



**PORTAGE/GAUGA JUVENILE DETENTION CENTER  
PORTAGE COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



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

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**STATE OF OHIO**



**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999 .....	3
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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## REPORT OF INDEPENDENT ACCOUNTANTS

Portage/Geauga Juvenile Detention Center  
Portage County  
8000 Infirmary Road  
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statement of the Portage/Geauga Juvenile Detention Center, Portage County, Ohio, (the Detention Center) as of and for the year ended December 31, 1999. This financial statements are the responsibility of the Detention Center's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 statement is 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 Detention Center prepares its financial statement 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 statement referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Detention Center as of December 31, 1999 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 March 20, 2000 on our consideration of the Detention 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, and the Joint 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.

**Jim Petro**  
Auditor of State

March 20, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	District Detention Home	State and Federal Grants	Construction	Totals (Memorandum Only)
<b>Cash Receipts:</b>				
Contracts-Services	\$1,180,693			\$1,180,693
Federal		39,031		39,031
State		168,659		168,659
Tuition	46,494			46,494
Other Receipts			21,201	21,201
<b>Total Cash Receipts</b>	<b>1,227,187</b>	<b>207,690</b>	<b>21,201</b>	<b>1,456,078</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries	516,672			516,672
Supplies	83,226			83,226
Equipment	5,923			5,923
Contracts-Repair	15,258			15,258
Contracts-Services	128,799			128,799
Insurance Settlement	55,000			55,000
Medical Fees	2,132			2,132
Travel and Expenses	5,014			5,014
PERS and STRS Retirement	95,374			95,374
Workers Compensation	19,023			19,023
Unemployment Compensation	712			712
Health Benefits and Medicare	96,584			96,584
Furnishings and Equipment- Ohio School			7,896	7,896
Project Fund Expense:				
Federal		39,031		39,031
State		168,659		168,659
Rentals and Utilities	48,083			48,083
Other Expenses	3,800			3,800
Reimbursement to Counties	75,028			75,028
<b>Total Disbursements</b>	<b>1,150,628</b>	<b>207,690</b>	<b>7,896</b>	<b>1,366,214</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>76,559</b>	<b>0</b>	<b>13,305</b>	<b>89,864</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Reimbursements	8,289			8,289
Other Receipts	6,023			6,023
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>14,312</b>	<b>0</b>	<b>0</b>	<b>14,312</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>90,871</b>	<b>0</b>	<b>13,305</b>	<b>104,176</b>
<b>Fund Cash Balances January 1</b>	<b>254,014</b>	<b>0</b>	<b>29,105</b>	<b>283,119</b>
<b>Fund Cash Balances, December 31</b>	<b>\$344,885</b>	<b>\$0</b>	<b>\$42,410</b>	<b>\$387,295</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$33,386</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*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**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Portage/Geauga Juvenile Detention Center operates under Section 2151.34 of the Ohio Revised Code for District Detention Homes. The Detention Center operates under the direction of a seven member Board of Trustees, made up of two members from Geauga County, three members from Portage County, (whom all serve staggering terms of five years), and the two Juvenile Court Judges. The primary purpose of the Detention Center is to provide a secure and safe environment for youth prior to a Court hearing on a delinquency charge, or while awaiting placement or commitment to another facility.

**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**

Portage County is the depository of the Juvenile Detention Center. This is authorized by the Ohio Revised Code Section 2151.

**D. Fund Accounting**

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

**1. District Detention Home Fund**

The District Detention Home Fund (General Fund) is the general operating fund of the Detention Center. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. State and Federal Grant Funds**

The State and Federal Grant 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.

**3. Construction Fund**

The Construction Fund (Capital Projects Fund) is used to account for financial resources to be used for the acquisition or construction of major capital projects.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**  
**(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, function or object level of control, and appropriations may not exceed estimated resources. The Joint Board of 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 Detention Center to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and do not need to be reappropriated.

A summary of 1999 budgetary activity appears in Note 3.

**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. 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 Detention Center.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Detention Center maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was \$387,295.

**Deposits:**

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 follows:

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
District Detention Home	\$ 1,139,138	\$ 1,241,499	\$ 102,361
Federal and State	207,689	207,690	1
Construction Fund	22,029	21,201	(828)
Total	<u>\$ 1,368,856</u>	<u>\$ 1,470,390</u>	<u>\$ 101,534</u>

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
District Detention Home	\$ 1,384,494	\$ 1,150,628	\$ 233,866
Federal and State	207,689	207,690	(1)
Construction Fund	40,850	7,896	32,954
Total	<u>\$ 1,633,033</u>	<u>\$ 1,366,214</u>	<u>\$ 266,819</u>

**4. RETIREMENT SYSTEMS**

**A. Public Employees Retirement System (PERS)**

The Detention 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. PERS members contributed 8.5% of their gross salaries. The Detention Center contributed an amount equal to 13.55% of participants' gross salaries. The Detention Center has paid all contributions required through December 31, 1999.

**B. State Teachers Retirement System (STRS)**

The Detention Center contributes to the State Teachers Retirement System (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

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

**4. RETIREMENT SYSTEMS (continued)**

Plan members are required to contribute 9.3 percent of their annual covered salary, and the Detention Center is required to contribute 14 percent; 12 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The Detention Center's required contributions for pension obligations to STRS for the fiscal years ended December 31, 1999 and 1998 were \$8,320 and \$11,101 respectively. 100 percent has been contributed for calendar year 1999.

**5. RISK MANAGEMENT**

The Detention Center has obtained commercial insurance for the following risks:

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

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



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

Portage/Geauga Juvenile Detention Center  
Portage County  
8000 Infirmary Road  
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statement of the Portage/Geauga Juvenile Detention Center, Portage County, Ohio (the Detention Center), as of and for the year ended December 31, 1999 and have issued our report thereon dated March 20, 2000. We conducted our audit 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 Detention Center's financial statement is 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 Detention Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement 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 statement 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.

Portage/Geauga Juvenile Detention Center  
Portage County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

March 20, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**PORTAGE/GEUAGA JUVENILE DETENTION CENTER**

**PORTAGE 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 18, 2000**