



**Auditor of State
Betty Montgomery**

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
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, 2002	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

This page intentionally left blank.



Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Joint Board of Trustees:

We have audited the accompanying financial statements of the Portage-Geauga Juvenile Detention Center (the Detention Center) as of and for the year ended December 31, 2002. These financial statements are the responsibility of the Detention Center'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 Detention Center 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 Detention Center as of December 31, 2002 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 February 21, 2003 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. 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.

Portage-Geauga Juvenile Detention Center
Portage County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of the audit committee, management, the Joint Board of Trustees, the Joint Board of Commissioners, 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

February 21, 2003

**PORTAGE-GAUGA JUVENILE DETENTION CENTER
PORTAGE 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	Capital Projects	
Cash Receipts:				
Contracts - Services	\$1,667,958			\$1,667,958
Federal Grants		\$129,433		129,433
Tuition	77,086			77,086
Refunds/Reimbursements	10,182			10,182
Other Revenue	52,401		31,149	83,550
Total Cash Receipts	1,807,627	129,433	31,149	1,968,209
Cash Disbursements:				
Current:				
Salaries	943,371			943,371
Supplies	42,853			42,853
Food	37,005			37,005
Equipment	14,262			14,262
Contracts-Repair	26,033			26,033
Contracts-Services	122,600			122,600
Medical Fees	1,670			1,670
Travel and Expenses	9,123			9,123
PERS and STRS Retirement	131,138			131,138
Worker's Compensation	29,023			29,023
Health Benefits and Medicare	189,257			189,257
Reimbursements to Counties	70,679			70,679
Project Fund Expenses - Federal		132,813		132,813
Rentals and Utilities	125,595			125,595
Other Expenses	16,344			16,344
Total Cash Disbursements	1,758,953	132,813	0	1,891,766
Total Receipts Over/(Under) Disbursements	48,674	(3,380)	31,149	76,443
Fund Cash Balances, January 1	230,525		52,004	282,529
Fund Cash Balances, December 31	\$279,199	(\$3,380)	\$83,153	\$358,972
Reserve for Encumbrances, December 31	\$34,574	\$0	\$0	\$34,574

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

This page intentionally left blank.

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage-Geauga Juvenile Detention Center, Portage County, (the 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 Joint 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 from Portage and Geauga counties. 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.

The Detention Center's management believes these financial statements present all activities for which the Detention Center 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. Cash and Investments

As authorized by the Ohio Revised Code Section 2151, the Detention Center's cash is held and invested by the Portage County Treasurer who acts as the custodian for Detention Center monies. The Portage County Auditor acts as the Detention Center's fiscal agent. The Detention Center's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

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. General Fund

The District Detention Home Fund (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.

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Special Revenue Fund

This fund is used to account for proceeds from specific grants given by the federal government restricted to expenditure for specific purposes such as educational, food, rehabilitation programs, and technology support.

3. Capital Project Fund

This fund is used to account for receipts from the Counties of Portage and Geauga that are restricted for the acquisition or construction of major capital projects.

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

A summary of 2002 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Detention Center's basis of accounting.

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

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

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 as \$358,972.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2002 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,686,993	\$1,807,627	\$120,634
Special Revenue	132,814	129,433	(3,381)
Capital Projects	30,660	31,149	489
Total	\$1,850,467	\$1,968,209	\$117,742

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,866,517	\$1,793,527	\$72,990
Special Revenue	132,814	132,813	1
Capital Projects	28,000	0	28,000
Total	\$2,027,331	\$1,926,340	\$100,991

4. RETIREMENT SYSTEMS

All Detention Center employees belong to the Public Employees Retirement System (PERS) or the State Teachers Retirement System (STRS) of Ohio.

A. Public Employees Retirement System (PERS)

PERS is a cost-sharing, multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002, PERS members contributed 8.5% of their gross salaries. The Detention Center contributed an amount equal to 13.55% of participants' gross salaries for 2002. The Detention Center has paid all contributions required through December 31, 2002.

**PORTAGE-GEAUGA JUVENILE DETENTION CENTER
PORTAGE COUNTY**

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

4. RETIREMENT SYSTEMS (Continued)

B. State Teachers Retirement System (STRS)

The Detention Center participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone 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 43215-3371.

For the fiscal year ended December 31, 2002, plan members are required to contribute 9.3 percent of their annual covered salaries. The Detention Center is required to contribute 14 percent; 9.5 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 has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

Risk Pool Membership

The Detention Center is a member of the County Risk Sharing Authority which is a property and liability self insurance pool established by the County Commissioners Association of Ohio in 1987. The program is governed by a nine member Board of Trustees, all of whom must be commissioners in member counties. The pool covers the following risks:

- Comprehensive property and general liability;
- Public official's liability
- Vehicles; and
- Errors and omissions

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

6. DEFICIT FUND BALANCE

The financial statement for the special revenue fund shows a deficit fund balance of \$3,380, due to the timing of receiving reimbursements for a federal grant for at Risk Youth (CFDA #42.301). The \$3,380 was received by a check from the State on 2/20/03.



**Auditor of State
Betty Montgomery**

**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 Joint Board of Trustees:

We have audited the accompanying financial statements of Portage-Geauga Juvenile Detention Center (the Detention Center) as of and for the year ended December 31, 2002 and have issued our report thereon dated February 21, 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 Detention Center'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 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 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.

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 solely for the information and use of the audit committee, management, the Joint Board of Trustees, and the Joint Board of Commissioners, 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

February 21, 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

PORTAGE-GEAUGA 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 1, 2003**