



**FAIRFIELD, HOCKING, LICKING AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2008-2007**



**Mary Taylor, CPA**  
Auditor of State



**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Fairfield, Hocking, Licking and Perry  
Multi-County Juvenile Detention District  
Fairfield County  
923 Liberty Center Drive  
Lancaster, Ohio 43130

To the Joint Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fairfield, Hocking, Licking and Perry Multi-County Juvenile Detention District, Fairfield County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fairfield, Hocking, Licking and Perry County Multi-County Juvenile Detention District, Fairfield County, Ohio, as of December 31, 2008 and 2007, and the change in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

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In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2009, on our consideration of the District'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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

April 30, 2009

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

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This discussion and analysis of Fairfield, Hocking, Licking, and Perry Multi-County Detention District (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2008, and 2007, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2008 were as follows:

Net assets of governmental activities decreased \$128,235 or approximately 25.8 percent as compared to 2007. The primary reasons for the decrease in cash balances was due to reliance on carryover cash to meet the increase in expenditures which were not offset by the increase in program receipts and general receipts.

The District's general receipts are primarily member county contributions and other miscellaneous revenue. These receipts represent approximately 74.8 percent of the total cash received for governmental activities during the year. Member county contributions increased slightly by \$29,771 compared to 2007 to fund the operations of the facility.

Key highlights for 2007 were as follows:

Net assets of governmental activities decreased \$122,268 or approximately 19.7 percent as compared to 2006. The primary reasons for the decrease in cash balances was due to a decrease in program and general receipts and an increase in expenditures.

The District's general receipts are primarily member county contributions and other miscellaneous revenue. These receipts represent approximately 75.6 percent of the total cash received for governmental activities during the year. Member county contributions remained the same as compared to 2006 to fund the operations of the facility.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present the District's two funds in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Within the limitations of the cash basis of accounting, these changes are one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, other non-financial factors should be considered as well, including the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources.

The statement of net assets and the statement of activities present governmental activities, which includes all the District's services. State grants and tuition receipts finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them. The District has no business-type activities.

**Reporting the District's Funds**

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its many activities. This helps demonstrate that money that is restricted as to how it may be used, is being spent for the intended purpose. All of the District's funds are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns.



**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

**Reporting the District's Funds (continued)**

In 2008, the District's general fund is the only major fund. The District's non-major funds are not large enough to warrant separate reporting. In 2007, the District has two funds which are both presented as majors, the General Fund and the Construction Fund. The District has no non-major funds in 2007.

Because the District reports on a cash basis, the total of the governmental funds matches governmental activities and no reconciliation is required.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2008 compared to 2007 and 2006 on a cash basis:

**(Table 1)**  
**Net Assets**

	Governmental Activities		
	2008	2007	2006
<b>Assets</b>			
Cash	\$ 369,665	\$ 497,900	\$ 620,168
Total Assets	369,665	497,900	620,168
<b>Net Assets</b>			
Restricted for:			
Capital Outlay	30,226	455	455
Unrestricted	339,439	497,445	619,713
Total Net Assets	\$ 369,665	\$ 497,900	\$ 620,168

As mentioned previously, net assets of governmental activities decreased \$128,235 or approximately 25.8 percent during 2008. The primary reasons for the decrease in cash balances was due to reliance on carryover cash to meet the increase in expenditures which were not offset by the increase in program receipts and general receipts. The majority of the increase in expenditures was in contractual services. Member county contributions increased slightly by \$29,771 compared to 2007 to fund the operations of the facility.

Also as mentioned previously, net assets of governmental activities decreased \$122,268 or approximately 19.7 percent during 2007. The primary reasons for the decrease in cash balances was due to a decrease in program and general receipts and an increase in expenditures. The majority of the increases in expenditures were in personal services and benefits. Member county contributions remained the same as compared to 2006 to fund the operations of the facility.

