



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

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009**



**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 1, 2010

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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, 2009 and 2008. 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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Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
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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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 and 2008, 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 1, 2010, 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 1, 2010

**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, 2009**

	Capital Projects
<b>Cash Receipts</b>	
Interest Income	\$       696
Other Receipts	12,811
Total Cash Receipts	13,507
 <b>Cash Disbursements</b>	
Current:	
Contracts - Projects	47,663
 Total Cash Disbursements Over Cash Receipts	(34,156)
 <b>Other Financing Receipts:</b>	
Transfers-In	89,398
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	55,242
 Fund Cash Balance, January 1	168,271
 Fund Cash Balance, December 31	<b>\$   223,513</b>
 Reserves for Encumbrances, December 31	<b>\$    46,533</b>

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

**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, 2009**

	Enterprise
<b>Operating Cash Receipts</b>	
Tuition	\$ 208,101
Interest Income	1,623
Contracts - Services	1,129,900
Other Receipts	69,505
Total Cash Receipts	1,409,129
<b>Operating Cash Disbursements</b>	
Employee Salaries and Medicare	735,518
Supplies	26,907
Equipment	8,583
Contracts - Repair	15,002
Contracts - Services	107,117
Medical Fees	160,076
Advertising and Printing	1,077
Travel and Expenses	4,886
Public Employees' / State Teachers' Retirement	101,314
Worker's Compensation	25,393
Unemployment Compensation	10,159
Other Expenses	114,728
Total Cash Disbursements	1,310,760
Operating Income	98,369
Transfers-Out	(89,398)
Net Receipts Over Disbursements	8,971
Fund Cash Balance, January 1	603,050
<b>Fund Cash Balance, December 31</b>	<b>\$ 612,021</b>
Reserve for Encumbrances, December 31	\$ 7,384

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

**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, 2008**

	Capital Projects
<b>Cash Receipts</b>	
Interest Income	\$ 1,846
Other Receipts	14,550
Total Cash Receipts	16,396
 <b>Cash Disbursements</b>	
Current:	
Other Expenses	825
	825
Total Cash Receipts Over Cash Disbursements	15,571
Fund Cash Balance, January 1	152,700
	152,700
<b>Fund Cash Balance, December 31</b>	<b>\$ 168,271</b>

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

**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, 2008**

	Enterprise
<b>Operating Cash Receipts</b>	
Tuition	\$ 205,149
Interest Income	5,791
Contracts - Services	1,257,963
Other Receipts	88,810
Total Cash Receipts	1,557,713
<b>Operating Cash Disbursements</b>	
Employee Salaries and Medicare	709,004
Supplies	36,516
Equipment	34,447
Contracts - Repair	18,099
Contracts - Services	120,928
Medical Fees	158,542
Advertising and Printing	815
Travel and Expenses	4,984
Public Employees' / State Teachers' Retirement	97,509
Worker's Compensation	27,434
Unemployment Compensation	1,228
Other Expenses	109,544
Total Cash Disbursements	1,319,050
Operating Income	238,663
Fund Cash Balance, January 1	364,387
<b>Fund Cash Balance, December 31</b>	<b>\$ 603,050</b>
Reserve for Encumbrances, December 31	\$ 13,653

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, 2009 AND 2008**

**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 authorized by Ohio Revised Code 2151, the District's cash is held and invested by the Fulton County Treasurer who acts as the custodian for District monies. The Fulton County Auditor acts as the District's fiscal agent. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying value.

**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 receipts from the member counties to be used for the maintenance, repair, or improvements to the juvenile facility.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(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 2009 and 2008 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, 2009 AND 2008  
(Continued)**

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$102,206	\$102,905	\$699
Enterprise	1,376,518	1,409,129	32,611
Total	\$1,478,724	\$1,512,034	\$33,310

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$126,431	\$94,196	\$32,235
Enterprise	1,524,013	1,407,542	116,471
Total	\$1,650,444	\$1,501,738	\$148,706

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Capital Projects	\$13,972	\$16,396	\$2,424
Enterprise	1,355,969	1,557,713	201,744
Total	\$1,369,941	\$1,574,109	\$204,168

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	\$48,876	\$825	\$48,051
Enterprise	\$1,433,874	1,332,703	101,171
Total	\$1,482,750	\$1,333,528	\$149,222

**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, 2009 AND 2008  
(Continued)**

**3. RETIREMENT SYSTEMS – (CONTINUED)**

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, 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 10 percent, of their gross salaries in 2009 and 2008. The District contributed an amount equaling 14 percent of participants' gross salaries in 2009 and 2008. The District has paid all contributions required through December 31, 2009.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The District is a member of the County Risk Sharing Authority (CORSA) 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;
- Vehicles; and
- Errors and omissions.

The District also provides health insurance and dental 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, 2009 and 2008, and have issued our report thereon dated July 1, 2010, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, the Board, and others within the District. 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 1, 2010



Mary Taylor, CPA  
Auditor of State

**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 29, 2010**