



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

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2010-2009



Dave Yost • Auditor of State

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

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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, 2010 and 2009, 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.

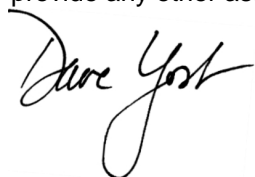
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform 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 cash financial position 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, as of December 31, 2010 and 2009, and the respective changes in cash financial position, thereof and the budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

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

August 8, 2011

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

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, 2010 and 2009, 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 2010 were as follows:

Net assets of governmental activities increased slightly by \$3,995 or approximately 0.8 percent as compared to 2009. The primary reasons for the increase in cash balances was due to reliance on carryover cash to meet the slight increase in disbursements and decrease in program receipts and general receipts.

The District's general receipts are primarily member county contributions and other miscellaneous revenue. These receipts represent approximately 76.6 percent of the total cash received for governmental activities during the year. Member county contributions increased slightly by \$26,635 compared to 2009 to fund the operations of the facility.

Key highlights for 2009 were as follows:

Net assets of governmental activities increased \$132,352 or approximately 35.8 percent as compared to 2008. The primary reasons for the increase in cash balances was due to an increase in program and general receipts and a decrease in disbursements.

The District's general receipts are primarily member county contributions and other miscellaneous revenue. These receipts represent approximately 72.5 percent of the total cash received for governmental activities during the year. Member county contributions increased \$131,093 compared to 2008 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. For 2010 and 2009, these statements present the District's two funds and three funds in separate columns, respectively.

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 JUVENILE DETENTION DISTRICT
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

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 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 2010 and 2009, 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 JUVENILE DETENTION DISTRICT
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

In 2010, 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 2009, the District has two funds which are both presented as majors, the General Fund and the Capital Expense Fund.

Reporting the District's Funds (continued)

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 2010 compared to 2009 and 2008 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2010	2009	2008
Assets			
Cash	\$ 506,012	\$ 502,017	\$ 369,665
Total Assets	506,012	502,017	369,665
Net Assets			
Restricted for:			
Capital Outlay	20,337	52,533	30,226
Unrestricted	485,675	449,484	339,439
Total Net Assets	\$ 506,012	\$ 502,017	\$ 369,665

As mentioned previously, net assets of governmental activities increased \$3,995 or approximately 0.8 percent during 2010. The primary reasons for the increase in cash balances was due to reliance on carryover cash to meet the slight increase in disbursements and decrease in program receipts and general receipts. The majority of the increase in disbursements was in personal services of \$78,843 which was offset by a decrease in contractual services of \$65,397. Member county contributions increased slightly by \$26,635 compared to 2009 to fund the operations of the facility while charges for services decreased by \$105,552 from 2009.

Also, as mentioned previously, net assets of governmental activities increased \$132,352 or approximately 35.8 percent during 2009. The primary reasons for the increase in cash balances was due to an increase in program and general receipts and a decrease in disbursements. The majority of the decrease in disbursements was in contractual services of \$58,296 and materials and supplies of \$31,564 which were offset by an increase in fringe benefits of \$64,314. Member county contributions increased \$131,093 compared to 2008 to fund the operations of the facility while operating grants and contributions increased \$101,839 from 2008.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

Table 2 reflects the changes in net assets in 2010, 2009, and 2008.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2010	2009	2008
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 457,905	\$ 563,457	\$ 539,748
Operating Grants and Contributions	192,806	233,296	131,457
Total Program Receipts	<u>650,711</u>	<u>796,753</u>	<u>671,205</u>
General Receipts:			
Member County Contributions	2,130,003	2,103,368	1,972,275
Miscellaneous	2,386	1,958	22,130
Total General Receipts	<u>2,132,389</u>	<u>2,105,326</u>	<u>1,994,405</u>
Total Receipts	<u>2,783,100</u>	<u>2,902,079</u>	<u>2,665,610</u>
Disbursements:			
General Government:			
Personal Services	1,617,772	1,538,929	1,542,083
Fringe Benefits	655,429	682,976	618,662
Materials and Supplies	145,308	166,366	197,930
Contractual Services	288,531	353,928	412,224
Total General Government	<u>2,707,040</u>	<u>2,742,199</u>	<u>2,770,899</u>
Capital Outlay	72,065	27,528	22,946
Total Disbursements	<u>2,779,105</u>	<u>2,769,727</u>	<u>2,793,845</u>
Increase (Decrease) in Net Assets	3,995	132,352	(128,235)
Net Assets Beginning of Year	502,017	369,665	497,900
Net Assets End of Year	<u>\$ 506,012</u>	<u>\$ 502,017</u>	<u>\$ 369,665</u>