Table 2 reflects the changes in net assets in 2008, 2007, and 2006.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

**(Table 2)  
Changes in Net Assets**

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 539,748	\$ 505,556	\$ 526,465
Operating Grants and Contributions	131,457	122,123	117,442
Total Program Receipts	<u>671,205</u>	<u>627,679</u>	<u>643,907</u>
General Receipts:			
Member County Contributions	1,972,275	1,942,504	1,942,504
Miscellaneous	22,130	2,013	33,462
Total General Receipts	<u>1,994,405</u>	<u>1,944,517</u>	<u>1,975,966</u>
Total Receipts	<u>2,665,610</u>	<u>2,572,196</u>	<u>2,619,873</u>
Disbursements:			
General Government:			
Personal Services	1,542,083	1,539,801	1,493,343
Fringe Benefits	618,662	622,839	578,507
Materials and Supplies	197,930	204,930	180,026
Contractual Services	412,224	279,763	278,749
Total General Government	<u>2,770,899</u>	<u>2,647,333</u>	<u>2,530,625</u>
Capital Outlay	<u>22,946</u>	<u>47,131</u>	<u>18,955</u>
Total Disbursements	<u>2,793,845</u>	<u>2,694,464</u>	<u>2,549,580</u>
Increase (Decrease) in Net Assets	(128,235)	(122,268)	70,293
Net Assets Beginning of Year	<u>497,900</u>	<u>620,168</u>	<u>549,875</u>
Net Assets End of Year	<u>\$369,665</u>	<u>\$497,900</u>	<u>\$620,168</u>

In 2008 and 2007, program receipts represent approximately 25.2 and 24.4 percent respectively of total receipts and are primarily comprised of charges for services, including tuition reimbursements and rental income, and intergovernmental revenue.

General receipts represent approximately 74.8 and 75.6 percent for 2008 and 2007 respectively of the District's total receipts, and of this amount, over 98 and 99 percent for 2008 and 2007 respectively are member county contributions. Miscellaneous receipts are usually minimal and vary each year.

Disbursements for General Government represent the overhead costs of running the District and the support services provided for the other Governmental activities. For 2008 and 2007, General Government disbursements represented 99.2 percent and 98.3 percent, respectively, of total disbursements and are comprised of employee wages and benefits, materials and supplies, and contractual services.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

**Governmental Activities**

The first column on the Statement of Activities for 2008 on page 8 and for 2007 on page 9, lists the major disbursement categories of the District. The next column identifies the amount of these disbursements. In 2008, the major program disbursements for governmental activities were General Government, which accounted for 99.2 percent of all disbursements. In 2007, the major program disbursements for governmental activities were General Government, which accounted for approximately 98.3 percent of all disbursements. The major reason for the change is an increase in contractual services. The next two columns entitled Program Receipts identify amounts paid by people who are directly charged for the service, and grants and contributions received by the District that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by member county contributions. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)**

**Governmental Activities**

	Total Cost Of Services 2,008	Net Cost of Services 2,008	Total Cost Of Services 2,007	Net Cost of Services 2,007	Total Cost Of Services 2,006	Net Cost of Services 2,006
General Government:						
Personal Services	\$ 1,542,083	\$ 1,171,467	\$ 1,539,801	\$ 1,180,998	\$ 1,493,343	\$ 1,116,192
Fringe Benefits	618,662	469,976	622,839	477,705	578,507	432,402
Materials and Supplies	197,930	150,613	204,930	157,361	180,026	134,560
Contractual Services	412,224	313,153	279,763	214,573	278,749	208,350
Capital Outlay	22,946	17,431	47,131	36,148	18,955	14,168
Total Expenses	<u>\$ 2,793,845</u>	<u>\$ 2,122,640</u>	<u>\$ 2,694,464</u>	<u>\$ 2,066,785</u>	<u>\$ 2,549,580</u>	<u>\$ 1,905,672</u>

In 2008 and 2007, approximately 24 and 23.3 percent respectively of disbursements were supported by program receipts. The remaining 76 and 76.6 percent respectively of governmental activities were supported by member county contributions and fund balance.

**The District's Funds**

In 2008, total governmental funds had receipts of \$2,665,650 and disbursements of \$2,793,945. The fund balance of the General Fund decreased from 2007 by (\$158,006) as result of the increase in intergovernmental, rent, and other receipts and decrease in charges for services receipts which was not enough to offset the increase in contractual services disbursements.

In 2007, total governmental funds had receipts of \$2,572,196 and disbursements of \$2,694,464. The fund balance of the General Fund decreased from 2006 by \$122,268 as result of the decrease in charges for services and miscellaneous receipts and increase in rent receipts which was not enough to offset the increase in personal services, fringe benefits, and materials and supplies disbursements. The Construction fund had no activity for 2007.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

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**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law which requires the District estimate receipts, approve appropriations, and encumber funds. The most significant budgeted fund is the General Fund.

