***STARK REGIONAL***
***COMMUNITY CORRECTION CENTER***

***STARK COUNTY***

Preparation Report

For the Year Ended June 30, 2026

Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

***Ohio Department of Rehabilitation and Corrections***
***Community Based Correctional Facility***
*Stark Regional Community Correction Center*
*For the Year Ended June 30, 2026*

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# INDEPENDENT ACCOUNTANT'S REPORT

Stark Regional Community Correction Center
Stark County
4433 Lesh Street NE
Louisville, Ohio 44641

To the Members of the Judicial Advisory Board and Facility Governing Board:

We have prepared the accompanying Financial Statement and Notes to the Financial Statement of the Stark Regional Community Correction Center, Stark County, for the year ended June 30, 2026 in accordance with Statements and Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A preparation is limited to presenting in the form of financial statements and notes, information that is the representation of management. We have not audited or reviewed the accompanying financial statements or notes and, accordingly, do not express an opinion or any other form of assurance on them.

Sincerely,

Charles E Harris Associates

***Charles E. Harris & Associates, Inc.***
August 11, 2026

***Ohio Department of Rehabilitation and Correction***
***Community Based Correctional Facility***
***Stark Regional Community Correction Center***
*Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis)*
*For the Year Ended June 30, 2026*
*(Unaudited)*

| | | | | | | Offender Funds | | |
|---|---|---|---|---|---|---|---|---|
| | ODRC 501-501 | COVID-19 | Federal | Opioid Remediation Grant | Capital CAP 003 | RCA Resident Program | Offender Personal Funds | Totals |
| **Cash Receipts:** | | | | | | | | |
| Intergovernmental | $ 5,528,459 | $ - | $ 51,596 | $ 72,349 | $ 155,603 | $ - | $ - | $ 5,808,007 |
| Receipts for offenders | - | - | - | - | - | 1,437 | 528,811 | 530,248 |
| Collections from offenders | - | - | - | - | - | - | - | - |
| Commissions | - | - | - | - | - | 212,012 | - | 212,012 |
| Miscellaneous Receipts | - | - | - | - | - | 2,208 | - | 2,208 |
| Total Cash Receipts | 5,528,459 | - | 51,596 | 72,349 | 155,603 | 215,657 | 528,811 | 6,552,475 |
| **Cash Disbursements:** | | | | | | | | |
| Personnel | 3,502,409 | - | 33,000 | | - | - | - | 3,535,409 |
| Operating costs | 1,018,885 | - | - | | - | 47,474 | - | 1,066,359 |
| Program costs | 270,066 | - | 18,596 | 15,061 | - | 111,633 | - | 415,356 |
| Equipment | 63,037 | - | - | | - | - | - | 63,037 |
| Capital project | - | - | - | | 155,603 | - | - | 155,603 |
| Offender Disbursements: | | | | | | | | |
| Offender reimbursements | - | - | - | | - | - | 469,330 | 469,330 |
| Offender savings paid at exit | - | - | - | | - | - | 11,336 | 11,336 |
| Total Cash Disbursements | 4,854,397 | - | 51,596 | 15,061 | 155,603 | 159,107 | 480,666 | 5,716,430 |
| Disbursements from prior grant year (Including refund to ODRC) | 599,424 | - | - | - | - | - | - | 599,424 |
| Total Receipts Over/(Under) Disbursements | 74,638 | - | - | 57,288 | - | 56,550 | 48,145 | 236,621 |
| Fund Cash Balances, July 1 | 1,047,016 | 2,928 | - | - | 580 | 160,822 | 3,601 | 1,214,947 |
| Fund Cash Balances, June 30 | $ 1,121,654 | $ 2,928 | $ - | $ 57,288 | $ 580 | $ 217,372 | $ 51,746 | $ 1,451,568 |
| Unpaid Obligations/Open Purchase Orders | $ 567,628 | | | | | | | |

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

## Note 1 – Reporting Entity

The Stark Regional Community Correction 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 158 offenders. A Facility Governing Board oversees the Center's operations. Common Pleas judges from the counties the Center serves comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Center Governing Board and advises the Facility Governing Board regarding Center matters. The Board includes at least one Common Pleas Court judge from each county the Center serves. The Center serves the following counties:

| | | |
|---|---|---|
| Holmes County | Stark County | Tuscarawas County |
| Wayne County | | |

For the year ended June 30, 2026, the financial statement presents all funds related to the Center.

