

**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO  
FINANCIAL STATEMENTS – CASH BASIS**

**JUNE 30, 2010 AND 2009**





# Dave Yost • Auditor of State

Facility Governing Board  
River City Correctional Center  
3220 Colerain Avenue  
Cincinnati, Ohio 45225

We have reviewed the *Independent Auditors' Report* of the River City Correctional Center, Hamilton County, prepared by Hurst, Kelly & Company LLC, for the audit period July 1, 2008 through June 30, 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 Auditors' 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 Auditors' 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 River City Correctional Center is responsible for compliance with these laws and regulations.

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Dave Yost  
Auditor of State

October 17, 2011

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**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO**

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**INDEPENDENT AUDITORS' REPORT**

River City Correctional Center  
Hamilton County  
3220 Colerain Avenue  
Cincinnati, Ohio 45225

To the Facility Governing Board:

We have audited the accompanying financial statements of the River City Correctional Center, Hamilton County, (the Center) as of and for the years ended June 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions 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 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 opinions.

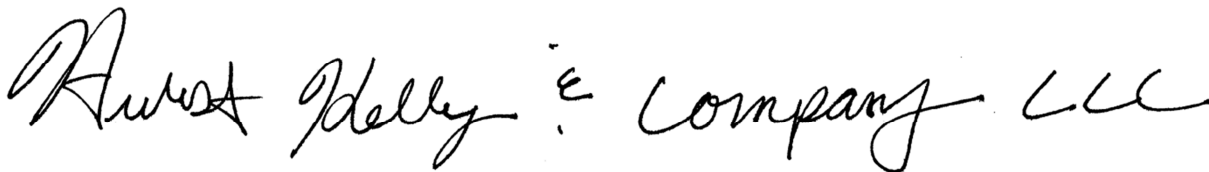
As described more fully in Note 1, the Center has prepared these financial statements using accounting practices prescribed or permitted by the Ohio Department of Rehabilitation and Correction, whose practices differ from accounting principles generally accepted in the United States of America (GAAP). The effect on the financial statements of the 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Center's larger (i.e. major) funds separately. While the 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 following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Ohio Department of Rehabilitation and Correction 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 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Center as of June 30, 2010 and 2009, or its changes in financial position for the years then ended. Further, the Center has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and unpaid obligations of the River City Correctional Center, Hamilton County, as of June 30, 2010 and 2009, and its 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 August 17, 2011, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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 considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Robert Kelly & Company LLC". The signature is written in a cursive, flowing style.

Mason, Ohio  
August 17, 2011

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION  
COMMUNITY BASED CORRECTIONAL FACILITY  
RIVER CITY CORRECTIONAL CENTER**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>State Appropriations and Grants</b>		<b>Offender Funds</b>		<b>Totals</b>
	ODRC 501-501	Federal	Resident Program	Offender Personal Funds	
<b>Cash Receipts:</b>					
Intergovernmental	\$ 5,837,840	\$ 86,762	\$ -	\$ -	\$ 5,924,602
Receipts for Offenders	-	-	10,919	204,565	215,484
Collections from Offenders	-	-	7,633	-	7,633
Commissions	-	-	79,492	-	79,492
Reimbursement	40	-	-	-	40
<b>Total Cash Receipts</b>	<b>5,837,880</b>	<b>86,762</b>	<b>98,044</b>	<b>204,565</b>	<b>6,227,251</b>
<b>Cash Disbursements:</b>					
Personnel	4,590,511	32,367	-	-	4,622,878
Operating Costs	966,960	49,653	-	-	1,016,613
Program Costs	125,946	-	90,227	-	216,173
Equipment	12,479	-	-	-	12,479
Offender Disbursements:					
Offender Legal Obligations	-	-	-	11,081	11,081
Offender Reimbursements	-	-	-	86,545	86,545
Offender Payments to CBCF	-	-	-	74,436	74,436
Offender Savings Paid at Exit	-	-	-	29,082	29,082
<b>Total Cash Disbursements</b>	<b>5,695,896</b>	<b>82,020</b>	<b>90,227</b>	<b>201,144</b>	<b>6,069,287</b>
Disbursements from Prior FY (Including Refund to ODRC)	123,551	-	-	-	123,551
<b>Total Receipts Over (Under) Disbursements</b>	<b>18,433</b>	<b>4,742</b>	<b>7,817</b>	<b>3,421</b>	<b>34,413</b>
Fund Cash Balances, July 1, 2009	185,189	(19,902)	1,975	1,029	168,291
Fund Cash Balances, June 30, 2010	<u>\$ 203,622</u>	<u>\$ (15,160)</u>	<u>\$ 9,792</u>	<u>\$ 4,450</u>	<u>\$ 202,704</u>
Unpaid Obligations/Open Purchase Orders	<u>\$ 141,942</u>				