The District amended budgeted appropriations during 2008. Actual receipts of \$2,635,839 were \$9,313 more than anticipated due to decreases in tuition reimbursements and member contributions which were offset by the increase in rental income. Actual disbursements plus encumbrances of \$2,843,224 were \$115,214 less than the final budget.

During 2007, the District did not amend budgeted receipts and appropriations. Actual receipts of \$2,572,196 were \$1,549 less than anticipated due to decreases in tuition reimbursements and member contributions which were offset by increases in intergovernmental and rental income. Actual disbursements plus encumbrances of \$2,766,163 were \$253,763 less than the final budget.

**Capital Assets and Debt Administration**

**Capital Assets**

The District does not currently report its capital assets and infrastructure.

**Debt**

At December 31, 2008, the District had no outstanding debt.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Vickie Bennet, Fiscal and Human Resources Manager, 923 Liberty Center Drive, Lancaster, Ohio 43130.

**FAIRFIELD, HOCKING, LICKING AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2008**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	<u>\$369,665</u>
<i>Total Assets</i>	<u>369,665</u>
<b>Net Assets</b>	
Restricted for:	
Capital Outlay	30,226
Unrestricted	<u>339,439</u>
<i>Total Net Assets</i>	<u>\$369,665</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental Activities</b>				
General Government				
Personal Services	\$1,542,083	\$298,030	\$72,586	(\$1,171,467)
Fringe Benefits	618,662	119,565	29,121	(469,976)
Materials and Supplies	197,930	38,050	9,267	(150,613)
Contractual Services	412,224	79,668	19,403	(313,153)
Capital Outlay	22,946	4,435	1,080	(17,431)
<i>Total Governmental Activities</i>	<u>\$2,793,845</u>	<u>\$539,748</u>	<u>\$131,457</u>	<u>(\$2,122,640)</u>
<b>General Receipts</b>				
				1,972,275
				22,130
				<u>1,994,405</u>
				Change in Net Assets (128,235)
				<u>Net Assets Beginning of Year 497,900</u>
				<u>Net Assets End of Year \$369,665</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MUTI-COUNTY DETENTION DISTRICT**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash	\$339,439	\$30,226	\$369,665
<i>Total Assets</i>	<u>339,439</u>	<u>30,226</u>	<u>369,665</u>
<b>Fund Balances</b>			
Reserved:			
Reserved for Encumbrances	49,379	0	49,379
Unreserved, designated:			
Designated for future capital expenses - capital project fund	0	29,771	29,771
Unreserved:			
Undesignated, Reported in:			
General Fund	290,060	0	290,060
Capital Projects Funds	0	455	455
<i>Total Fund Balances</i>	<u>\$339,439</u>	<u>\$30,226</u>	<u>\$369,665</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts</b>			
Charges for Services	\$370,294	\$0	\$370,294
Member County Contributions	1,942,504	29,771	1,972,275
Intergovernmental	131,457	0	131,457
Rent	169,454	0	169,454
Other	22,130	0	22,130
<i>Total Receipts</i>	<u>2,635,839</u>	<u>29,771</u>	<u>2,665,610</u>
<b>Disbursements</b>			
Current:			
General Government			
Personal Services	1,542,083	0	1,542,083
Fringe Benefits	618,662	0	618,662
Materials and Supplies	197,930	0	197,930
Contractual Services	412,224	0	412,224
Total General Government	2,770,899	0	2,770,899
Capital Outlay	22,946	0	22,946
<i>Total Disbursements</i>	<u>2,793,845</u>	<u>0</u>	<u>2,793,845</u>
<i>Net Change in Fund Balances</i>	(158,006)	29,771	(128,235)
<i>Fund Balances Beginning of Year</i>	<u>497,445</u>	<u>455</u>	<u>497,900</u>
<i>Fund Balances End of Year</i>	<u>\$339,439</u>	<u>\$30,226</u>	<u>\$369,665</u>

