



**FIVE COUNTY JOINT JUVENILE DETENTION CENTER
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North 4th Street, 2nd Floor
Columbus, Ohio 43215

Telephone 614-466-3402
800-443-9275

Facsimile 614-728-7199
www.auditor.state.us

REPORT OF INDEPENDENT ACCOUNTANTS

Five County Joint Juvenile Detention Center
Union County
18100 State Route 4
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of the Five County Joint Juvenile Detention Center, Union County, (the Center) as of and for the years ended December 31, 1999, and December 31, 1998. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits provides a reasonable basis for our opinion.

As described 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and reserves for encumbrances of Five County Joint Juvenile Detention Center, Union County, Ohio, as of December 31, 1999 and December 31, 1998, and its cash receipts and cash 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 February 28, 2000 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.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and other officials authorized to receive this report under Section 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

February 28, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

	<u>1999</u>	<u>1998</u>
Receipts:		
Operating Receipts:		
Tuition	72,414	55,984
Contracts — Services	827,778	1,103,628
Restricted Revenue		
State and Local Sources	187,527	147,705
Federal Sources	33,973	19,223
Other Receipts		58,641
Total Operating Receipts:	<u>1,121,692</u>	<u>1,385,181</u>
Non-Operating Receipts:		
Refunds		27,740
Reimbursements	5,682	1,414
Miscellaneous	637	533
Total Non-Operating Receipts:	<u>6,319</u>	<u>29,687</u>
Total Receipts:	1,128,011	1,414,868
Disbursements:		
Salaries	804,452	735,868
Supplies	88,454	94,341
Equipment	21,268	23,733
Contracts	89,933	101,052
Travel and Expense	3,419	1,836
Fringe Benefits	221,142	178,447
Reimbursement to County:		
Bond Retirement	61,658	70,145
Other	7,603	9,596
Total Disbursements	<u>1,297,929</u>	<u>1,215,018</u>
Excess of Receipts and Over/(Under) Disbursements	<u>(169,918)</u>	<u>199,850</u>
Cash Balance, January 1	<u>643,519</u>	<u>443,669</u>
Cash Balance, December 31	<u>\$473,601</u>	<u>\$643,519</u>
Reserve for Encumbrances, December 31	<u>\$11,199</u>	<u>\$32</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Five County Joint Juvenile Detention Center, Union County, which opened in October 1973, serves Youth and Juvenile Courts of Champaign, Delaware, Logan, Madison, and Union Counties, pursuant to Section 2151.34, Revised Code.

The five counties share the operating expenses of the Detention Center based on their usage. The Detention Center operates under the direction of a board of trustees. All appointments to such board of trustees are made from persons who are recommended and approved by the juvenile court judge or judges of the county of which such person is a resident.

The need for the center was to eliminate the use of the county and town jails as places of detention for juveniles, and to provide a wholesome environment for positive growth and development for young adults.

Management believes the basic financial statements included in this report represent all of the activity of the Detention Center over which the Detention Center has the ability to exercise direct operating control.

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. EQUITY IN POOLED CASH

Union County acts as the fiscal agent for the Five County Joint Juvenile Detention Center. The carrying value of the Center's deposits and the bank balance are included in the basic financial statements of Union County.

D. BUDGETARY PROCESS

The Ohio Revised Code requires that the Center adopt annual budgets.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object 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.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETARY PROCESS (Continued)

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.

Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. 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.

F. ACCUMULATED UNPAID VACATION AND SICK PAY

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 cash basis of accounting used by the Center.

2. EQUITY IN POOLED CASH

Union County maintains a cash pool used by all funds, the Center's portion of this pool is disclosed below. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	1999	1998
Demand deposits	\$473,601	\$643,519
Total deposits	\$473,601	\$643,519

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1999 was as follows:

1999 Budgeted vs. Actual Receipts

Budgeted	Actual	Variance
<u>\$1,020,823</u>	<u>\$1,128,011</u>	<u>\$107,188</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
<u>\$1,338,113</u>	<u>\$1,309,128</u>	<u>\$28,985</u>

Budgetary activity for the year ending December 31, 1998 was as follows:

1998 Budgeted vs. Actual Receipts

Budgeted	Actual	Variance
<u>\$1,121,139</u>	<u>\$1,414,868</u>	<u>\$293,729</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
<u>\$1,249,401</u>	<u>\$1,215,050</u>	<u>\$34,351</u>

4. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principle</u>	<u>Interest Rate</u>
Multi-County Juvenile Detention Facility Bond Issue	\$395,000	4-5.45%

The outstanding bond issue is for constructing and improving multi-county juvenile detention facility located in the county, furnishing and equipping the same and improving the site thereof, authorizing a bond purchase agreement appropriate for the sale of the bonds, and retiring notes previously issued for such purpose.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. DEBT (Continued)

Amortization of the above debt, including interest is scheduled as follows:

Year ending December 31:	Facility Bond Issue
2000	\$71,005
2001	68,505
2002	70,955
2003	68,095
2004	70,180
2005-2006	<u>135,580</u>
total	<u><u>\$484,320</u></u>

5. RETIREMENT SYSTEMS

The Center's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plans. This plan provides retirement benefits, including post-retirement 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 1999 and 1998, members of PERS contributed 8.50% of their wages to PERS. The Center contributed an amount equal to 13.55% of their wages. The Center has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Center has obtained commercial insurance for the following risks:

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

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



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

Five County Joint Juvenile Detention Center
Union County
18100 State Route 4
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the financial statements of the Five County Joint Juvenile Detention Center (the Center) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated February 28, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 Center in a separate letter dated February 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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.

Five County Joint Juvenile Detention Center
Report on Compliance and on Internal Control Required by
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This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

February 28, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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

FIVE COUNTY JOINT JUVENILE DETENTION CENTER

UNION 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
APRIL 11, 2000**