



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Facility Governing Board
Lorain-Medina Community Based Correctional Facility
Lorain County
9892 Murray Ridge Road
Elyria, Ohio 44035

We have performed the procedures enumerated below, which were agreed to by the Facility Governing Board and the management of Lorain-Medina Community Based Correctional Facility (the Facility), on the receipts, disbursements and balances recorded in the Facility's cash basis accounting records for the years ended June 30, 2016 and 2015, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the Facility. The Facility is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended June 30, 2016 and 2015 and certain compliance requirements related to those transactions and balances included in the information provided to us by the Facility. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash with the fiscal agent

1. Lorain County is custodian for the Facility's deposits and therefore the County's deposit and investment pool holds the Facility's assets. We compared the Facility's fund balances reported on its June 30, 2016 Expense and Revenue Report to the balances reported in Lorain County's accounting records. The amounts agreed.
2. We agreed the July 1, 2014 beginning fund balances recorded in the Expense and Revenue Report to the June 30, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the July 1, 2015 beginning fund balances recorded in the Expense and Revenue Report to the June 30, 2015 balances in the Expense and Revenue Report. We found no exceptions.

Cash - Offender Accounts

1. We recalculated the June 30, 2016 and June 30, 2015 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2014 beginning fund balances recorded in the General Ledger Report to the June 30, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the July 1, 2015 beginning fund balances recorded in the General Ledger Report to the June 30, 2015 balances in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the June 30, 2016 and 2015 fund cash balances reported in the General Ledger Report. The amounts agreed.
4. We confirmed the June 30, 2016 bank account balances with the Facility's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the June 30, 2016 bank reconciliation without exception.
5. We selected two reconciling debits (such as outstanding checks) from the June 30, 2016 bank reconciliation:
 - a. These two outstanding checks were subsequently voided in February 2017. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to June 30. There were no exceptions.
6. We selected one reconciling credit (such as deposits in transit) from the June 30, 2016 bank reconciliation:
 - a. We traced the credit to the subsequent July bank statement. We found no exceptions.
 - b. We agreed the credit amount to the Check Register. The credit was recorded as a June receipt for the same amount recorded in the reconciliation.

Intergovernmental and Other Confirmable Cash Receipts

1. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2016 and four from 2015.
 - a. We compared the amount from the above report to the amount recorded in the General Ledger Report. The amounts agreed.
 - b. We inspected the General Ledger Report to confirm whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We inspected the General Ledger Report to confirm whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the amounts paid from the Ohio Department of Rehabilitation and Correction to the Facility during 2016 with the Ohio Department of Rehabilitation and Correction. We found no exceptions.
 - a. We inspected the General Ledger Report to confirm whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We inspected the General Ledger Report to confirm whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of June 30, 2014.
2. We inquired of management, and inspected the Expense and Revenue Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. We noted no new debt issuances, nor any debt payment activity during 2016 or 2015.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Salaries by Quarter Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Salaries by Quarter Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account code(s) to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we compared the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended June 30, 2016 to confirm remittances were timely charged by the fiscal agent (Lorain County), and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2016. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	July 31, 2016	June 24, 2016	\$4,306.04	\$4,306.04
State income taxes	July 15, 2016	June 24, 2016	\$708.20	\$708.20
Local income tax	July 31, 2016	June 24, 2016	\$687.89	\$687.89
OPERS retirement	July 31, 2016	July 22, 2016	\$20,119.59	\$20,119.59

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Salaries by Quarter Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Facility's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. From the General Ledger Report, we re-footed checks recorded as ODRC 501-501 Fund disbursements for *Personnel*, and checks recorded as *Operating Costs* in the Offender Fund for 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the General Ledger Report for the year ended June 30, 2016 and ten from the year ended 2015 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the General Ledger Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the Facility filed their complete financial statements as defined by AOS Bulletin 2016-007 within the allocated timeframe for the year ended June 30, 2015. No exception noted for the year ended June 30, 2015. The Notes to the financials were filed on February 15, 2017 which was not within the allotted time frame for the year ended June 30, 2016.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Facility's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Lorain-Medina Community Based Correctional Facilities
Lorain County
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Page 5

This report is for the use of the Facility to assist in evaluating it's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended June 30, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

May 3, 2017

This page intentionally left blank.



Dave Yost • Auditor of State

LORAIN MEDINA COMMUNITY BASED CORRECTIONAL FACILITY

LORAIN 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
MAY 16, 2017**