See accompanying notes to the basic financial statements



**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$436,404	\$436,404	\$370,294	(\$66,110)
Member County Contributions	2,026,922	2,026,922	1,942,504	(84,418)
Intergovernmental	149,488	149,488	131,457	(18,031)
Rent	13,712	13,712	169,454	155,742
Other	0	0	22,130	22,130
<i>Total receipts</i>	<u>2,626,526</u>	<u>2,626,526</u>	<u>2,635,839</u>	<u>9,313</u>
<b>Disbursements</b>				
Current:				
General Government				
Personal Services	1,579,841	1,517,941	1,542,083	(24,142)
Fringe Benefits	719,677	689,675	618,662	71,013
Materials and Supplies	254,355	237,714	216,451	21,263
Contractual Services	398,668	467,993	441,605	26,388
Total General Government	<u>2,952,541</u>	<u>2,913,323</u>	<u>2,818,801</u>	<u>94,522</u>
Capital Outlay	<u>46,052</u>	<u>45,115</u>	<u>24,423</u>	<u>20,692</u>
<i>Total Disbursements</i>	<u>2,998,593</u>	<u>2,958,438</u>	<u>2,843,224</u>	<u>115,214</u>
<i>Net Change in Fund Balance</i>	(372,067)	(331,912)	(207,385)	124,527
<i>Fund Balance Beginning of Year</i>	<u>425,744</u>	<u>425,744</u>	<u>425,744</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>71,698</u>	<u>71,698</u>	<u>71,698</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$125,375</u></u>	<u><u>\$165,530</u></u>	<u><u>\$290,057</u></u>	<u><u>\$124,527</u></u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	<u>\$497,900</u>
<i>Total Assets</i>	<u>497,900</u>
<b>Net Assets</b>	
Restricted for:	
Capital Outlay	455
Unrestricted	<u>497,445</u>
<i>Total Net Assets</i>	<u>\$497,900</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government				
Personal Services	\$1,539,801	\$288,993	\$69,810	(\$1,180,998)
Fringe Benefits	622,839	\$116,896	\$28,238	(477,705)
Materials and Supplies	204,930	\$38,314	\$9,255	(157,361)
Contractual Services	279,763	\$52,507	\$12,683	(214,573)
Capital Outlay	47,131	\$8,846	\$2,137	(36,148)
<i>Total Governmental Activities</i>	<u>\$2,694,464</u>	<u>\$505,556</u>	<u>\$122,123</u>	<u>(2,066,785)</u>
		<b>General Receipts</b>		
		Member County Contributions		1,942,504
		Miscellaneous		2,013
		<i>Total General Receipts</i>		1,944,517
		Change in Net Assets		(122,268)
		<i>Net Assets Beginning of Year</i>		620,168
		<i>Net Assets End of Year</i>		<u>\$497,900</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MUTI-COUNTY DETENTION DISTRICT**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	General	Construction Fund	Total Governmental Funds
<b>Assets</b>			
Cash	\$497,445	\$455	\$497,900
<i>Total Assets</i>	497,010	455	497,900
<b>Fund Balances</b>			
Reserved:			
Reserved for Encumbrances	71,698	0	71,698
Unreserved:			
Undesignated, Reported in:			
General Fund	425,747	0	425,747
Capital Projects Funds	0	455	455
<i>Total Fund Balances</i>	\$497,445	\$455	\$497,900

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF CASH RECEIPTS, DSIBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General	Construction Fund	Total Governmental Funds
<b>Receipts</b>			
Charges for Services	\$397,691	\$0	\$397,691
Member County Contributions	1,942,504	0	1,942,504
Intergovernmental	122,123	0	122,123
Rent	107,865	0	107,865
Miscellaneous	2,013	0	2,013
<i>Total Receipts</i>	<u>2,572,196</u>	<u>0</u>	<u>2,572,196</u>
<b>Disbursements</b>			
Current:			
General Government			
Personal Services	1,539,801	0	1,539,801
Fringe Benefits	622,839	0	622,839
Materials and Supplies	204,930	0	204,930
Contractual Services	279,763	0	279,763
Total General Government	<u>2,647,333</u>	<u>0</u>	<u>2,647,333</u>
Capital Outlay	<u>47,131</u>	<u>0</u>	<u>47,131</u>
<i>Total Disbursements</i>	<u>2,694,464</u>	<u>0</u>	<u>2,694,464</u>
<i>Net Change in Fund Balances</i>	(122,268)	0	(122,268)
<i>Fund Balances Beginning of Year</i>	<u>619,713</u>	<u>455</u>	<u>620,168</u>
<i>Fund Balances End of Year</i>	<u>\$497,445</u>	<u>\$455</u>	<u>\$497,900</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Charges for Services	\$416,944	\$416,944	\$397,691	(\$19,253)
Member County Contributions	2,026,922	2,026,922	1,942,504	(84,418)
Intergovernmental	109,817	109,817	122,123	12,306
Rent	20,062	20,062	107,865	87,803
Miscellaneous	200	200	2,013	1,813
<i>Total receipts</i>	<u>2,573,945</u>	<u>2,573,945</u>	<u>2,572,196</u>	<u>(1,749)</u>
<b>Disbursements</b>				
Current:				
General Government				
Personal Services	1,552,554	1,552,554	1,539,801	12,753
Fringe Benefits	711,555	711,555	622,839	88,716
Materials and Supplies	253,202	253,202	229,834	23,368
Contractual Services	399,064	399,064	325,620	73,444
Total General Government	<u>2,916,375</u>	<u>2,916,375</u>	<u>2,718,094</u>	<u>198,281</u>
Capital Outlay	<u>103,551</u>	<u>103,551</u>	<u>48,068</u>	<u>55,483</u>
<i>Total Disbursements</i>	<u>3,019,926</u>	<u>3,019,926</u>	<u>2,766,162</u>	<u>253,764</u>
<i>Net Change in Fund Balance</i>	(445,981)	(445,981)	(193,966)	252,015
<i>Fund Balance Beginning of Year</i>	<u>491,273</u>	<u>491,273</u>	<u>491,273</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>128,440</u>	<u>128,440</u>	<u>128,440</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$173,732</u>	<u>\$173,732</u>	<u>\$425,747</u>	<u>\$252,015</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

