



**Auditor of State
Betty Montgomery**

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Belmont Harrison Juvenile District
Belmont County
210 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the Belmont Harrison Juvenile District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the District'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 District 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 Belmont Harrison Juvenile District, Belmont County, as of December 31, 2002 and 2001, 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 10, 2003, 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 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.

Belmont Harrison Juvenile District
Belmont County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 10, 2003

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$339,703	\$156,636	\$496,339
Charges for Services	648,042		648,042
Advance from Belmont County General Fund	42,290	27,710	70,000
Other Revenue	46,229	232	46,461
 Total Cash Receipts	 1,076,264	 184,578	 1,260,842
Cash Disbursements:			
Salaries	740,424	37,151	777,575
Supplies	25,942	5,869	31,811
Materials	3,415		3,415
Equipment	7,669	39,974	47,643
Contracts - Repair	6,421		6,421
Contracts - Services	53,690	1,934	55,624
Medical Fees	12,840		12,840
Medicare	10,139	273	10,412
Travel and Expenses	9,081	3,579	12,660
Public Employees' Retirement System	102,152	1,880	104,032
Workers' Compensation	3,655	167	3,822
Unemployment Compensation	3,836		3,836
Food Service	46,021		46,021
Other	131,649	3,055	134,704
Rental	5,175	11,020	16,195
Hospitalization		407	407
Activities		7,729	7,729
Consultants		22,137	22,137
 Total Cash Disbursements	 1,162,109	 135,175	 1,297,284
Total Cash Receipts Over/(Under) Cash Disbursements	(85,845)	49,403	(36,442)
Other Financing Receipts/(Disbursements):			
Transfers-In		1,736	1,736
Advances-In	46,185	16,387	62,572
Transfers-Out	(1,736)		(1,736)
Advances-Out	(12,015)	(50,557)	(62,572)
 Total Other Financing Receipts/(Disbursements)	 32,434	 (32,434)	 0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(53,411)	16,969	(36,442)
Fund Cash Balances, January 1	107,936	3,766	111,702
Fund Cash Balances, December 31	\$54,525	\$20,735	\$75,260
Reserve for Encumbrances, December 31	\$12,890	\$3,785	\$16,675

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

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$578,975	\$79,592	\$658,567
Charges for Services	309,130	267,809	576,939
Other Revenue	7,001	10,325	17,326
	<u>895,106</u>	<u>357,726</u>	<u>1,252,832</u>
Cash Disbursements:			
Salaries	582,400	221,473	803,873
Supplies	28,984	14,125	43,109
Materials	5,291	2,806	8,097
Equipment	9,832	2,180	12,012
Contracts - Repair	9,961	1,763	11,724
Contracts - Services	59,651	17,118	76,769
Medical Fees	16,844		16,844
Union Expenses	375		375
Medicare	7,955	3,192	11,147
Travel and Expenses	13,824	24,896	38,720
Public Employees' Retirement System	72,585	29,667	102,252
Workers' Compensation	8,916	3,994	12,910
Unemployment Compensation	1,016		1,016
Food Service	52,080	10,723	62,803
Other	101,126		101,126
Group Home Activities		1,062	1,062
Training		3,382	3,382
Rental		12,325	12,325
Hospitalization		27,861	27,861
Contingency Boy's Group Home		2,560	2,560
Contingency Girl's Group Home		5,858	5,858
	<u>970,840</u>	<u>384,985</u>	<u>1,355,825</u>
Total Cash Disbursements	<u>970,840</u>	<u>384,985</u>	<u>1,355,825</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(75,734)</u>	<u>(27,259)</u>	<u>(102,993)</u>
Other Financing Receipt/(Disbursements):			
Transfers-In	26,433		26,433
Advances-In	53,000	51,215	104,215
Transfers-Out		(26,433)	(26,433)
Advances-Out	(51,215)	(53,000)	(104,215)
	<u>28,218</u>	<u>(28,218)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>28,218</u>	<u>(28,218)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(47,516)	(55,477)	(102,993)
Fund Cash Balances, January 1	<u>155,452</u>	<u>59,243</u>	<u>214,695</u>
Fund Cash Balances, December 31	<u>\$107,936</u>	<u>\$3,766</u>	<u>\$111,702</u>
Reserve for Encumbrances, December 31	<u>\$28,065</u>	<u>\$0</u>	<u>\$28,065</u>