In 2010 and 2009, program receipts represent approximately 23.4 and 27.5 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 76.6 and 72.5 percent for 2010 and 2009 respectively of the District's total receipts, and of this amount, over 99 percent for 2010 and 2009 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 2010 and 2009, General Government disbursements represented 97.3 percent and 99.0 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 JUVENILE DETENTION DISTRICT
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

Governmental Activities

The first column on the Statement of Activities for 2010 on page 8 and for 2009 on page 13, lists the major disbursement categories of the District. The next column identifies the amount of these disbursements. In 2010, the major program disbursements for governmental activities were General Government, which accounted for 97.3 percent of all disbursements. In 2009, the major program disbursements for governmental activities were General Government, which accounted for approximately 99.0 percent of all disbursements. The major reason for the change is a decrease 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	Net Cost of Services	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2010	2010	2009	2009	2008	2008
General Government:						
Personal Services	\$ 1,617,772	\$ 1,239,058	\$ 1,538,929	\$ 1,095,934	\$ 1,542,083	\$ 1,171,467
Fringe Benefits	655,429	501,861	682,976	486,177	618,662	469,976
Materials and Supplies	145,308	111,471	166,366	118,561	197,930	150,613
Contractual Services	288,531	220,857	353,928	252,944	412,224	313,153
Capital Outlay	72,065	55,147	27,528	20,358	22,946	17,431
Total Expenses	<u>\$ 2,779,105</u>	<u>\$ 2,128,394</u>	<u>\$ 2,769,727</u>	<u>\$ 1,973,974</u>	<u>\$ 2,793,845</u>	<u>\$ 2,122,640</u>

In 2010 and 2009, approximately 23.4 and 28.8 percent respectively of disbursements were supported by program receipts. The remaining 76.6 and 71.2 percent respectively of governmental activities were supported by member county contributions and fund balance.

The District's Funds

In 2010, total governmental funds had receipts of \$2,783,100 and disbursements of \$2,779,105. The fund balance of the General Fund increased from 2009 by \$36,191 as result of the decreases in rent, intergovernmental receipts, contractual services, capital outlay, and materials and supplies, which were offset by increases in receipts from member contributions, charges for services, and in personal services disbursements.

In 2009, total governmental funds had receipts of \$2,902,079 and disbursements of \$2,769,727. The fund balance of the General Fund increased from 2008 by \$110,045 primarily as result of increases in member county contributions, intergovernmental receipts, and fringe benefits which were offset by decreases in other receipts, material and supplies, and contractual services disbursements. The fund balance of the Capital Expense Fund increased from 2008 by \$22,307 due to member contribution receipts, which were offset by an increase in contractual services.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

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 receipts and appropriations during 2010. Actual receipts of \$2,752,696 were \$79,827 less than anticipated primarily due to decreases in charges for services and rent which were offset by increases in intergovernmental and member county contributions. Actual disbursements of \$2,759,433 were \$191,101 less than the final budget.

During 2009, the District amended budgeted receipts and appropriations. Actual receipts of \$2,871,675 were \$52,973 more than anticipated primarily due to increases to charges for services and intergovernmental which were offset by decreases in member county contributions. Actual disbursements of \$2,794,197 were \$333,889 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, 2010, 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 JUVENILE DETENTION DISTRICT
FAIRFIELD COUNTY**

***Statement of Net Assets - Cash Basis
December 31, 2010***

	<u>Governmental Activities</u>
Assets	
Cash	<u>\$ 506,012</u>
<i>Total Assets</i>	<u><u>\$ 506,012</u></u>
Net Assets	
Restricted for:	
Capital Outlay	\$ 20,337
Unrestricted	<u>485,675</u>
<i>Total Net Assets</i>	<u><u>\$ 506,012</u></u>

See accompanying notes to the basic financial statements

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

***Statement of Activities - Cash Basis
For the Year Ended December 31, 2010***

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government				
Personal Services	\$ 1,617,772	\$ 266,501	\$ 112,213	\$ (1,239,058)
Fringe Benefits	655,429	108,066	45,502	(501,861)
Materials and Supplies	145,308	23,811	10,026	(111,471)
Contractual Services	288,531	47,622	20,052	(220,857)
Capital Outlay	72,065	11,905	5,013	(55,147)
Total Governmental Activities	\$ 2,779,105	\$ 457,905	\$ 192,806	(2,128,394)
		General Receipts		
		Member County Contributions		2,130,003
		Miscellaneous		2,386
		Total General Receipts		2,132,389
		Change in Net Assets		3,995
		Net Assets Beginning of Year		502,017
		Net Assets End of Year		\$ 506,012

