



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Portage-Geauga Juvenile Detention Center
Portage County
8000 Infirmary Road
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Portage-Geauga Juvenile Detention Center, Portage County, Ohio, (the Detention Center) as of and for the year ended December 31, 2000. These financial statements are the responsibility of the Detention Center's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Detention Center prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Detention Center as of December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2001 on our consideration of the Detention Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, the Joint Board of Commissioners, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 20, 2001

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>District Detention Home</u>	<u>State and Federal Grants</u>	<u>Construction</u>	
Cash Receipts:				
Contracts - Services	\$ 1,404,033			\$ 1,404,033
Federal Grants		\$ 45,282		45,282
State Grants		156,928		156,928
Tuition	95,348			95,348
Refunds/Reimbursements	2,544		\$ 56	2,600
Gifts and Donations			8,000	8,000
Other Receipts	18,134		30,438	48,572
	<u>1,520,059</u>	<u>202,210</u>	<u>38,494</u>	<u>1,760,763</u>
Total Cash Receipts				
	1,520,059	202,210	38,494	1,760,763
Cash Disbursements:				
Current:				
Salaries	699,097			699,097
Supplies	36,256			36,256
Equipment	12,230			12,230
Materials	38,193			38,193
Contracts - Repair	10,351			10,351
Contracts - Projects			42,306	42,306
Contracts - Services	117,559			117,559
Medical Fees	2,531			2,531
Travel and Expenses	12,596			12,596
PERS and STRS Retirement	94,833			94,833
Worker's Compensation	20,893			20,893
Health Benefits and Medicare	115,168			115,168
Furnishings and Equipment - Ohio School			7,801	7,801
Reimbursements to Counties	211,500			211,500
Project Fund Expenses:				
Federal		45,282		45,282
State		156,928		156,928
Rental and Utilities	112,759			112,759
Other Expenses	12,911			12,911
	<u>1,496,877</u>	<u>202,210</u>	<u>50,107</u>	<u>1,749,194</u>
Total Disbursements				
	1,496,877	202,210	50,107	1,749,194
Total Receipts Over / (Under) Disbursements	23,182		(11,613)	11,569
Fund Cash Balances January 1	344,885		42,410	387,295
Fund Cash Balances, December 31	<u>\$ 368,067</u>		<u>\$ 30,797</u>	<u>\$ 398,864</u>
Reserves for Encumbrances, December 31	<u>\$ 68,028</u>			<u>\$ 68,028</u>

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

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**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage-Geauga Juvenile Detention Center, Portage County, (the Detention Center) operates under Section 2151.34 of the Ohio Revised Code for District Detention homes. The Detention Center operates under the direction of a seven member Board of Trustees, made up of two members from Geauga County, three members from Portage County, (whom all serve staggering terms of five years), and the two Juvenile Court judges. The primary purpose of the Detention Center is to provide a secure and safe environment for youth prior to a court hearing on a delinquency charge, or while awaiting placement or commitment to another facility.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

As authorized by the Ohio Revised Code Section 2151, the Detention Center's cash is held and invested by the Portage County Treasurer who acts as the custodian for Detention Center monies. The Portage County Auditor acts as the Detention Center's fiscal agent. The Detention Center's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Detention Center uses fund accounting to segregate cash and investments that are restricted as to use. The Detention Center classifies its funds into the following types:

1. General Fund

The District Detention Home Fund (General Fund) is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

This fund is used to account for proceeds from specific grants given by the state and/or the federal government that are restricted to expenditure for specific purposes. The Detention

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Center has the following Special Revenue Fund:

State and Federal Grants Fund – This fund receives passed through money from the State, Federal, and a local school district to fund educational and rehabilitation programs.

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Detention Center had the following Capital Project Fund:

Construction Fund – This fund receives funds from the State of Ohio and the Counties of Portage and Geauga to fund the expansion and new construction at the Detention Center.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Joint Board of Commissioners must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Detention Center to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Detention Center.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Detention Center maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was \$398,864.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
District Detention Home	\$1,515,671	\$1,520,059	\$4,388
Federal and State Grants	213,000	202,210	(10,790)
Construction Fund	43,800	38,494	(5,306)
Total	\$1,772,471	\$1,760,763	(\$11,708)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
District Detention Home	\$1,791,346	\$1,496,877	\$294,469
Federal and State Grants	202,211	202,210	1
Construction Fund	51,800	50,107	1,693
Total	\$2,045,357	\$1,749,194	\$296,163

4. RETIREMENT SYSTEMS

All Detention Center employees participate in the Public Employees Retirement System (PERS), or the State Teachers Retirement System (STRS).

A. Public Employees Retirement System (PERS)

PERS is a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(CONTINUED)**

4. RETIREMENT SYSTEMS (CONTINUED)

Contribution rates are also prescribed by the Ohio Revised Code. The Detention Center's PERS member contributed 8.5 percent of their gross salaries. The Detention Center contributed an amount equal to 10.84 percent for 2000. The Detention Center has paid all contributions through December 31, 2000.

B. State Teachers Retirement System (STRS)

The Detention Center contributes to the State Teachers Retirement System (STRS), a cost sharing multiple employer plan administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual salary, and the Detention Center is required to contribute 14 percent. 6% is the amount used to fund the pension liability. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed maximum rates of 10 percent for members, and 14 percent for employers. The Detention Center has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The Detention Center has obtained commercial insurance for the following risks:

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

The Detention Center also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Portage-Geauga Juvenile Detention Center
Portage County
8000 Infirmary Rd.
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Portage-Geauga Juvenile Detention Center, Portage County, Ohio (the Detention Center), as of and for the year ended December 31, 2000 and have issued our report thereon dated June 20, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Detention Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Detention Center in a separate letter dated June 20, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Detention Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Detention Center in a separate letter dated June 20, 2001.

Portage-Geauga Juvenile Detention Center
Portage County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, the Board of Trustees, and the Joint Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 20, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PORTAGE-GEAUGA JUVENILE DETENTION CENTER

PORTAGE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 15, 2001**