See Accompanying Notes to the Financial Statements



**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION  
COMMUNITY BASED CORRECTIONAL FACILITY  
RIVER CITY CORRECTIONAL CENTER**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<b>State Appropriations and Grants</b>		<b>Offender Funds</b>		<b>Totals</b>
	ODRC 501-501	Federal	Resident Program	Offender Personal Funds	
<b>Cash Receipts:</b>					
Intergovernmental	\$ 5,771,840	\$ 121,431	\$ -	\$ -	\$ 5,893,271
Receipts for Offenders	-	-	10,543	182,663	193,206
Collections from Offenders	-	-	5,705	-	5,705
Commissions	-	-	53,293	-	53,293
Reimbursement	1,513	-	-	-	1,513
<b>Total Cash Receipts</b>	<b>5,773,353</b>	<b>121,431</b>	<b>69,541</b>	<b>182,663</b>	<b>6,146,988</b>
<b>Cash Disbursements:</b>					
Personnel	4,710,608	33,500	-	-	4,744,108
Operating Costs	896,551	50,668	-	-	947,219
Program Costs	23,735	-	77,198	-	100,933
Equipment	17,368	2,100	-	-	19,468
Offender Disbursements:					
Offender Legal Obligations	-	-	-	11,364	11,364
Offender Reimbursements	-	-	-	80,340	80,340
Offender Payments to CBCF	-	-	-	64,582	64,582
Offender Savings Paid at Exit	-	-	-	27,534	27,534
<b>Total Cash Disbursements</b>	<b>5,648,262</b>	<b>86,268</b>	<b>77,198</b>	<b>183,820</b>	<b>5,995,548</b>
Disbursements from Prior FY (Including Refund to ODRC)	128,029	-	-	-	128,029
<b>Total Receipts Over (Under) Disbursements</b>	<b>(2,938)</b>	<b>35,163</b>	<b>(7,657)</b>	<b>(1,157)</b>	<b>23,411</b>
Fund Cash Balances, July 1, 2008	188,127	(55,065)	9,632	2,186	144,880
Fund Cash Balances, June 30, 2009	<u>\$ 185,189</u>	<u>\$ (19,902)</u>	<u>\$ 1,975</u>	<u>\$ 1,029</u>	<u>\$ 168,291</u>
Unpaid Obligations/Open Purchase Orders	<u>\$ 123,551</u>				

See Accompanying Notes to the Financial Statements

**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

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**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The River City Correctional Center (the Center) provides an alternative to prison incarceration for felony offenders. The Center is the last step in the continuum of increasing punishment before prison incarceration. The Center is a minimum security operation housing approximately 200 offenders as of June 30, 2010. The Center serves Hamilton County.

A Facility Governing Board oversees the Center's operations. Hamilton County common pleas judges comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facility Governing Board regarding Center matters.

For the years ended June 30, 2010 and 2009, the financial statements present all funds related to the Center.

**B. Basis of Accounting**

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

These statements adequately disclose material matters the Ohio Department of Rehabilitation and Correction requires.

**C. Deposits and Investments**

The Hamilton County Treasurer is the custodian of the Center's grant funds and State appropriations. The County holds these Center assets in the County's deposit and investment pool, valued at the County Treasurer's reported carrying amount. The Center holds offenders' cash in demand deposit accounts.

**D. Fund Accounting**

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

**State Appropriations and Grants**

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

**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

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Federal: Reports amounts received from the Federal government, including amounts passed through various state agencies. This fund consists of the following grants:

Grant Name	Pass-Through Entity	Description of Grant
ABLE	ODRC	Funding for adult basic literacy and education program
Title I	ODRC	Federal funding to help academically at risk students
National School Lunchroom	Ohio Department of Education (ODE)	Funding to provide nutritious meals for children

**Offender Funds**

Resident Program Fund: This fund reports revenues received by the Center from commissions on telephone systems, commissary operations, reimbursable costs such as per diem and medical services, and similar services. Disbursements from this fund are to be used to benefit residents in accordance with HB162 which was effective October 10, 2006.

Offender Personal Funds: This fund reports amounts the Center receives and holds in a custodial capacity for each offender while confined. The Center holds personal funds, including salaries offenders earn while confined, and maintains separate balances for each offender. The Center makes payments as directed by the offender or per program requirements. Upon release, the Center pays remaining funds to the offender.

**E. Budgetary Process**

**1. Appropriations**

The Center 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 Center 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 Hamilton County's payment approval process. The County Auditor must approve (i.e., certify and encumber) certain payments when the Center 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 2010 and 2009 budgetary activity appears in Note 2.

