

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY  
Regular Audit  
For the Years Ended December 31, 2010 and 2009**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Multi-County Correctional Center, Marion County, prepared by Perry & Associates, Certified Public Accountants, A. C. for the audit period January 1, 2009 through December 31, 2010. 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 Accountants' 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 Accountants' 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 Multi-County Correctional Center is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 21, 2011

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**MULTY COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

July 18, 2011

Multi County Correctional Center  
1514 Victory Road  
Marion, Ohio 43302

To the Board of Commissioners:

We have audited the accompanying financial statements of the **Multi County Correctional Center**, Marion County, Ohio, (the Correctional Center) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Correctional Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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.

As described more fully in Note 1, the Correctional Center 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Correctional Center's larger (i.e. major) funds separately. While the Correctional Center 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 the Correctional Center to reformat their statements. The Correctional Center 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.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Correctional Center as of December 31, 2010 and 2009 or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Multi County Correctional Center, Marion County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Correctional Center 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 18, 2011, on our consideration of the Correctional Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

|  | <u>Governmental Fund Types</u> |                             | <b>Totals</b>                |
|--|--------------------------------|-----------------------------|------------------------------|
|  | <u>General</u>                 | <u>Capital<br/>Projects</u> | <u>(Memorandum<br/>Only)</u> |
| <b>Cash Receipts:</b>  |                                |                             |                              |
| Intergovernmental  | \$ 3,175,450                   | \$ -                        | \$ 3,175,450                 |
| Charges For Services   | 86,679                         | -                           | 86,679                       |
| Fees - Telephone   | 64,591                         | -                           | 64,591                       |
| Other  | 21,840                         | -                           | 21,840                       |
|  | <u>3,348,560</u>               | <u>-</u>                    | <u>3,348,560</u>             |
| <b>Total Cash Receipts</b>   | <b>3,348,560</b>               | <b>-</b>                    | <b>3,348,560</b>             |
| <b>Cash Disbursements:</b>   |                                |                             |                              |
| Salaries and Benefits  | 2,385,340                      | -                           | 2,385,340                    |
| Health Insurance   | 524,756                        | -                           | 524,756                      |
| Supplies   | 41,612                         | -                           | 41,612                       |
| Equipment  | 36,261                         | 51,820                      | 88,081                       |
| Contract Repair and Services   | 199,706                        | 23,354                      | 223,060                      |
| Travel   | 248                            | -                           | 248                          |
| Advertising and Printing   | 2,008                          | -                           | 2,008                        |
| Training   | 6,295                          | -                           | 6,295                        |
| Medical Supplies and Services  | 97,508                         | -                           | 97,508                       |
| Utilities  | 191,975                        | -                           | 191,975                      |
| Food   | 201,621                        | -                           | 201,621                      |
| Vehicle Maintenance and Supplies   | 14,711                         | -                           | 14,711                       |
| Other  | 51,165                         | -                           | 51,165                       |
|  | <u>3,753,206</u>               | <u>75,174</u>               | <u>3,828,380</u>             |
| <b>Total Cash Disbursements</b>  | <b>3,753,206</b>               | <b>75,174</b>               | <b>3,828,380</b>             |
| Total Cash Receipts Over/(Under) Disbursements   | <u>(404,646)</u>               | <u>(75,174)</u>             | <u>(479,820)</u>             |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                             |                              |
| Other Sources  | 96,278                         | -                           | 96,278                       |
| Transfers In   | -                              | 50,000                      | 50,000                       |
| Transfers Out  | (50,000)                       | -                           | (50,000)                     |
|  | <u>46,278</u>                  | <u>50,000</u>               | <u>96,278</u>                |
| <b>Total Other Financing Receipts/(Disbursements)</b>  | <b>46,278</b>                  | <b>50,000</b>               | <b>96,278</b>                |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (358,368)                      | (25,174)                    | (383,542)                    |
| Fund Cash Balances, January 1  | <u>421,738</u>                 | <u>64,809</u>               | <u>486,547</u>               |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$ 63,370</u></b>        | <b><u>\$ 39,635</u></b>     | <b><u>\$ 103,005</u></b>     |

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

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

|   | <b>Fiduciary<br/>Fund Type</b> |
|---|--------------------------------|
|   | <b>Agency</b>                  |
| <b>Nonoperating Cash Receipts/(Disbursements):</b>          |                                |
| Other Nonoperating Receipts                                 | \$ 427,379                     |
| Other Nonoperating Disbursements                            | (414,013)                      |
|   | 13,366                         |
| Total Nonoperating Cash Receipts Over/(Under) Disbursements | 13,366                         |
| Net Receipts Over/(Under) Disbursements                     | 21,723                         |
| Fund Cash Balances, January 1                               | 21,723                         |
| <b>Fund Cash Balances, December 31</b>                      | <b>\$ 35,089</b>               |

