



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

South Central Ohio Regional Juvenile Detention Center  
Ross County  
182 Cattail Road  
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited the accompanying financial statements of the South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio (the Center) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the 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 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 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 combined fund cash balances and reserves for encumbrances of the South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio as of December 31, 2001 and 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 26, 2002 on our consideration of the 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 results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**JIM PETRO**  
Auditor of State

June 26, 2002

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$ 127,779	\$ 3,566,000	\$ 3,693,779
Charges for Services	479,181	-	479,181
Earnings on Investments	-	69,375	69,375
Other Revenue	-	19,065	19,065
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	606,960	3,654,440	4,261,400
<b>Cash Disbursements:</b>			
Current:			
Salaries - Employees	466,467	-	466,467
Supplies	13,987	-	13,987
Contract Repairs	23,639	-	23,639
Contract Services	-	372,962	372,962
Travel and Expenses	1,758	-	1,758
Fringes	127,086	-	127,086
Other Expenses	77,320	-	77,320
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	710,257	372,962	1,083,219
Total Receipts Over/(Under) Disbursements	<hr/> (103,297)	<hr/> 3,281,478	<hr/> 3,178,181
<b>Other Financing Receipts and (Disbursements):</b>			
Advance from Ross County	20,000	-	20,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	20,000	-	20,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/> (83,297)	<hr/> 3,281,478	<hr/> 3,198,181
Fund Cash Balances, January 1	<hr/> 86,591	<hr/> 7,487	<hr/> 94,078
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$ 3,294</b>	<hr/> <b>\$ 3,288,965</b>	<hr/> <b>\$ 3,292,259</b>
Reserve for Encumbrances, December 31	<hr/> <hr/> \$ 2,172	<hr/> <hr/> \$ -	<hr/> <hr/> \$ 2,172

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

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

**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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$ 201,193	\$ -	\$ 201,193
Charges for Services	540,040	-	540,040
Other Revenue	3,267	403	3,670
	<u>744,500</u>	<u>403</u>	<u>744,903</u>
<b>Total Cash Receipts</b>			
	<u>744,500</u>	<u>403</u>	<u>744,903</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries - Employees	456,207	-	456,207
Supplies	12,838	-	12,838
Equipment	4,467	-	4,467
Capital Construction	56,500	-	56,500
Contract Repairs	7,727	-	7,727
Contract Services	1,490	-	1,490
Travel and Expenses	2,276	-	2,276
Fringes	122,232	-	122,232
Other Expenses	90,350	-	90,350
	<u>754,087</u>	<u>-</u>	<u>754,087</u>
<b>Total Cash Disbursements</b>			
	<u>754,087</u>	<u>-</u>	<u>754,087</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(9,587)</u>	<u>403</u>	<u>(9,184)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(9,587)</u>	<u>403</u>	<u>(9,184)</u>
<b>Fund Cash Balances, January 1</b>	<u>96,178</u>	<u>7,084</u>	<u>103,262</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 86,591</u>	<u>\$ 7,487</u>	<u>\$ 94,078</u>
<b>Reserve for Encumbrances, December 31</b>	<u>\$ 3,735</u>	<u>\$ -</u>	<u>\$ 3,735</u>

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



**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

South Central Ohio Regional Juvenile Detention Center, Ross County, (the Center) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Center is directed by a seven-member Board of Trustees appointed by the member counties. Member county juvenile courts use the Center to detain delinquent, unruly, dependent, neglected, or abused children, or juvenile traffic offenders until final disposition.

The Center's management believes these financial statements present all activities for which the 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 and Investments**

In accordance with Ohio Revised Code, the Center's cash is held and invested by the Ross County Treasurer, who acts as custodian for the Center's monies. The Center's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**D. Fund Accounting**

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

**1. General Fund**

The 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. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Center had the following significant capital project fund:

*New Detention Center Construction Fund* - The Center received payments from each member county for the construction of a new Detention Center.

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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 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 2001 and 2000 budgetary activity appears in Note 2.

**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.

**G. Accumulated Leave**

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

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

<b>2001 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$626,867	\$626,960	\$93
Capital Projects	3,566,000	3,654,440	88,440
Total	\$4,192,867	\$4,281,400	\$88,533

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$712,921	\$712,429	\$492
Capital Projects	414,882	372,962	41,920
Total	<u>\$1,127,803</u>	<u>\$1,085,391</u>	<u>\$42,412</u>

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$730,107	\$744,500	\$14,393
Capital Projects	0	403	403
Total	<u>\$730,107</u>	<u>\$744,903</u>	<u>\$14,796</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$810,900	\$757,822	\$53,078
Capital Projects	22,316	0	22,316
Total	<u>\$833,216</u>	<u>\$757,822</u>	<u>\$75,394</u>

**3. ROSS COUNTY ADVANCE**

Ross County, a member of the Center, advanced \$20,000 to the Center for general operating expenses in anticipation of a grant from the Ohio Department of Youth Services. No interest or other fees are to accrue on this loan. As of December 31, 2001, the monies have not been returned to Ross County.

**4. RETIREMENT SYSTEMS**

The Center's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Center contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Center has paid all contributions required through December 31, 2001.

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Center has obtained commercial insurance from Neil Coleman Insurance for the following risks:

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

**6. SUBSEQUENT EVENTS**

On March 2, 2002 the Center entered into several construction contracts totaling \$4,793,300 for the construction of a new detention center. The participating Counties have provided monies on a pro-rata share to meet the construction cost.



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JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

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

South Central Ohio Regional Juvenile Detention Center  
Ross County  
182 Cattail Road  
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited the accompanying financial statements of the South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio (the Center) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 26, 2002. 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 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 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 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 an instance of noncompliance that does not require inclusion in this report, that we have reported to management of the Center in a separate letter dated June 26, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Center in a separate letter dated June 26, 2002.

South Central Ohio Regional Juvenile Detention Center  
Ross County  
Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**JIM PETRO**  
Auditor of State

June 26, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER**

**ROSS 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  
JULY 30, 2002**