See accompanying notes to the basic financial statements

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

***Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010***

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 485,675	\$ 20,337	\$ 506,012
<i>Total Assets</i>	<u>\$ 485,675</u>	<u>\$ 20,337</u>	<u>\$ 506,012</u>
Fund Balances			
Reserved:			
Reserved for Encumbrances	42,928	1,400	44,328
Unreserved, Designated:			
Designated for:			
Future Capital Expenses	-	18,482	18,482
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	442,747	-	442,747
Capital Projects Funds	-	455	455
<i>Total Fund Balances</i>	<u>\$ 485,675</u>	<u>\$ 20,337</u>	<u>\$ 506,012</u>

See accompanying notes to the basic financial statements

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

***Statement of Cash Receipts, Disbursements and Changes in
Cash Basis Fund Balances - Governmental Funds
For the Year Ended December 31, 2010***

	General	Nonmajor Governmental Funds	Total Governmental Funds
Receipts			
Charges for Services	\$ 412,635	\$ -	\$ 412,635
Member County Contributions	2,099,599	30,404	2,130,003
Intergovernmental	192,806	-	192,806
Rent	45,270	-	45,270
Other	2,386	-	2,386
<i>Total Receipts</i>	<u>2,752,696</u>	<u>30,404</u>	<u>2,783,100</u>
Disbursements			
Current:			
General Government:			
Personal Services	1,617,772	-	1,617,772
Fringe Benefits	655,429	-	655,429
Materials and Supplies	145,308	-	145,308
Contractual Services	288,531	-	288,531
Total General Government	<u>2,707,040</u>	-	<u>2,707,040</u>
Capital Outlay	<u>9,465</u>	<u>62,600</u>	<u>72,065</u>
Total Disbursements	<u>2,716,505</u>	<u>62,600</u>	<u>2,779,105</u>
<i>Net Change in Fund Balances</i>	36,191	(32,196)	3,995
Fund Balances Beginning of Year	<u>449,484</u>	<u>52,533</u>	<u>502,017</u>
Fund Balances End of Year	<u><u>\$ 485,675</u></u>	<u><u>\$ 20,337</u></u>	<u><u>\$ 506,012</u></u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY
MULTI-COUNTY JUVENILE 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, 2010***

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 462,045	\$ 461,880	\$ 412,635	\$ (49,245)
Member County Contributions	2,092,623	2,092,623	2,099,599	6,976
Intergovernmental	168,000	182,000	192,806	10,806
Rent	131,400	91,400	45,270	(46,130)
Other	4,455	4,620	2,386	(2,234)
<i>Total receipts</i>	<u>2,858,523</u>	<u>2,832,523</u>	<u>2,752,696</u>	<u>(79,827)</u>
Disbursements				
Current:				
General Government:				
Personal Services	1,524,002	1,636,502	1,617,772	18,730
Fringe Benefits	733,288	671,888	655,429	16,459
Materials and Supplies	239,463	232,489	160,540	71,949
Contractual Services	368,183	364,073	316,206	47,867
Total General Government	<u>2,864,936</u>	<u>2,904,952</u>	<u>2,749,947</u>	<u>155,005</u>
Capital Outlay	<u>45,636</u>	<u>45,582</u>	<u>9,486</u>	<u>36,096</u>
<i>Total Disbursements</i>	<u>2,910,572</u>	<u>2,950,534</u>	<u>2,759,433</u>	<u>191,101</u>
<i>Net Change in Fund Balance</i>	(52,049)	(118,011)	(6,737)	111,274
<i>Fund Balance Beginning of Year</i>	416,917	416,917	416,917	-
Prior Year Encumbrances Appropriated	<u>32,567</u>	<u>32,567</u>	<u>32,567</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 397,435</u>	<u>\$ 331,473</u>	<u>\$ 442,747</u>	<u>\$ 111,274</u>

See accompanying notes to the basic financial statements

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

***Statement of Net Assets - Cash Basis
December 31, 2009***

	<u>Governmental Activities</u>
Assets	
Cash	<u>\$ 502,017</u>
<i>Total Assets</i>	<u><u>\$ 502,017</u></u>
Net Assets	
Restricted for:	
Capital Outlay	\$ 52,533
Unrestricted	<u>449,484</u>
<i>Total Net Assets</i>	<u><u>\$ 502,017</u></u>