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

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

|   | <u>Governmental Fund Types</u> |                             | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--------------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>   |                                |                             |   |
| Intergovernmental   | \$ 3,348,180                   | \$ -                        | \$ 3,348,180                            |
| Charges For Services  | 235,133                        | -                           | 235,133                                 |
| Fees - Telephone  | 64,658                         | -                           | 64,658                                  |
| Other   | 16,711                         | -                           | 16,711                                  |
|   | <u>3,664,682</u>               | <u>-</u>                    | <u>3,664,682</u>                        |
| <b>Total Cash Receipts</b>  |                                |                             |   |
|   | <u>3,664,682</u>               | <u>-</u>                    | <u>3,664,682</u>                        |
| <b>Cash Disbursements:</b>  |                                |                             |   |
| Salaries and Benefits   | 2,380,550                      | -                           | 2,380,550                               |
| Health Insurance  | 582,993                        | -                           | 582,993                                 |
| Supplies  | 37,955                         | -                           | 37,955                                  |
| Equipment   | 12,528                         | 93,294                      | 105,822                                 |
| Contract Repair and Services  | 192,702                        | -                           | 192,702                                 |
| Travel  | 120                            | -                           | 120                                     |
| Advertising and Printing  | 2,537                          | -                           | 2,537                                   |
| Training  | 3,227                          | -                           | 3,227                                   |
| Medical Supplies and Services   | 80,198                         | -                           | 80,198                                  |
| Utilities   | 207,976                        | -                           | 207,976                                 |
| Food  | 199,355                        | -                           | 199,355                                 |
| Vehicle Maintenance and Supplies  | 18,104                         | -                           | 18,104                                  |
| Other   | 32,407                         | -                           | 32,407                                  |
|   | <u>3,750,652</u>               | <u>93,294</u>               | <u>3,843,946</u>                        |
| <b>Total Cash Disbursements</b>   |                                |                             |   |
|   | <u>3,750,652</u>               | <u>93,294</u>               | <u>3,843,946</u>                        |
| <b>Total Cash Receipts Over/(Under) Disbursements</b>   | <u>(85,970)</u>                | <u>(93,294)</u>             | <u>(179,264)</u>                        |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                             |   |
| Other Sources   | 90,616                         | -                           | 90,616                                  |
| Transfers In  | -                              | 58,287                      | 58,287                                  |
| Transfers Out   | (58,287)                       | -                           | (58,287)                                |
|   | <u>32,329</u>                  | <u>58,287</u>               | <u>90,616</u>                           |
| <b>Total Other Financing Receipts/(Disbursements)</b>   |                                |                             |   |
|   | <u>32,329</u>                  | <u>58,287</u>               | <u>90,616</u>                           |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over/(Under) Cash Disbursements<br/>and Other Financing Disbursements</b> | <u>(53,641)</u>                | <u>(35,007)</u>             | <u>(88,648)</u>                         |
| <b>Fund Cash Balances, January 1</b>  | <u>475,379</u>                 | <u>99,816</u>               | <u>575,195</u>                          |
| <b>Fund Cash Balances, December 31</b>  | <u><u>\$ 421,738</u></u>       | <u><u>\$ 64,809</u></u>     | <u><u>\$ 486,547</u></u>                |

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

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

|   | <u><b>Fiduciary<br/>Fund Type</b></u> |
|---|---------------------------------------|
|   | <u><b>Agency</b></u>                  |
| <b>Nonoperating Cash Receipts/(Disbursements):</b>          |                                       |
| Other Nonoperating Receipts                                 | \$ 397,013                            |
| Other Nonoperating Disbursements                            | <u>(392,540)</u>                      |
| Total Nonoperating Cash Receipts Over/(Under) Disbursements | <u>4,473</u>                          |
| Net Receipts Over/(Under) Disbursements                     | 4,473                                 |
| Fund Cash Balances, January 1                               | <u>17,250</u>                         |
| <b>Fund Cash Balances, December 31</b>                      | <u><b>\$ 21,723</b></u>               |

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

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Fund Accounting**

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

**1. General Fund**

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

**2. Capital Projects Fund**

This fund is used to account for receipts and transfers that are restricted for the acquisition or improvement of capital projects or major equipment.

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**C. Fund Accounting (Continued)**

**3. Agency Funds**

The Correctional Center is acting in an agency capacity for these funds. The Correctional Center has the following significant Agency Funds:

Commissary and Inmate Trust Funds - These funds receive monies from the inmates at the time of incarceration or from family and friends of the inmates. These monies can be expended by the inmate toward incidentals and toiletries and to pay fees and charges when a convicted inmate is released.

Bond Fund - This fund receives monies from the inmates at the time of entry into the Correction Center. These monies are then remitted to the Municipal Court.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Correctional Center to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**D. Budgetary Process (Continued)**

**3. Encumbrances (Continued)**

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**E. 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.