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**Note 1 - Reporting Entity**

The Fairfield, Hocking, Licking, and Perry Multi-County Detention District, Fairfield County, Ohio (the District) was created on September 22, 2000 in accordance with 2151.343 of the Ohio Revised Code. The District is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a joint venture operated by Fairfield, Hocking, Licking, and Perry Counties for the purpose of providing short-term care in a secure facility for juveniles who are accused, pending court action, adjudicated, or awaiting transfer to another facility.

The District is operated by a twelve-member Joint Board of Commissioners and a twelve-member Board of Trustees. The Joint Board of Commissioners consists of all of the Commissioners from the four counties in the District. The Joint Board of Commissioners exercises total control over the operation of the District, including budgeting, appropriation, contracting, and designating management. The Joint Board of Commissioners appoints the Board of Trustees to operate the District.

The District's purpose is to not accumulate significant financial resources or experience fiscal stress that would cause additional financial benefit to, or burden on, the counties involved.

**Jointly Governed and Other Related Organization.** A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The District participates in the County Risk Sharing Authority (CORSA), a public entity risk pool. Note 8 to the basic financial statements provide additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the District's accounting policies.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the District. All of the District's activities are considered governmental.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

Governmental activities generally are financed through charges for services, member county contributions, intergovernmental revenues or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year-end. The statement of activities compares disbursements with program receipts for each of the District's governmental activities. Disbursements are reported by function/object. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions, restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental object is self-financing on a cash basis or draws from the District's general receipts.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

**B. Fund Accounting**

The District uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All of the District's funds are governmental.

**Governmental Funds**

The District classifies funds financed primarily from member contributions, and other non-exchange transactions as governmental funds. In 2008, the District's major governmental fund is the General Fund. In 2007, the District's major governmental funds are the General Fund and Construction Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in the Construction Fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The Construction Fund accounts for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.



**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and appropriations, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District's Joint Board of Commissioners may appropriate.

Appropriations are the Joint Board of Commissioners authorization to spend resources and sets limits on expenditures plus encumbrances at the level of control selected by the Joint Board of Commissioners. The legal level of control has been established at the fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District's Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Joint Board of Commissioners.

Appropriations are subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Joint Board of Commissioners during the year.

**E. Cash and Investments**

As required by the Ohio Revised Code, the Fairfield County Treasurer holds the District's cash as custodian for the District. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**F. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Accumulated Leave**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**I. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for capital projects relating to the construction of the detention center facility.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**J. Fund Balance Reserves and Designations**

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances. A fund balance designation has been set up for future capital expenses.

**Note 3 - Budgetary Basis of Accounting and Compliance**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year-end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at year-end (budgetary basis) for 2008 and 2007 amounted to \$49,379 and \$71,698, respectively, for the General Fund.

In 2008, the District had actual expenditures plus encumbrances in excess of budgeted expenditures plus encumbrances in the General Government – Personal Services line item in the amount of \$24,142.

**Note 4 - Funding**

The Joint Board of Commissioners has the responsibility for funding the District in accordance with one of the following methods:

1. In proportion to the number of children from such county who are maintained in the home during the year;
2. By a levy submitted to the Joint Board of Commissioners under Division (A) of Section 5705.19 of the Ohio Revised Code and approved by the electors of the District;
3. In proportion to the taxable property of each county, as shown on the tax duplicate; and
4. In any combination of the above.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 5 - Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability and property insurance, the District has addressed these various types of risk.

