



**Auditor of State
Betty Montgomery**

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT**

WILLIAMS COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Northwest Ohio Juvenile Detention,
Training and Rehabilitation District
Williams County
3389 County Road 2425
Stryker, Ohio 43557-9418

To the Board:

We have audited the accompanying financial statements of the Northwest Ohio Juvenile Detention, Training and Rehabilitation District, Williams County, (the District) as of and for the years ended December 31, 2003 and 2002. 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 audits.

We conducted our audits 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 audits 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 provide 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.

Northwest Ohio Juvenile Detention,
Training and Rehabilitation District
Williams County
Independent Accountants' Report
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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 District as of December 31, 2003 and 2002, and its combined 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 June 4, 2004 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 audits.

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



Betty Montgomery
Auditor of State

June 4, 2004

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Capital Projects</u>
Cash Receipts	
Earnings on Investments	\$ 1,771
Cash Disbursements	
Current:	
Contracts - Services	4,687
Other Expenses	<u>2,111</u>
Total Cash Disbursements	<u>6,798</u>
Total Cash Disbursements Over Cash Receipts	(5,027)
Fund Cash Balances, January 1	<u>203,635</u>
Fund Cash Balances, December 31	<u><u>\$ 198,608</u></u>
Reserves for Encumbrances, December 31	<u><u>\$ 29,035</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Enterprise</u>
Operating Cash Receipts	
Tuition	\$ 132,312
Contracts - Services	985,094
Other Receipts	77,513
Total Cash Receipts	1,194,919
Operating Cash Disbursements	
Salaries - Employee	643,635
Supplies	16,955
Equipment	9,194
Contracts - Repair	11,286
Contracts - Services	129,519
Medical Fees	118,980
Advertising	20
Travel and Expenses	3,620
Public Employee's Retirement	100,603
Worker's Compensation	7,104
Other Expenses	71,369
Total Cash Disbursements	1,112,285
Operating Income	82,634
Fund Cash Balances, January 1	353,194
Fund Cash Balances, December 31	\$ 435,828
Reserve for Encumbrances, December 31	\$ 2,867

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT
WILLIAMS 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts			
Grants	\$ 68,835	\$ -	\$ 68,835
Cash Disbursements			
Project Fund Expenses	<u>68,835</u>	<u>-</u>	<u>68,835</u>
Total Cash Receipts Over Cash Disbursements	-	-	-
Fund Cash Balances, January 1	<u>-</u>	<u>\$ 203,635</u>	<u>203,635</u>
Fund Cash Balances, December 31	<u><u>\$ -</u></u>	<u><u>\$ 203,635</u></u>	<u><u>\$ 203,635</u></u>
Reserves for Encumbrances, December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Enterprise</u>
Operating Cash Receipts	
Tuition	\$ 130,671
Contracts - Services	837,393
Other Receipts	97,468
Total Cash Receipts	1,065,532
Operating Cash Disbursements	
Salaries - Employee	562,645
Supplies	10,939
Materials	10,493
Equipment	10,883
Contracts - Repair	10,885
Contracts - Services	211,745
Medical Fees	96,940
Travel and Expenses	3,735
Public Employee's Retirement	74,551
Worker's Compensation	1,308
Other Expenses	16,363
Total Cash Disbursements	1,010,487
Operating Income	55,045
Fund Cash Balances, January 1	298,149
Fund Cash Balances, December 31	\$ 353,194
Reserve for Encumbrances, December 31	\$ 17,269

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT**

WILLIAMS COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Northwest Ohio Juvenile Detention, Training and Rehabilitation District, Williams 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 was created under §2151.34, Ohio Revised Code. The District operates under the direction of a thirteen-member Board appointed by the Joint Board of County Commissioners from Defiance, Henry, Fulton, and Williams Counties. The District was formed to provide for operation of the juvenile detention center and began operation on August 20, 1996.

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 cash 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. Special Revenue Fund

This fund is used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the State Grant Fund. This fund received state subsidy payments in 2002 to be used on equipment.

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT**

WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

2. Capital Project Funds

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the Facility Construction Fund. This fund received state and local grant revenue that was used for the construction of the new juvenile facility.

3. Enterprise Funds

This fund accounts for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

D. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, cash disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board 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 cash 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT**

WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

A summary of 2003 and 2002 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

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

F. 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 cash basis of accounting used by the District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Fulton County Treasurer is mandated to maintain a cash pool to be utilized by the District's funds. In 2002, the Defiance County Treasurer maintained the District's cash pool.

For the years ended December 31, 2003 and 2002, the carrying amount and bank balance of District deposits were \$634,436 and \$556,829 respectively, as reported by the Fulton and Defiance County Treasurers. Because the District's deposits are commingled with Defiance and Fulton County's deposits it was not feasible to determine the manner in which the District's deposits were insured. The extent of Fulton and Defiance County's collateralization is disclosed in their audit reports for the years ended December 31, 2003 and December 31, 2002, respectively.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT**

WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$ 334,186	\$ 1,771	\$ (332,415)
Enterprise	1,064,075	1,194,919	130,844
Total	<u>\$ 1,398,261</u>	<u>\$ 1,196,690</u>	<u>\$ (201,571)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$ 67,111	\$ 35,833	\$ 31,278
Enterprise	1,383,237	1,115,152	268,085
Total	<u>\$ 1,450,348</u>	<u>\$ 1,150,985</u>	<u>\$ 299,363</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
Special Revenue	\$ 65,775	\$ 68,835	\$ 3,060
Enterprise	1,280,188	1,065,532	(214,656)
Total	<u>\$ 1,345,963</u>	<u>\$ 1,134,367</u>	<u>\$ (211,596)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Special Revenue	\$ 68,835	\$ 68,835	\$ -
Enterprise	1,607,536	1,027,756	579,780
Total	<u>\$ 1,676,371</u>	<u>\$ 1,096,591</u>	<u>\$ 579,780</u>

**NORTHWEST OHIO JUVENILE DETENTION, TRAINING
AND REHABILITATION DISTRICT**

WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

4. RETIREMENT SYSTEMS

All District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2003 and 2002, OPERS members contributed 8.5 percent of their wages. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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

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**Auditor of State
Betty Montgomery**

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

Northwest Ohio Juvenile Detention,
Training and Rehabilitation District
Williams County
3389 County Road 2425
Stryker, Ohio 43557-9418

To the Board:

We have audited the accompanying financial statements of the Northwest Ohio Juvenile Detention, Training and Rehabilitation District; Williams County, (the District) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 4, 2004. We conducted our audits 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 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 certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 4, 2004.

Internal Control over Financial Reporting

In planning and performing our audits, 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

Northwest Ohio Juvenile Detention
Training and Rehabilitation District
Williams County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
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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 District in a separate letter dated June 4, 2004.

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



Betty Montgomery
Auditor of State

June 4, 2004



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140
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800-282-0370
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NORTHWEST OHIO JUVENILE DETENTION, TRAINING AND REHABILITATION DISTRICT

WILLIAMS 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 1, 2004**