

**CORRECTIONS COMMISSION OF  
NORTHWEST OHIO**

**WILLIAMS COUNTY**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008 AND 2007**





# Mary Taylor, CPA

Auditor of State

Members of the Commission  
Corrections Commission of Northwest Ohio  
3151 Road 2425  
Route 1, Box 100-A  
Stryker, Ohio 43557

We have reviewed the *Independent Auditor's Report* of the Corrections Commission of Northwest Ohio, Williams County, prepared by LublinSussman Group LLP, for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Corrections Commission of Northwest Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

August 11, 2009

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GOVERNMENTAL FUND TYPES:

General Fund Type:

Operating Fund

Special Revenue Fund Type:

Electronic Monitoring Program

PROPRIETARY FUND TYPE:

Enterprise Fund Type:

Inmate Fund

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# LublinSussman Group LLP

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Members of the Commission  
Corrections Commission of Northwest Ohio  
Williams County  
3151 Road 2425  
Route 1, Box 100-A  
Stryker, Ohio 43557

To the Members of the Commission:

We have audited the accompanying combined statements of cash and cash equivalents and fund cash balances - all fund types, combined statement of cash receipts, cash disbursements, and changes in fund cash balances, receipts - budget versus actual, and disbursements and encumbrances compared with expenditure authority for each fund of the Corrections Commission of Northwest Ohio, Williams County (the Commission) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 combined 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 audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Commission prepares its financial statements using accounting practices prescribed or permitted by the Auditor of State. These practices differ from accounting principles generally accepted in the United States of America (GAAP). The effects on the financial statements of these variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Douglas J. Welch, CPA, CVA  
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Members:  
American Institute of Certified Public Accountants  
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Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Commission's larger (i.e. major) funds separately. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The Commission has elected not to follow GAAP statement formatting requirements. 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.

The aforementioned revision to generally accepted accounting principles also requires the Commission to include Management's Discussion and Analysis for the years ended December 31, 2008 and 2007. The Commission 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 a part of, the financial statements.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2008 and 2007, or its changes in financial position or cash flows, where applicable for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Corrections Commission of Northwest Ohio, Williams County, Ohio, as of and for the years ending December 31, 2008 and 2007, and the related combined cash receipts and disbursements for the years then ended on the accounting basis described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 22, 2009 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considering in assessing the results of our audits.

*Seublin Sussman Group LLP*

June 22, 2009  
Toledo, Ohio



CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
COMBINED STATEMENT OF CASH AND CASH EQUIVALENTS AND  
FUND CASH BALANCES - ALL FUND TYPES  
FOR THE YEARS ENDED DECEMBER 31

	<u>2008</u>	<u>2007</u>
<b>Pooled Cash and Investments:</b>		
Cash and Cash Equivalents	\$ 2,661,006	\$ 3,176,252
Cash on Hand	200	200
Investments	<u>643,674</u>	<u>378,812</u>
Total	<u>\$ 3,304,880</u>	<u>\$ 3,555,264</u>
 <b>Cash Balances by Fund Types:</b>		
Governmental Fund Type:		
General Fund	\$ 3,157,614	\$ 3,295,853
Special Revenue Funds	903	205
Proprietary Fund Type:		
Enterprise Fund	<u>146,363</u>	<u>259,206</u>
Total	<u>\$ 3,304,880</u>	<u>\$ 3,555,264</u>