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

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Belmont Harrison Juvenile District, Belmont County (the District), 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 District is directed by an appointed six-member Board of Trustees. The District provides governmental detention services for juveniles, including secured detention facilities, supervised group home facilities, and an aftercare program.

The District's management believes these financial statements present all activities for which the District 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. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District 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. The District's General Fund receives grants, tuition, billings for residents, and subsidies from Belmont and Harrison Counties for the general operation of the correctional facilities.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Group Home Fund - This fund receives grants and resident billings for activities associated with the operation of the home.

Gender Specific Grant Fund - This fund receives grant monies from the Department of Youth Services to provide counseling services, activities, and purchase equipment for the detention center.

Who I Am Grant Fund - This fund receives grant monies from the Department of Youth Services to provide counseling services and activities for the detention center.

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually. On or about May 1 of each year, the Belmont County Auditor sends a departmental budget form to the District for the succeeding calendar year. The District's Finance Director completes the departmental budget form containing information on the expenditures for the prior year, appropriations for the current year, and the request for the next year. A personal service schedule accompanies the departmental budget and reflects each person's name, present rate of pay, rate of pay for the next year, and the amount requested for the next year. An estimate of anticipated revenue is also filed with the departmental budget. The Executive Director reviews the forms and they are filed with the County Commissioners by June 1. This information is then combined with all other county departmental budgets and the Belmont County subdivision budget is prepared. The budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The County 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 District 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 2002 and 2001 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 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 is not reflected as a liability under the basis of accounting used by the District.

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

As required by Ohio Revised Code, the District's cash is held and invested by the Belmont County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. The carrying amount of cash and investments at December 31 was as follows:

	2002	2001
Deposits	\$75,260	\$111,702

Deposits: The District's deposits maintained by the County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered uncollateralized even though securities for collateral were held by the pledging financial institution's trust department in the County's name and all statutory requirements for the deposit of money had been followed.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Budgetary Basis Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,086,427	\$1,122,449	\$36,022
Special Revenue	202,570	202,701	131
Total	\$1,288,997	\$1,325,150	\$36,153

2002 Budgeted vs. Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,194,364	\$1,188,750	\$5,614
Special Revenue	206,335	189,517	16,818
Total	\$1,400,699	\$1,378,267	\$22,432

2001 Budgeted vs. Budgetary Basis Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$914,893	\$974,539	\$59,646
Special Revenue	408,938	408,941	3
Total	\$1,323,831	\$1,383,480	\$59,649

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,070,345	\$1,050,120	\$20,225
Special Revenue	468,180	464,418	3,762
Total	\$1,538,525	\$1,514,538	\$23,987

4. RETIREMENT SYSTEM

The District'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 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The District has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks through the County Commissioners:

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

The District, through the County Commissioners, also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

6. CONTINGENT LIABILITIES

The District is a defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the District's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However; based on prior experience, management believes such refunds, if any, would not be material.



**Auditor of State
Betty Montgomery**

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

Belmont Harrison Juvenile District
Belmont County
210 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the Belmont Harrison Juvenile District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 10, 2003. 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 District'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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District'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 and its operation that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 10, 2003.

Belmont Harrison Juvenile District
Belmont County
Independent Accountants' 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 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.

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

Betty Montgomery
Auditor of State

June 10, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

BELMONT HARRISON JUVENILE DISTRICT

BELMONT 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 19, 2003**