



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

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA
Auditor of State

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

To the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 9, 2008

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Mary Taylor, CPA

Auditor of State

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 Northwest Ohio Juvenile Detention, Training and Rehabilitation District, Williams County, (the District) as of and for the years ended December 31, 2007 and 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007 and 2006, or its changes in financial position and cash flows where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of Northwest Ohio Juvenile Detention, Training and Rehabilitation District, Williams County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

July 9, 2008

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Capital Projects</u>
Cash Receipts	
Interest Income	\$ 4,503
Other Receipts	<u>5,482</u>
Total Cash Receipts	9,985
Fund Cash Balance, January 1	<u>142,715</u>
Fund Cash Balance, December 31	<u>\$ 152,700</u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE- ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Enterprise
Operating Cash Receipts	
Tuition	\$ 154,340
Interest Income	10,796
Contracts - Services	1,089,471
Other Receipts	59,850
Total Cash Receipts	1,314,457
Operating Cash Disbursements	
Employee Salaries and Medicare	693,330
Supplies	25,555
Equipment	9,947
Contracts - Repair	17,058
Contracts - Services	97,099
Medical Fees	175,286
Advertising and Printing	978
Travel and Expenses	4,309
Public Employees' / State Teachers' Retirement	94,638
Worker's Compensation	28,664
Unemployment Compensation	512
Other Expenses	108,766
Total Cash Disbursements	1,256,142
Operating Income	58,315
Fund Cash Balance, January 1	306,072
Fund Cash Balance, December 31	\$ 364,387
Reserve for Encumbrances, December 31	\$ 9,449

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Capital Projects
Cash Receipts	
Interest Income	\$ 4,999
Other Receipts	5,256
Total Cash Receipts	10,255
 Cash Disbursements	
Current:	
Contracts - Services	19,077
Total Cash Disbursements Over Cash Receipts	(8,822)
Fund Cash Balance, January 1	151,537
Fund Cash Balance, December 31	\$ 142,715

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Enterprise
Operating Cash Receipts	
Tuition	\$ 122,088
Interest Income	9,006
Contracts - Services	1,085,909
Other Receipts	70,844
Total Cash Receipts	1,287,847
Operating Cash Disbursements	
Employee Salaries and Medicare	668,649
Supplies	23,647
Equipment	18,051
Contracts - Repair	16,421
Contracts - Services	109,196
Medical Fees	187,126
Advertising and Printing	1,515
Travel and Expenses	4,890
Public Employees' / State Teachers' Retirement	90,388
Worker's Compensation	38,401
Unemployment Compensation	12,912
Other Expenses	108,201
Total Cash Disbursements	1,279,397
Operating Income	8,450
Fund Cash Balance, January 1	297,622
Fund Cash Balance, December 31	\$ 306,072
Reserve for Encumbrances, December 31	\$ 5,317

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Northwest Ohio Juvenile Detention, Training, and Rehabilitation District, Williams County, (the District) was created under the Ohio Revised Code §2151.34 and began operations on August 20, 1996. The constitution and laws of the State of Ohio establish the rights and privileges of the District as a body corporate and politic. A thirteen-member Board appointed by the Joint Board of County Commissioners from Defiance, Henry, Fulton and Williams Counties directs the District. The District's services include detention housing, training, and rehabilitation services to juvenile offenders from Defiance, Henry, Fulton, and Williams Counties.

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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 adequately disclose material matters the Auditor of State's accounting basis requires.

C. Cash and Investments

As required by Ohio Revised Code, the Fulton County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, valued at the County Treasurer's reported carrying amount.

D. 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. Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through trust funds). The District had the following Capital Projects fund:

Construction Fund - This fund accounts for state and local grant revenues to be used for the maintenance, repair, or improvements to the new juvenile facility.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

2. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The District had the following Enterprise fund:

Detention Home Fund - This fund accounts for charges for services to provide for operation of the detention center.

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, object 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 and amendments thereto. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2007 and 2006 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$8,424	\$9,985	\$1,561
Enterprise	1,295,136	1,314,457	19,321
Total	\$1,303,560	\$1,324,442	\$20,882

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$48,876		\$48,876
Enterprise	1,417,257	\$1,265,591	151,666
Total	\$1,466,133	\$1,265,591	\$200,542

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$8,084	\$10,255	\$2,171
Enterprise	1,224,950	1,287,847	62,897
Total	\$1,233,034	\$1,298,102	\$65,068

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$64,776	\$19,077	\$45,699
Enterprise	1,414,559	1,284,714	129,845
Total	\$1,479,335	\$1,303,791	\$175,544

3. RETIREMENT SYSTEMS

The District's teachers belong to the State Teachers Retirement System (STRS). Other employees belong to the Ohio Public Employees Retirement System (OPERS). STRS and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits which include postretirement healthcare and survivor and disability benefits.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. RETIREMENT SYSTEMS – (CONTINUED)

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, members of STRS contributed 10 percent of their wages. The District contributed an amount equal to 14 percent of their wages to STRS. OPERS members contributed 9.5 and 9 percent, respectively, of their gross salaries in 2006 and 2007. The District contributed an amount equaling 13.85 and 13.7 percent of participants' gross salaries in 2006 and 2007. The District has paid all contributions required through December 31, 2007.

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 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, 2007 and 2006, and have issued our report thereon dated July 9, 2008, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the finance committee, management, and the Board. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 9, 2008



Mary Taylor, CPA
Auditor of State

NORTHWEST OHIO JUVENILE DETENTION, TRAINING AND REHABILITATIONS 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 29, 2008**