See Notes to Financial Statements

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Totals (Memo. Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	
<b>Cash Receipts:</b>				
Multi-Jurisdictional	\$ 14,848,920	\$ 0	\$ 0	\$ 14,848,920
Rental Revenue	370,606	0	0	370,606
Grant Revenue	0	220,506	0	220,506
Interest Income	61,190	0	1,462	62,652
Commissary Revenue	0	0	98,573	98,573
Telephone Commission	379,823	0	0	379,823
Miscellaneous Income	<u>205,124</u>	<u>0</u>	<u>385,365</u>	<u>590,489</u>
Total Cash Receipts	<u>15,865,663</u>	<u>220,506</u>	<u>485,400</u>	<u>16,571,569</u>
<b>Cash Disbursements:</b>				
Salary, Wages and Benefits	10,654,247	169,307	296,917	11,120,471
Education, Training, Memberships and Dues	29,520	0	0	29,520
Insurance	204,027	0	3,200	207,227
Travel	8,303	227	635	9,165
Supply Expense	344,736	2,325	67,419	414,480
Contract Services	3,191,469	0	155,112	3,346,581
Postage Service	4,606	0	3,600	8,206
Utilities	688,315	0	10,402	698,717
Clothing and Linen	108,773	0	29,458	138,231
Repairs & Maintenance	93,771	47,949	141	141,861
Personnel Recruitment	6,947	0	0	6,947
Professional Services	122,451	0	23,660	146,111
Dry Cleaning	74,240	0	1,920	76,160
Non Capital Equipment	43,654	0	2,903	46,557
Capital Outlay	<u>428,843</u>	<u>0</u>	<u>2,876</u>	<u>431,719</u>
Total Cash Disbursements	<u>16,003,902</u>	<u>219,808</u>	<u>598,243</u>	<u>16,821,953</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	(138,239)	698	(112,843)	(250,384)
Fund Cash Balance - January 1, 2008	<u>3,295,853</u>	<u>205</u>	<u>259,206</u>	<u>3,555,264</u>
Fund Cash Balance - December 31, 2008	<u>\$ 3,157,614</u>	<u>\$ 903</u>	<u>\$ 146,363</u>	<u>\$ 3,304,880</u>

See Notes to Financial Statements

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Governmental Fund Types		Proprietary Fund Types	Totals (Memo. Only)
	General	Special Revenue	Enterprise	
<b>Cash Receipts:</b>				
Multi-Jurisdictional	\$ 14,967,675	\$ 0	\$ 0	\$ 14,967,675
Rental Revenue	164,801	0	0	164,801
Grant Revenue	0	262,806	0	262,806
Interest Income	61,312	0	2,418	63,730
Commissary Revenue	0	0	65,484	65,484
Telephone Commission	418,407	0	0	418,407
Miscellaneous Income	<u>391,188</u>	<u>0</u>	<u>312,474</u>	<u>703,662</u>
Total Operating Cash Receipts	<u>16,003,383</u>	<u>262,806</u>	<u>380,376</u>	<u>16,646,565</u>
 <b>Cash Disbursements:</b>				
Salary, Wages and Benefits	10,576,321	161,689	324,179	11,062,189
Education, Training, Memberships and Dues	25,396	0	0	25,396
Insurance	218,321	0	0	218,321
Travel	10,629	313	1,306	12,248
Supply Expense	311,621	4,429	58,096	374,146
Contract Services	2,888,297	0	53,760	2,942,057
Postage Service	5,496	0	3,500	8,996
Utilities	630,605	0	12,396	643,001
Clothing and Linen	103,923	0	30,768	134,691
Repairs & Maintenance	112,723	99,234	50	212,007
Personnel Recruitment	14,762	0	0	14,762
Professional Services	160,417	0	25,413	185,830
Dry Cleaning	71,460	0	2,160	73,620
Non Capital Equipment	47,101	0	4,457	51,558
Capital Outlay	<u>323,169</u>	<u>0</u>	<u>1,150</u>	<u>324,319</u>
Total Operating Cash Disbursements	<u>15,500,241</u>	<u>265,665</u>	<u>517,235</u>	<u>16,283,141</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	503,142	(2,859)	(136,859)	363,424
Fund Cash Balance - January 1, 2007	<u>2,792,711</u>	<u>3,064</u>	<u>396,065</u>	<u>3,191,840</u>
Fund Cash Balance - December 31, 2007	<u>\$ 3,295,853</u>	<u>\$ 205</u>	<u>\$ 259,206</u>	<u>\$ 3,555,264</u>

See Notes to Financial Statements

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
COMBINED STATEMENT OF RECEIPTS  
BUDGET VERSUS ACTUAL  
FOR THE YEARS ENDED DECEMBER 31