See accompanying notes to the basic financial statements

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

***Statement of Activities - Cash Basis
For the Year Ended December 31, 2009***

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government				
Personal Services	\$ 1,538,929	\$ 313,282	\$ 129,713	\$ (1,095,934)
Fringe Benefits	682,976	139,175	57,624	(486,177)
Materials and Supplies	166,366	33,807	13,998	(118,561)
Contractual Services	353,928	72,122	29,862	(251,944)
Capital Outlay	27,528	5,071	2,099	(20,358)
<i>Total Governmental Activities</i>	<u>\$ 2,769,727</u>	<u>\$ 563,457</u>	<u>\$ 233,296</u>	<u>(1,972,974)</u>
		General Receipts		
		Member County Contributions		2,103,368
		Miscellaneous		1,958
		<i>Total General Receipts</i>		<u>2,105,326</u>
		Change in Net Assets		132,352
		<i>Net Assets Beginning of Year</i>		<u>369,665</u>
		<i>Net Assets End of Year</i>		<u>\$ 502,017</u>

See accompanying notes to the basic financial statements

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

***Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009***

	General	Capital Expense Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 449,484	\$ 52,078	\$ 455	\$ 502,017
<i>Total Assets</i>	<u>\$ 449,484</u>	<u>\$ 52,078</u>	<u>\$ 455</u>	<u>\$ 502,017</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	32,567	-	-	32,567
Unreserved, Designated:				
Designated for:				
Future Capital Expenses	-	52,078	-	52,078
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	416,917	-	-	416,917
Capital Projects Funds	-	-	455	455
<i>Total Fund Balances</i>	<u>\$ 449,484</u>	<u>\$ 52,078</u>	<u>\$ 455</u>	<u>\$ 502,017</u>

See accompanying notes to the basic financial statements

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

***Statement of Cash Receipts, Disbursements and Changes in
Cash Basis Fund Balances - Governmental Funds
For the Year Ended December 31, 2009***

	General	Capital Expense Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receipts				
Charges for Services	\$ 399,493	\$ -	\$ -	\$ 399,493
Member County Contributions	2,072,964	30,404	-	2,103,368
Intergovernmental	233,296	-	-	233,296
Rent	163,964	-	-	163,964
Other	1,958	-	-	1,958
<i>Total Receipts</i>	<u>2,871,675</u>	<u>30,404</u>	<u>-</u>	<u>2,902,079</u>
Disbursements				
Current:				
General Government:				
Personal Services	1,538,929	-	-	1,538,929
Fringe Benefits	682,976	-	-	682,976
Materials and Supplies	166,366	-	-	166,366
Contractual Services	345,831	8,097	-	353,928
Total General Government	<u>2,734,102</u>	<u>8,097</u>	<u>-</u>	<u>2,742,199</u>
Capital Outlay	<u>27,528</u>	<u>-</u>	<u>-</u>	<u>27,528</u>
Total Disbursements	<u>2,761,630</u>	<u>8,097</u>	<u>-</u>	<u>2,769,727</u>
<i>Net Change in Fund Balances</i>	110,045	22,307	-	132,352
Fund Balances Beginning of Year	<u>339,439</u>	<u>29,771</u>	<u>455</u>	<u>369,665</u>
Fund Balances End of Year	<u>\$ 449,484</u>	<u>\$ 52,078</u>	<u>\$ 455</u>	<u>\$ 502,017</u>

See accompanying notes to the basic financial statements

**FAIRFIELD, HOCKING, LICKING, AND PERRY
MULTI-COUNTY JUVENILE 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, 2009***