## Note 2 – Summary of Significant Accounting Policies

***Basis of Presentation***

The Center's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

***Fund Accounting***

The Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Center are presented below:

***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.

***Federal*** Reports amounts received from the Federal government, including amounts passed through the Canton City School District.

***Opioid Remediation Grant*** This fund receives money from the Ohio Attorney General's office to pay for a service contractor, Opioid remediation-related medication and medical supplies.

***Capital CAP 003*** Reports amounts received from the ODRC to finance all or part of the cost of the renovating or building facilities.

***Covid-19 Fund*** This fund receives Federal money distributed by the State of Ohio and the Office of Criminal Justice Services to pay for expenses related to the COVID-19 Pandemic.



*No assurance is provided on these notes.*

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Offender Funds***

***Resident Program Fund*** ORC 2301.58 established the Resident Program Fund. Upon approval of the Center governing board, the director of the CBCF may establish a Resident Program Fund. The director shall deposit in the fund all revenues received by the Center from commissions on telephone systems, commissary operations, reimbursable costs such as per diem and medical services, and similar services.

***Offender Personal Funds*** This fund reports amounts from Keefe System. All funds are deposited to specific clients via kiosk or credit card. Bank deposits are completed and reconciled to the Keefe System. Clients use their funds to purchase vending items or services from Keefe, such as email. If there are remaining funds at time of discharge, then those funds can be requested to be placed on a debit card.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the Ohio Department of Rehabilitation and Correction. 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. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters the Ohio Department of Rehabilitation and Correction requires.

***Budgetary Process***

***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 regarding budget revisions.

***Encumbrances*** Disbursements from County appropriations and Grants are subject to Stark County Auditors 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 3 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 sixty days of June 30 are subject to refund to ODRC, unless ODRC approves an extension. (See Note 5)

A summary of 2026 budgetary activity appears in Note 3.

## Note 2 – Summary of Significant Accounting Policies (continued)

***Deposits and Investments***

The Stark County Treasurer is the custodian of the Center's grant funds and County 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 deposits cash from kiosk to appropriate checking account. As of August 1, 2023 a separate security company hired by the kiosk vendors deposits the cash into the appropriate checking account.

***Capital Assets***

The Center records disbursements for acquisitions of capital assets when paid. The accompanying financial statements do not report these items as assets.

***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.

## Note 3 – Budgetary Activity

Budgetary activity for ODRC 501-501 funding the year ending June 30, 2026 follows:

| 2026 Budgeted vs. Actual Budgetary Basis Disbursements | | |
|---|---|---|
| Appropriation Authority | Budgetary Disbursements | Variance |
| $ 5,528,459 | $ 5,453,821 | $ 74,638 |

## Note 4 – Collateral on Deposits and Investments

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

***Offender Funds***

***Deposits***

The Center has Federal Deposit Insurance Corporation coverage of $250,000 for Offender Funds. The Center had no uncollateralized amounts at June 30, 2026.

## Note 5 – Risk Management

### *Commercial Insurance*

The Center has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded coverage limits in any of the past three years and coverage limits have not decreased significantly since the prior year.

## Note 6 – Defined Benefit Pension Plan

### *Ohio Public Employees Retirement System*

All of 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 this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Center contributed an amount equaling 14% of participants' gross salaries. The Center has paid all contributions required through June 30, 2026.

## Note 7 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For fiscal year 2026, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the legacy combined plan. For fiscal year 2026, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

## Note 8 – Contingent Liabilities

### *Litigation*

Management of the Center is not currently aware of any litigation that could materially adversely affect the Center's financial condition.



*No assurance is provided on these notes.*

## Note 8 – Contingent Liabilities (continued)

### *Grants*

Amounts grantor agencies pay to the Center are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amount grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.