



**Auditor of State  
Betty Montgomery**



**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Corrections 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, 2002 and 2001. 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.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Jail as of December 31, 2001 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 3, 2003

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$2,378,179			\$2,378,179
Charges for Services	177,046			177,046
Sales		\$61,862		61,862
Other Revenue	61,777			61,777
	<u>2,617,002</u>	<u>61,862</u>	<u></u>	<u>2,678,864</u>
Total Cash Receipts				
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	2,001,444			2,001,444
Supplies	312,772			312,772
Equipment	67,919			67,919
Contracts	81,547		82,662	164,209
Medical	260,643			260,643
Utilities	263,718			263,718
Rent	65			65
Insurance	49,336			49,336
Publishing and Advertising	989			989
Travel	1,447			1,447
Cost of Goods Sold		58,290		58,290
Other Miscellaneous	9,515	1,908		11,423
	<u>3,049,395</u>	<u>60,198</u>	<u>82,662</u>	<u>3,192,255</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	(432,393)	1,664	(82,662)	(513,391)
<b>Other Financing Receipts and (Disbursements):</b>				
Reimbursement and Refunds	15,318			15,318
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(417,075)	1,664	(82,662)	(498,073)
Fund Cash Balances, January 1	505,676	12,389	82,662	600,727
<b>Fund Cash Balances, December 31</b>	<b><u>\$88,601</u></b>	<b><u>\$14,053</u></b>	<b><u>\$0</u></b>	<b><u>\$102,654</u></b>

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

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$1,943,425		\$693,825	\$2,637,250
Charges for Services	52,219			52,219
Sales		\$54,158		54,158
Other Revenue	53,516			53,516
	<u>2,049,160</u>	<u>54,158</u>	<u>693,825</u>	<u>2,797,143</u>
Total Cash Receipts				
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	1,779,845			1,779,845
Supplies	271,252			271,252
Equipment	49,533			49,533
Contracts	98,964		150,736	249,700
Medical	200,020			200,020
Utilities	215,882			215,882
Rent	744			744
Publishing and Advertising	4,278			4,278
Travel	1,253			1,253
Cost of Goods Sold		44,250		44,250
Other Miscellaneous	10,462	1,691		12,153
	<u>2,632,233</u>	<u>45,941</u>	<u>150,736</u>	<u>2,828,910</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(583,073)</u>	<u>8,217</u>	<u>543,089</u>	<u>(31,767)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Reimbursements and Refunds	4,999			4,999
Advances-In	573,392			573,392
Advances-Out			(573,392)	(573,392)
Other Sources			33,532	33,532
	<u>578,391</u>		<u>(539,860)</u>	<u>38,531</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,682)	8,217	3,229	6,764
Fund Cash Balances, January 1	<u>510,358</u>	<u>4,172</u>	<u>79,433</u>	<u>593,963</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$505,676</u></b>	<b><u>\$12,389</u></b>	<b><u>\$82,662</u></b>	<b><u>\$600,727</u></b>

*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, 2002 AND 2001**

**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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

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

**2. Special Revenue Funds**

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

**Commissary Fund** - 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, 2002 AND 2001  
(Continued)**

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

**3. Capital Project Funds**

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

**Construction Fund** - The Jail received a grant from the Department of Rehabilitation and Correction to construct the jail facility.

**D. 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.

**E. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Jail's basis of accounting.

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

The Champaign County Auditor acts as the fiscal agent for the Tri-County Regional Jail and the Champaign County Treasurer maintains a cash and investment pool used by all County funds. Because of the nature of the pool, all County funds are commingled; therefore the risk involved and the preferential claim of the Jail cannot be determined.

The Champaign County Auditor's records indicated the Jail's cash balances as of December 31, 2002 and 2001, were \$102,654 and \$600,727, respectively.

**3. RETIREMENT SYSTEMS**

The Jail's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The Jail contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002. The Jail has paid all contributions required through December 31, 2002.

**TRI-COUNTY REGIONAL JAIL  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Jail has obtained commercial insurance for the following risks:

- Legal liability;
- Wrongful acts;
- Law enforcement liability;
- Property; and
- Vehicles

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**Auditor of State  
Betty Montgomery**

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

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

To the Corrections Commission:

We have audited the accompanying financial statements of the Tri-County Regional Jail, Champaign County, (the Jail) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 3, 2003. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Jail's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Jail in a separate letter dated June 3, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Jail's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Jail in a separate letter dated June 3, 2003.

Tri-County Regional Jail  
Champaign County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of the management and Corrections Commission, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 3, 2003



**Auditor of State  
Betty Montgomery**

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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  
JULY 15, 2003**