating costs	621,292	35,380	273,083	0	7,123	372	937,249
Program costs	114,392	48,752	0	82,074	64,929	0	310,147
Equipment	10,850	0	0	0	0	0	10,850
Offender Disbursements:							
Offender legal obligations	0	0	0	0	1,470	229	1,699
Offender reimbursements	0	0	0	0	0	0	0
Offender recreational costs	0	0	0	0	90,991	52,461	143,451
Offender personal costs	0	0	0	0	0	3,700	3,700
Offender payments to CBCF	0	0	0	0	0	78,551	78,551
Offender savings paid at exit	0	0	0	0	0	27,812	27,812
<i>Total Cash Disbursements</i>	<u>4,030,467</u>	<u>393,716</u>	<u>273,083</u>	<u>82,074</u>	<u>164,513</u>	<u>163,125</u>	<u>5,106,977</u>
Disbursements from prior FY (Including refund to ODRC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Receipts Over/(Under) Disbursements</i>	<u>203,523</u>	<u>96,813</u>	<u>(8,335)</u>	<u>(17,063)</u>	<u>(23,069)</u>	<u>29,157</u>	<u>281,026</u>
Fund Cash Balances, July 1, 2020	<u>304,455</u>	<u>126,882</u>	<u>16,328</u>	<u>49,386</u>	<u>30,859</u>	<u>6,677</u>	<u>534,587</u>
<i>Fund Cash Balances, June 30, 2021</i>	<u>\$507,978</u>	<u>\$223,695</u>	<u>\$7,993</u>	<u>\$32,323</u>	<u>\$7,790</u>	<u>\$35,834</u>	<u>\$815,613</u>
Unpaid Obligations/Open Purchase Orders	<u>\$321,725</u>						

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The West Central Community Correctional 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 101 offenders as of June 30, 2021. A Facilities Governing Board oversees the Facility's operations. Common pleas judges from the Counties 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 Board includes at least one common pleas court judge from each county the Facility serves. The Facility serves the following counties:

Champaign County	Logan County	Morrow County
Clark County	Madison County	Union County
Delaware County	Marion County	

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

B. Accounting Basis

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.

C. Deposits

The Clark County and Union County Treasurers are the custodians 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 in demand deposit accounts.

D. Fund Accounting

The Facility uses fund accounting to segregate amounts that are restricted as to use. The Facility has the following funds:

State Appropriations and Grants

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

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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

Federal: Reports amounts received from the Federal government, including amounts passed through ODRC. The Facility received ABLE, now called ASPIRE funding for contracting instructors and specialists to aid in the rehabilitation of offenders.

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

Probation: Reports amounts received from the ODRC for a Probation Improvement and Incentive Funding grant for the purpose of adopting and administering evidence-based programs, policies, projects, or practices to reduce the number of felony offenders on community control who violate the conditions of their supervision and are admitted to prison. This grant was replaced by the **Justice Reinvestment Incentive Grant** in 2017.

Offender Funds

Resident Fund: Are amounts the Facility receives and holds in a custodial capacity for each offender while confined. The Facility holds personal funds, including salaries offenders 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.

Family Fund: This fund receives Offender Funds, such as telephone and commissary commissions, and per diem rates charged to employed offenders. This fund pays for programs and services benefiting offenders, such as indigent offenders' supplies and entertainment. The resident fund reimburses this fund for costs chargeable to Offender Funds.

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 Clark and Union County's payment approval process. The County Auditor must approve (i.e., certify and encumber) certain payments when the Facility commits to make a payment. The budgetary disbursement amounts reported in Note 2 include cash disbursed against the current year budget plus amounts spent within ninety days of June 30 to liquidate year-end commitments. Amounts not liquidated within ninety days of June 30 are subject to refund to ODRC, unless ODRC approves an extension. (See Note 4.)

A summary of 2021 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 acquisitions as assets.

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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

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 years ending June 30, 2021 follows:

2021 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$4,069,377	\$4,030,467	\$38,910

3. COLLATERAL ON DEPOSITS AND INVESTMENTS

Grants and State Appropriations

The Clark County and Union County Treasurers are responsible for collateralizing deposits and investments for grants and State appropriations the County holds as custodian for the Facility.

OFFENDER FUNDS

Deposits

The Facility has Federal Deposit Insurance Corporation coverage of \$250,000 for Offender Funds. There were no uncollateralized amounts as of June 30, 2021.

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 years 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	
	2021-20
Cash, July 1	\$185,032
Disbursements Against Prior Year Budget	(\$36,731)
Payable to ODRC, July 1	-
Sub-Total	\$148,301
501 Cash Receipts	8,138,754
Budgetary Basis Disbursements	(8,102,020)
Amount Subject to Refund, June 30	\$185,035
One-Twelfth of 501 Award	678,230
Refundable to ODRC	-

**WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY
UNION COUNTY**

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

5. DEFINED BENEFIT PENSION PLANS

The Facility's employees belong to the Ohio Public Employees Retirement System (OPERS). Certified teachers belong to the State Teachers Retirement System (STRS). OPERS and STRS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes plan benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2021, OPERS members contributed 10 percent of their gross salaries and the Facility contributed an amount equaling 14 percent, respectively, of participants' gross salaries. For 2021, STRS members contributed The Facility has paid all contributions required through June 30, 2021.

6. POSTEMPLOYMENT BENEFITS

Both OPERS and STRS offer 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. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent fiscal year 2021. STRS contributes 0 percent to fund these benefits.

7. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Facility. The impact on the Facility's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

8. RISK MANAGEMENT

Commercial Insurance

The Facility has obtained commercial insurance for the following risks:

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



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

West Central Community Correctional Facility
Union County
18200 State Route 4 North
Marysville, Ohio 43040

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

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the West Central Community Correctional Facility, Union 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 January 30, 2023, wherein we noted the Facility follows accounting practices the Ohio Department of Rehabilitation and Corrections prescribes rather than accounting principles generally accepted in the United States of America. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Facility.

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 opinions 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
January 30, 2023

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OHIO AUDITOR OF STATE KEITH FABER



WEST CENTRAL COMMUNITY CORRECTIONAL FACILITY

UNION 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 4/4/2023

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