	2008			2007		
	<u>Budget</u>	<u>Actual</u>	Variance: Favorable <u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	Variance: Favorable <u>(Unfavorable)</u>
<b>Governmental Fund Types:</b>						
General Fund	\$16,505,596	\$15,865,663	\$ (639,933)	\$16,458,908	\$16,003,383	\$ (455,525)

See Notes to Financial Statements

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
 WILLIAMS COUNTY  
 COMBINED STATEMENT OF DISBURSEMENTS AND ENCUMBRANCES  
 COMPARED WITH EXPENDITURE AUTHORITY  
 FOR THE YEAR ENDED DECEMBER 31, 2008

<b>Governmental Fund Types:</b>	<u>Prior Year</u> Carryover <u>Appropriations</u>	<u>2008</u> <u>Appropriations</u>	<u>Total</u>	<u>Actual 2008</u> <u>Disbursements</u>	<u>Encumbrances</u> <u>Outstanding at</u> <u>12/30/08</u>	<u>Total</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
General Fund	\$ 78,040	\$ 16,427,556	\$ 16,505,596	\$ 16,003,902	\$ 82,824	\$ 16,086,726	\$ 418,870

See Notes to Financial Statements

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
 WILLIAMS COUNTY  
 COMBINED STATEMENT OF DISBURSEMENTS AND ENCUMBRANCES  
 COMPARED WITH EXPENDITURE AUTHORITY  
 FOR THE YEAR ENDED DECEMBER 31, 2007

<b>Governmental Fund Types:</b>	<u>Prior Year</u> Carryover <u>Appropriations</u>	<u>2007</u> <u>Appropriations</u>	<u>Total</u>	<u>Actual 2007</u> <u>Disbursements</u>	<u>Encumbrances</u> <u>Outstanding at</u> <u>12/30/07</u>	<u>Total</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
General Fund	\$ 440,336	\$ 16,018,572	\$ 16,458,908	\$ 15,500,241	\$ 78,040	\$ 15,578,281	\$ 880,627

See Notes to Financial Statements

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

**DESCRIPTION OF THE ENTITY**

The Corrections Commission of Northwest Ohio, Williams County, (the Commission), is a public entity organized September 30, 1987, under § 307.93 of the Ohio Revised Code for the purpose of establishing a multicounty municipal correction center, constructing that center, overseeing its operation and administration and promoting other cooperative programs relating to the center.

The members of the Commission, who were also members of the Committee, are:

Lucas County	Williams County
Defiance County	Henry County
Fulton County	City of Toledo

The receipts in the accompanying financial statements were received from the Members and others for the purpose stated above.

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

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

**BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits which differs from generally accepted accounting principles. This basis is similar to the cash receipts and disbursements accounting basis. The Commission recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when the liability is incurred.

These statements include adequate disclosures of material matters, as prescribed or permitted by the Auditor of State.

**FUND ACCOUNTING**

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

**GOVERNMENTAL FUND TYPES**

Government funds are those through which most governmental functions of the Commission are financed. The following are the Commission's governmental fund types:

General Fund

The general fund is the operating fund of the Commission. It is used to account for all financial resources except those required by law or contract to be accounted for in other funds.

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007 (CONTINUED)

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**PROPRIETARY FUND TYPE**

Proprietary funds are used to account for the Commission's ongoing activities which are similar to those found in the private sector. The following is the Commission's proprietary fund type:

Enterprise Fund

Enterprise funds account for operations which are financed and operated in a manner similar to private business enterprises and for which the Commission intends to support a material portion of the operating costs with user charges.

**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.

**BUDGETARY PROCESS**

The Commission is not required to follow the budgetary requirements under Ohio Revised Code Chapter 5705. However, the Commission does perform annual budgetary procedures for the General Fund. The Commission did not develop a budget for the Special Revenue Fund or the Proprietary Fund.

**ESTIMATED RESOURCES**

Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances.

**APPROPRIATIONS**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Commission must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**ENCUMBRANCES**

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain compliance. Encumbrances plus expenditures may not exceed appropriations at the legal level of control.



CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007 (CONTINUED)

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 Commission.