The CORSA program has a \$2,500 deductible which is applicable to all coverage, including property, automobile, general liability, and professional liability. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, \$5,000,000 excess liability, and no annual aggregate.

**Note 6 - Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

Plan Description - The District participates in the Ohio Public Employee Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earning. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008 and December 31, 2007, members in state and local classifications contributed 10.0 percent and 9.5percent, respectively, of covered payroll.

The District's contribution rate for 2008 and 2007 was 14.0 percent and 13.85 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008 a portion of the District's contribution equal to 7 percent of covered payroll was allocated to fund the post-employment health care plan. For the period January 1 through June 30, 2007, a portion of the District's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent.

Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District at 14 percent for both 2008 and 2007.

The District's required contributions for pension obligations to all three plans for the years ended December 31, 2008, 2007, and 2006 were \$102,907, \$117,795, and \$137,309, respectively; 93 percent has been contributed for year 2008 and 100 percent for years 2007 and 2006.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 6 - Defined Benefit Pension Plans** (Continued)

**B. State Teachers Retirement System**

Plan Description - Certified teachers, employed by the District, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand alone financial report that may be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service or an allowance based on member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For years ended December 31, 2008 and 2007, plan members were required to contribute 10 percent of their annual covered salaries. For both years 2008 and 2007, the District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the years ended December 31, 2008, 2007, and 2006 were \$11,275, \$14,996 and \$14,390, respectively; 98 percent has been contributed for year 2008 and 100 percent for years 2007 and 2006.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 7 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008 and 2007, state and local government employers contributed 14.0 percent and 13.85 percent, respectively, of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll. For 2007, the amount of the employer contributions which was allocated to fund post-employment health care was 5.0 percent of covered payroll from January 1 through June 30, and 6.0 percent from July 1 to December 31.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$102,917, \$77,589 and \$67,325 respectively; 93 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS retirement board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**FAIRFIELD, HOCKING, LICKING, AND PERRY  
MULTI-COUNTY DETENTION DISTRICT  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 7 - Postemployment Benefits** (Continued)

**B. State Teachers Retirement System**

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the years 2008 and 2007, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the years ended December 31, 2008, 2007, and 2006 were \$867, \$1,154 and \$1,100 respectively; 99.9 percent has been contributed for 2008 and 100 percent has been contributed for 2007 and 2006.

**Note 8 - Public Entity Risk Pool**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSAs was formed as an Ohio non-profit corporation for the purpose of establishing the CORSAs Insurance/ Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSAs. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manage the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSAs is limited to its voting authority and any representation it may have on the board of trustees. CORSAs has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSAs. The participating counties have no responsibility for the payment of the certificates. The District does not have an equity interest in CORSAs. The District's payment for insurance to CORSAs in 2008 and 2007 was \$18,954 and \$19,000, respectively.

**Note 9 – Other Employer Benefits**

The District provides health, drug, dental, vision, and Employee Assistance Program (EAP) family and single insurance coverage purchased through the Franklin County Cooperative for all eligible employees. Health is provided by United HealthCare, drug is provided by Express Scripts, dental is provided by Aetna, vision is provided by United Healthcare Vision, and EAP is provided by United Behavioral Health. The District pays monthly premiums for employees at varying percentages based on employee contracts.

The District provides life insurance and accidental death and dismemberment insurance to most employees through Unimerica.



# Mary Taylor, CPA

## Auditor of State

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

Fairfield, Hocking, Licking and Perry  
Multi-County Juvenile Detention District  
Fairfield County  
923 Liberty Center Drive  
Lancaster, Ohio 43130

To the Joint Board of Commissioners:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fairfield, Hocking, Licking and Perry Multi-County Juvenile Detention District, Fairfield County, Ohio, (the District) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 30, 2009. 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 District'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 District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted a certain internal control matter that we reported to the District's management in a separate letter dated April 30, 2009.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District'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 we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated April 30, 2009.

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



**Mary Taylor, CPA**  
Auditor of State

April 30, 2009





Mary Taylor, CPA  
Auditor of State

**FAIRFIELD, HOCKING LICKING AND PERRY  
MULTI COUNTY JOINT DETENTION DISTRICT**

**FAIRFIELD 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  
SEPTEMBER 8, 2009**