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 340,000	\$ 344,410	\$ 399,493	\$ 55,083
Member County Contributions	2,092,623	2,092,623	2,072,964	(19,659)
Intergovernmental	161,829	215,529	233,296	17,767
Rent	164,250	164,250	163,964	(286)
Other	-	1,890	1,958	68
<i>Total receipts</i>	<u>2,758,702</u>	<u>2,818,702</u>	<u>2,871,675</u>	<u>52,973</u>
Disbursements				
Current:				
General Government:				
Personal Services	1,696,019	1,621,914	1,538,929	82,985
Fringe Benefits	769,448	745,906	682,976	62,930
Materials and Supplies	253,523	237,341	179,729	57,612
Contractual Services	388,591	472,082	364,514	107,568
Total General Government	<u>3,107,581</u>	<u>3,077,243</u>	<u>2,766,148</u>	<u>311,095</u>
Capital Outlay	<u>46,592</u>	<u>50,843</u>	<u>28,049</u>	<u>22,794</u>
<i>Total Disbursements</i>	<u>3,154,173</u>	<u>3,128,086</u>	<u>2,794,197</u>	<u>333,889</u>
<i>Net Change in Fund Balance</i>	(395,471)	(309,384)	77,478	386,862
<i>Fund Balance Beginning of Year</i>	290,060	290,060	290,060	-
Prior Year Encumbrances Appropriated	<u>49,379</u>	<u>49,379</u>	<u>49,379</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ (56,032)</u>	<u>\$ 30,055</u>	<u>\$ 416,917</u>	<u>\$ 386,862</u>

See accompanying notes to the basic financial statements

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 provides 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 JUVENILE DETENTION DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

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 intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. In 2010, the District's major governmental fund is the General Fund. In 2009, the District's major governmental funds are the General and Capital Expense Funds. The General Fund is used to account for all financial resources, except those required to be accounted for in another 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 Capital Expense Fund accounts for member county contributions whose use is restricted to a particular purpose.

The other governmental fund of the District 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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/function/object 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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 capital outlay 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

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.

Note 3 - Budgetary Basis of Accounting

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 2010 and 2009 amounted to \$42,928 and \$32,567, respectively, for the General Fund.

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 JUVENILE DETENTION DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

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 insured coverages, 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 Pension 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, but less than, 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 Pension 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, 2010 and December 31, 2009, members in state and local classification contributed 10.0 percent of covered payroll. For 2010 and 2009 member and employer contribution rates were consistent across all three plans.

The District's contribution rate for 2010 and 2009 was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2010, the portion of employer contribution allocated to health care for members was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. For the period January 1 through March 31, 2009, a portion of the District's contribution equal to 7.0 percent of covered payroll was allocated to fund the postemployment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent.

Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District at 14 percent for both 2010 and 2009.

The District's required contributions for pension obligations to all three plans for the years ended December 31, 2010, 2009, and 2008 were \$126,976, \$118,989, and \$102,907, respectively; 96 percent has been contributed for year 2010 and 100 percent for years 2009 and 2008.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

Note 6 - Defined Benefit Pension Plans (Continued)

B. State Teachers Retirement System

Plan Description - The County participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. 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 STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at 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 a 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 year ended December 31, 2010 and 2009, plan members were required to contribute 10 percent of their annual covered salaries. For both years 2010 and 2009, the District County 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, 2010, 2009, and 2008 were \$14,331, \$8,991, and \$11,275, respectively; 95.6 percent has been contributed for year 2010 and 100 percent for years 2009 and 2008. No contributions to the DC or Combined plans for year 2010 and 2009 were made by the County or by the plan members.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

Note 7 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension 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 mandate, 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). The Ohio Revised Code provides the statutory authority requiring public employers to 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 2010 and 2009, state and local government employers contributed 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2010, the amount of the employer contributions which was allocated to fund post-employment health care was 5.5 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. For 2009, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1, 2009 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

Note 7 - Postemployment Benefits (Continued)

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$72,388, \$86,038 and \$102,917 respectively. For 2010, 97 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

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 on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

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 benefit 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 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 2010 and 2009, 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, 2010, 2009, and 2008 were \$1,102, \$692 and \$867 respectively; 99.7 percent has been contributed for 2010 and 100 percent has been contributed for 2009 and 2008.

Note 8 - Public Entity Risk Pool

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA 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 CORSA. 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 no 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 county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA 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 CORSA. The participating counties have no responsibility for the payment of the certificates. The District does not have an equity interest in CORSA. The District's payment for insurance to CORSA in 2010 and 2009 was \$19,708 and \$19,420, respectively.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

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 Vision Service Plan, and EAP is provided by United Behavioral Health. The District pays monthly premiums for employees at varying percentages based on employee contracts.

During 2010 and 2009, the District provides life insurance and accidental death and dismemberment insurance to most employees through The Standard Insurance Company and Unimerica, respectively.

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Dave Yost • 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, 2010 and 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 8, 2011. 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

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

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

August 8, 2011



Dave Yost • Auditor of State

FAIRFIELD-HOCKING-LICKING-PERRY MULTI-COUNTY JUVENILE 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
AUGUST 23, 2011**