**DEPOSITS AND INVESTMENTS**

To improve cash management, cash received by the Commission is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Commission records. Interest in the pool is presented as Cash and Cash Equivalents.

During years 2008 and 2007, the Commission's investments included federal agency securities and STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are recorded at fair market value.

Investments of the Commission's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Commission are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

**(2) EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Commission maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2008</u>	<u>2007</u>
Demand Deposits	\$ <u>2,661,206</u>	\$ <u>3,176,452</u>
Total Deposits	2,661,206	3,176,452
U.S. Treasury Notes	637,579	372,869
STAR Ohio	<u>6,095</u>	<u>5,943</u>
Total Investments	<u>643,674</u>	<u>378,812</u>
Total Deposits and Investments	\$ <u><u>3,304,880</u></u>	\$ <u><u>3,555,264</u></u>

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007 (CONTINUED)

**(2) EQUITY IN POOLED DEPOSITS AND INVESTMENTS (CONTINUED)**

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** The Federal Reserve holds the Commission's U.S. Treasury Notes in book-entry form by the name of the Commission's financial institution. The financial institution maintains records identifying the Commission as owner of these securities.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**(3) DEFINED BENEFIT PENSION PLANS**

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 percent and 9.5 percent, respectively, of their wages. The Commission contributed an amount equal to 14 percent (2008) and 13.85 percent (2007) of participants' gross salaries. Contributions amounted to \$1,061,092 and \$978,497 for the years ended December 31, 2008 and 2007, respectively. The Corrections Commission of Northwest Ohio has paid all contributions required through December 31, 2008 and 2007.

**(4) RISK MANAGEMENT**

A. Commercial Insurance

The Commission maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 100 percent co-insured.

Claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from prior years.

B. Self Insurance

The Commission was self insured for medical, prescription drug, and dental benefits to employees. The Commission has established a separate investment account to record and finance the medical, prescription drug, and dental benefits program.

A comparison of self insurance fund cash and investments to the actuary-measured liability as of December 31, 2008 and 2007 follows:

	<u>2008</u>	<u>2007</u>
Cash and investments	\$ 1,261,374	\$ 903,803
Actuarial liabilities	\$ 763,675	\$ 676,941

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007 (CONTINUED)

**(5) LEASE COMMITMENTS**

The Commission entered into a noncancelable operating lease agreement for electronic monitoring equipment effective November 21, 2005 through February 28, 2009. The future minimum lease commitments on the noncancelable lease as of December 31, 2008 are as follows:

2009	\$5,564
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Total lease expenses for the years ended December 31, 2008 and 2007 was \$66,770 each year.

**(6) CONTINGENT LIABILITIES**

The Commission has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Commissioners believe such disallowances, if any, will be immaterial.

# LublinSussman Group LLP

Certified Public Accountants

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board  
Corrections Commission of Northwest Ohio  
3151 Road 2425  
Route 1, Box 100-A  
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To the Members of the Commission:

We have audited the financial statements of Corrections Commission of Northwest Ohio (the Commission) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 22, 2009, in which we noted that the Commission prepares its financial report on a basis of accounting formally prescribed or permitted by the Auditor of State, which is a basis of accounting other than generally accepted accounting principles. 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.

### Internal Control Over Financial Reporting

In planning and performing our audits, we considered Corrections Commission of Northwest Ohio's internal control over financial reporting as a basis for designing our auditing procedures 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 Corrections Commission of Northwest Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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Members:  
American Institute of Certified Public Accountants  
AICPA—Private Companies Practice Section  
Ohio Society of Certified Public Accountants

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corrections Commission of Northwest Ohio's financial statements are free of 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 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

*Deblin Sussman Group LLP*

June 22, 2009  
Toledo, Ohio

CORRECTIONS COMMISSION OF NORTHWEST OHIO  
WILLIAMS COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008

There were no prior audit findings.

See Notes to Financial Statements



Mary Taylor, CPA  
Auditor of State

**CORRECTIONS COMMISSION OF NORTHWEST OHIO**

**WILLIAMS 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  
AUGUST 25, 2009**