**F. Property, Plant, and Equipment**

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

**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

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**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, 2010 and 2009 is as follows:

2010 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$ 5,837,840	\$ 5,837,838	\$ 2
2009 Budgeted vs. Actual Budgetary Basis Expenditures		
Budget	Budgetary Expenditures	Variance
\$ 5,771,840	\$ 5,771,813	\$ 27

**3. Collateral on Deposits and Investments**

**State Appropriations and Grants**

The County Treasurer is responsible for collateralizing deposits and investments for State appropriations and grants the County holds as custodian for the Center.

**Offender Funds**

Deposits

The Center has Federal Deposit Insurance Corporation coverage insuring 100 percent of the balance of Offender Funds at June 30, 2010 and 2009. Accordingly, there were no uncollateralized amounts at June 30, 2010 and 2009.

**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

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**4. Refund To ODRC**

The agreement between the Center and ODRC permits the Center to retain a maximum of one-twelfth of the grant award after liquidating encumbrances outstanding at June 30. The Center 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 Center refunds amounts computed below in the fiscal year following the computation below.

	2010	2009
Cash, July 1	\$ 185,189	\$ 188,127
Disbursements Against Prior Year Budget	(123,551)	(128,029)
Payable to ODRC, July 1	(27)	-
Sub-Total	61,611	60,098
501 Cash Receipts	5,837,840	5,771,840
Budgetary Basis Disbursements	(5,837,838)	(5,771,813)
Amount Subject to Refund, June 30	\$ 61,613	\$ 60,125
One-Twelfth of 501 Award	\$ 486,487	\$ 480,987
Refundable to ODRC	\$ -	\$ -

Calculation of Payable to ODRC

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	2010	2009
Payable, July 1	\$ 27	\$ -
Cash Refunded	-	-
Refundable to ODRC, June 30	2	27
Payable, June 30	\$ 29	\$ 27

**5. Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10 percent of their gross salaries and the Center contributed an amount equaling 14 percent of participants' gross salaries. The Center has paid all contributions required through June 30, 2010.

**RIVER CITY CORRECTIONAL CENTER  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

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**6. Risk Management**

**Commercial Insurance**

The Center is included in Hamilton County's commercial insurance policies for the following risks:

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

**Hurst, Kelly & Company LLC**  
**Certified Public Accountants**  
3530 Irwin Simpson Road, Suite B  
Mason, Ohio 45040  
513.234.0977  
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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***

River City Correctional Center  
Hamilton County  
3220 Colerain Avenue  
Cincinnati, Ohio 45225

To the Facility Governing Board:

We have audited the financial statements of the River City Correctional Center, Hamilton County, (the Center) as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated August 17, 2011, in which it is noted that the Center prepared its financial statements on a basis of accounting prescribed or permitted by the Ohio Department of Rehabilitation and Correction, which is a basis other than accounting principles generally accepted in the United States of America. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Center'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 Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2010 – 001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2010 – 002 to be a significant deficiency.

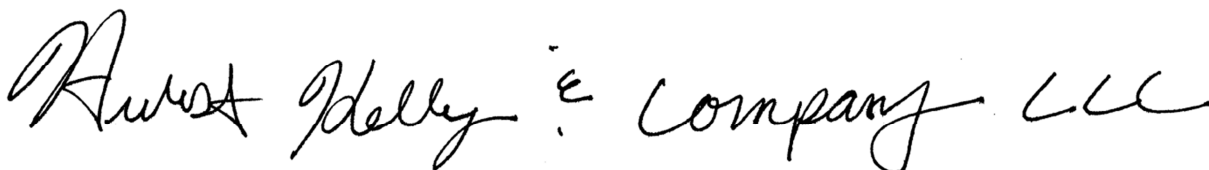
## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 audits, 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*.

We noted certain matters that we reported to management of the Center in a separate letter dated August 17, 2011.

The Center's responses to the findings identified in our audits are described in the accompanying schedule of findings and responses. We did not audit the Center's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Facility Governing Board and others within the entity 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 "Robert Kelly & Company LLC". The signature is written in a cursive, flowing style.

Mason, Ohio  
August 17, 2011



**RIVER CITY CORRECTIONAL CENTER,  
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2010 AND 2009**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2010-001 – MATERIAL WEAKNESS – CONTROLS OVER PAYROLL DISBURSEMENTS**

**Criteria:**

Adequate and functioning controls over payroll disbursements are necessary in order to prevent (or detect and correct in a timely manner) errors, omissions or misappropriations related to payroll disbursements.