**F. Accumulated Unpaid Vacation and Sick Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Accumulated unpaid vacation and sick leave are not accrued under the cash basis of accounting described in Note 1.

**2. EQUITY IN POOLED DEPOSITS**

The Correctional Center's deposits attributable to the governmental funds are maintained by Marion County, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and the County is responsible for compliance. As of December 31, 2010, December 31, 2009, the Correctional Center's share of the County's deposit pool was \$103,005 and \$486,547, respectively. All risk associated with such deposits are the responsibility of Marion County. The Correctional Center maintains a commissary, inmate trust and bond account that are not reflected on the fiscal agent's books. The carrying amount of these deposits as of December 31, 2010 and December 31, 2009 are \$35,089 and \$21,723 respectively. This money is federally insured under the FDIC.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2010 and 2009 follows:

| Fund Type        | Budgeted<br>Receipts | Actual<br>Receipts  | Variance            |
|------------------|----------------------|---------------------|---------------------|
| General          | \$ 3,789,706         | \$ 3,444,838        | \$ (344,868)        |
| Capital Projects | 50,000               | 50,000              | -                   |
| Total            | <u>\$ 3,839,706</u>  | <u>\$ 3,494,838</u> | <u>\$ (344,868)</u> |

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

| 2010 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$ 4,075,140               | \$ 3,803,206              | \$ 271,934 |
| Capital Projects                                      | 89,808                     | 75,174                    | 14,634     |
| Total   | \$ 4,164,948               | \$ 3,878,380              | \$ 286,568 |

| 2009 Budgeted vs. Actual Receipts |                      |                    |              |
|-----------------------------------|----------------------|--------------------|--------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance     |
| General                           | \$ 3,886,741         | \$ 3,755,298       | \$ (131,443) |
| Capital Projects                  | 58,287               | 58,287             | -            |
| Total                             | \$ 3,945,028         | \$ 3,813,585       | \$ (131,443) |

| 2009 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$ 4,024,244               | \$ 3,808,939              | \$ 215,305 |
| Capital Projects                                      | 145,114                    | 93,294                    | 51,820     |
| Total   | \$ 4,169,358               | \$ 3,902,233              | \$ 267,125 |

The Correctional Center is not required to budget for the Commissary Fund ,the Inmate Trust or the Agency Bond Fund.

**4. FUNDING**

Annually the Correctional Center 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 costs to the Correctional Center in the amount and at the time 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 Correctional Center's expenses, then the fiscal agent shall assess each Member its proportional share of the additional cost.

**5. RETIREMENT SYSTEMS**

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

**MULTI COUNTY CORRECTIONAL CENTER  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**5. RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. Members of OPERS contributed 10% of their earnable salaries. The Correctional Center contributed an amount equal to 14% of participants' earnable salaries in 2010 and 2009. The Correctional Center has paid all contributions required through December 31, 2010.

**6. RISK MANAGEMENT**

The Correctional Center had the following insurance coverage purchased through The County Risk Sharing Authority: General Liability, Automobile Liability, Law Enforcement Liability, Public Officials Liability, Faithful Performance Bond, and Money & Securities all for \$1,000,000 individually and an Umbrella for \$5,000,000.

**7. RESTATEMENT OF BEGINNING FUND BALANCES**

During prior audits, the Commissary Fund has been incorrectly reflected as an Enterprise Fund when it is actually an Agency Fund.

Beginning fund balances were adjusted to reflect the reclassification noted above as follows:

|   | Enterprise<br>Fund | Agency<br>Fund |
|---|--------------------|----------------|
| Fund Balances at January 1, 2009            | \$ 16,456          | \$ 794         |
| Reclassification                            | (16,456)           | 16,456         |
| Fund Balances at January 1, 2009 - Restated | \$ -               | \$ 17,250      |

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

July 18, 2011

Multi County Correctional Center  
1514 Victory Road  
Marion, Ohio 43302

To the Board of Commissioners:

We have audited the financial statements of the **Multi County Correctional Center**, Marion County, Ohio as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated July 18, 2011, wherein we noted the Multi County Correctional Center prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 Correctional Center's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Correctional Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Correctional Center's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Correctional Center's financial statements will not be prevented, or detected and timely corrected

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

Multi County Correctional Center  
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Independent Accountants' Report on Internal Control Over  
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Required by *Government Auditing Standards*  
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### **Compliance and Other Matters**

As part of reasonably assuring whether the Correctional Center'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 no instances of noncompliance or other matters that we must report under *Government Auditing Standard*.

We intend this report solely for the information and use of management, the Board of Commissioners and the Auditor of State. We intend it for no one other than these specified parties.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.

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# Dave Yost • Auditor of State

**MULTI COUNTY CORRECTIONAL CENTER**

**MARION COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 6, 2011**