



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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

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REPORT OF INDEPENDENT ACCOUNTANTS

Northwest Ohio Juvenile Detention,
Training and Rehabilitation District
Williams County
03389 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, Ohio, (the District) as of and for the years ended December 31, 2001 and 2000. 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 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 District as of December 31, 2001 and 2000, 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 May 14, 2002 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, the 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

May 14, 2002

**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, 2001 AND 2000**

	Capital Projects	
	2001	2000
Cash Receipts:		
Grants	\$174,829	\$810,077
Cash Disbursements:		
Current:		
Contracts - Services	24,693	
Contracts - Projects	45,728	735,770
Other Expenses	613	1,117
Total Cash Disbursements	71,034	736,887
Total Cash Receipts Over Cash Disbursements	103,795	73,190
Fund Cash Balances, January 1	99,840	26,650
Fund Cash Balances, December 31	\$203,635	\$99,840
Reserve for Encumbrances, December 31	\$1,215	\$94,784

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, 2001 AND 2000**

	Enterprise	
	2001	2000
Operating Cash Receipts:		
Contracts - Service	\$903,212	\$876,913
Other Receipts	117,696	65,376
Total Cash Receipts	1,020,908	942,289
Operating Cash Disbursements:		
Salaries - Employee	584,708	567,174
Supplies	11,661	21,997
Materials	2,655	
Equipment	6,583	
Contracts - Repairs		5,684
Contracts - Services	262,552	180,156
Medical Fees	89,784	101,366
Rentals		5,400
Travel and Expenses	2,564	2,163
Public Employee's Retirement	72,671	62,181
Worker's Compensation	19,032	2,406
Unemployment Compensation	470	
Other Expenses	39,803	32,225
Total Cash Disbursements	1,092,483	980,752
Operating Loss	(71,575)	(38,463)
Other Financing Cash Receipts:		
Refunds	7,218	
Reimbursements	27,417	19,946
Other Receipts	171,785	137,348
Total Other Financing Receipts	206,420	157,294
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	134,845	118,831
Fund Cash Balances, January 1	163,304	44,473
Fund Cash Balances, December 31	\$298,149	\$163,304
Reserve for Encumbrances, December 31	\$29,199	\$19,664

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, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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. Capital Projects 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 receives state and local grant revenue to be used for the construction of the new juvenile facility.

2. Enterprise Fund

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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, 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 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 Defiance County Treasurer is mandated to maintain a cash pool to be utilized by the District's funds.

Deposits

For the years ended December 31, 2001 and 2000, the carrying amount and bank balance of District deposits were \$501,784 and \$263,144 respectively, as reported by the Defiance County Treasurer. Because the District's deposits are commingled with Defiance County's deposits it was not feasible to determine the manner in which the District's deposits were insured. The extent of Defiance County's collateralization is disclosed in its audit report for the years ended December 31, 2001 and 2000.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$174,828	\$174,829	\$1
Enterprise	1,222,896	1,227,328	4,432
Total	\$1,397,724	\$1,402,157	\$4,433

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$274,669	\$72,249	\$202,420
Enterprise	1,405,864	1,121,682	284,182
Total	\$1,680,533	\$1,193,931	\$486,602

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$938,000	\$810,077	\$(127,923)
Enterprise	1,220,976	1,099,583	(121,393)
Total	\$2,158,976	\$1,909,660	(\$249,316)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$991,300	\$831,671	\$159,629
Enterprise	1,271,721	1,000,416	271,305
Total	\$2,263,021	\$1,832,087	\$430,934

4. RETIREMENT SYSTEMS

All District 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000. The District has paid all contributions required through December 31, 2001.

5. RISK MANAGEMENT

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.



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

Northwest Ohio Juvenile Detention,
Training and Rehabilitation District
Williams County
03389 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 (the District) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 14, 2002. 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 May 14, 2002.

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 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 May 14, 2002.

Northwest Ohio Juvenile Detention
Training and Rehabilitation District
Williams County
Report of Independent Accountants 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 finance committee, management and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

May 14, 2002

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-60120-001	Ohio Revised Code § 5705.41 (D), failure to certify funds	No	Partially corrected. We reported this finding in the management letter.



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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
JUNE 6, 2002**