**Condition:**

During our testing of 25 payroll disbursements made during the fiscal year ended June 30, 2009, we noted the following testing exceptions:

- For one disbursement, the corresponding timesheet substantiating the hours paid could not be located.
- For one disbursement, the corresponding timesheet was not signed by a supervisor indicating a supervisory review and the timesheet reported one quarter hour more of time worked than the payroll register reported as time paid.
- For one disbursement, the timesheet reported one hour more of time worked than the payroll register reported as time paid.
- For one disbursement, the timesheet reported four hours less of time worked than the payroll register reported as time paid. Two pay periods later, the corresponding employee's hours paid were adjusted down by four hours to correct the error.

During our testing of 25 payroll disbursements made during the fiscal year ended June 30, 2010, we noted the following testing exceptions:

- For one disbursement, the corresponding timesheet was not signed by a supervisor indicating a supervisory review.
- For one disbursement, the corresponding timesheet was not signed by the employee.
- For one disbursement, the corresponding timesheet was not signed by a supervisor indicating a supervisory review nor was it signed by the employee. Additionally, the timesheet reported seven hours less of time worked than the payroll register reported as time paid. Three pay periods later, the corresponding employee's hours paid were adjusted down by seven hours to correct the error.
- For one disbursement, the timesheet reported one quarter hour less of time worked than the payroll register reported as time paid.
- For one disbursement, the timesheet reported 18 hours more of time worked than the payroll register reported as time paid. One pay period later, the corresponding employee's hours paid were adjusted up by 18 hours to correct the error.

**Cause:**

Adequate and functioning controls over payroll disbursements are not in place and operating effectively such that errors, omissions and misappropriations related to payroll disbursements will be prevented or detected and corrected in a timely manner.

**Effect:**

Errors, omissions and misappropriations related to payroll disbursements could occur and not be prevented or detected and corrected in a timely manner.

**RIVER CITY CORRECTIONAL CENTER,  
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
JUNE 30, 2010 AND 2009**

**Recommendation:**

The Center should modify and strengthen controls over payroll disbursements by requiring that:

- All timesheets be authorized by the employee and the employee's supervisor prior to the payroll clerk entering the hours worked into the payroll processing system.
- The payroll clerk recalculate the hours worked per each individual timesheet and that the payroll clerk document such a recalculation of the hours worked on the corresponding timesheet prior to the payroll clerk entering the hours worked into the payroll processing system.
- An employee (other than the payroll clerk) perform a comparison of the hours entered into the payroll processing system to the recalculated hours worked per the individual timesheets prior to releasing the payroll disbursements for payment.

**View of Responsible Officials and Planned Corrective Actions:**

We are in agreement with the finding and will adopt the recommendations of the auditor.

**FINDING NUMBER 2010-002 – SIGNIFICANT DEFICIENCY – PROPERLY CLASSIFYING CASH RECEIPTS**

**Criteria:**

The Center is required to appropriately post cash receipts to their accounting records in order to facilitate the accurate assembly of the Center's financial activity in monthly and year end financial statements.

**Condition:**

During fiscal years 2010 and 2009, Title I, ABLE and National School Lunchroom Program receipts were incorrectly posted as reductions of disbursements instead of the proper classification as intergovernmental receipts (in amounts as shown in the table below).

<u>June 30, 2010</u>	
Federal Grants:	
Title I	\$ 10,875
ABLE	42,272
National School Lunch Program	33,615
	<u>\$ 86,762</u>
<u>June 30, 2009</u>	
Federal Grants:	
Title I	\$ 33,785
ABLE	56,443
National School Lunch Program	31,203
	<u>\$ 121,431</u>

**Cause:**

The Center was incorrectly posting Title I, ABLE and National School Lunchroom Program receipts as reductions of disbursements.

**RIVER CITY CORRECTIONAL CENTER,  
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
JUNE 30, 2010 AND 2009**

**Effect:**

Title I, ABLE and National School Lunchroom Program receipts for fiscal years 2010 and 2009 were understated in the accounting records as were various disbursement line items related to these programs.

Reclassifications were made to the June 30, 2010 and 2009 financial statements in order properly classify and present the receipts and disbursements of the Title I, ABLE and National School Lunch Programs.

**Recommendation:**

The Center should post Title I, ABLE and National School Lunchroom Program receipts as cash receipts in the underlying accounting records.

**View of Responsible Officials and Planned Corrective Actions:**

We are in agreement with the finding and will adopt the recommendations of the auditor.

RIVER CITY CORRECTIONAL CENTER,  
HAMILTON COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2010 AND 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Properly classifying cash receipts	No	Partially corrected. Repeated as finding 2010-002.



# Dave Yost • Auditor of State

RIVER CITY CORRECTIONAL CENTER

HAMILTON 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  
NOVEMBER 10, 2011