



Dave Yost • Auditor of State

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

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Dave Yost • Auditor of State

Belmont Harrison Juvenile District
Belmont County
210 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Board of Trustees:

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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 3, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Belmont Harrison Juvenile District
Belmont County
210 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the Belmont Harrison Juvenile District, Belmont County, Ohio (the Juvenile District), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Juvenile 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 Juvenile 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 combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Juvenile District's larger (i.e., major) funds separately. While the Juvenile 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 juvenile districts to reformat their statements. The Juvenile 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.

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, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Juvenile District as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, 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 Belmont Harrison Juvenile District, Belmont County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Juvenile 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 March 3, 2011, on our consideration of the Juvenile 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.



Dave Yost
Auditor of State

March 3, 2011

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$649,986	\$38,798	\$688,784
Charges for Services	776,320		776,320
Other Revenue	10,823		10,823
	<u>1,437,129</u>	<u>38,798</u>	<u>1,475,927</u>
Cash Disbursements:			
Salaries	873,541		873,541
Supplies	26,504		26,504
Materials	884		884
Equipment	298		298
Contracts - Repair	2,647		2,647
Contracts - Services	55,633		55,633
Medical Fees	8,729		8,729
Medicare	11,777		11,777
Travel and Expenses	1,123		1,123
Public Employees' Retirement System	122,429		122,429
Workers' Compensation	14,513		14,513
Contract Projects		49,567	49,567
Food Service	64,940		64,940
Other	171,400		171,400
Gender Specific Program Activities	89,545		89,545
Contingency Gender Specific	200		200
	<u>1,444,163</u>	<u>49,567</u>	<u>1,493,730</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(7,034)</u>	<u>(10,769)</u>	<u>(17,803)</u>
Other Financing Receipts/(Disbursements):			
Other Financing Sources		40,500	40,500
Other Financing Uses		(11,797)	(11,797)
	<u>0</u>	<u>28,703</u>	<u>28,703</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(7,034)	17,934	10,900
Fund Cash Balances, January 1	<u>90,283</u>	<u>0</u>	<u>90,283</u>
Fund Cash Balances, December 31	<u>\$83,249</u>	<u>\$17,934</u>	<u>\$101,183</u>
Reserve for Encumbrances, December 31	<u>\$47,950</u>	<u>\$17,896</u>	<u>\$65,846</u>

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

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Cash Receipts:	
Intergovernmental	\$570,088
Charges for Services	882,851
Other Revenue	<u>9,933</u>
Total Cash Receipts	<u>1,462,872</u>
 Cash Disbursements:	
Salaries	881,623
Supplies	21,750
Materials	1,200
Equipment	2,147
Contracts - Repair	2,020
Contracts - Services	56,526
Medical Fees	9,620
Medicare	11,863
Travel and Expenses	1,830
Public Employees' Retirement System	123,019
Workers' Compensation	22,423
Food Service	66,467
Other	169,349
Gender Specific Program Activities	98,350
Contingency Gender Specific	<u>200</u>
Total Cash Disbursements	<u>1,468,387</u>
Total Cash Receipts Under Cash Disbursements	(5,515)
Fund Cash Balance, January 1	<u>95,798</u>
Fund Cash Balance, December 31	<u><u>\$90,283</u></u>
Reserve for Encumbrances, December 31	<u><u>\$39,258</u></u>

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

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Belmont Harrison Juvenile District, Belmont County, Ohio (the Juvenile District), as a body corporate and politic. The Juvenile District is directed by an appointed six-member Board of Trustees. The Juvenile District provides governmental detention services for juveniles, including secured detention facilities, supervised group home facilities, and an aftercare program.

The Juvenile District's management believes these financial statements present all activities for which the Juvenile District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Juvenile 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 include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund. The Juvenile District's General Fund receives grants, tuition, billings for residents, and subsidies from Belmont and Harrison Counties for the general operation of the correctional facilities.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Juvenile District had the following significant Special Revenue Fund:

Sargus Remodeling Fund - This fund received an advance from Belmont County to perform repairs on a building.

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually. On or about May 1 of each year, the Belmont County Auditor sends a departmental budget form to the Juvenile District for the succeeding calendar year. The Juvenile District's Finance Director completes the departmental budget form containing information on the expenditures for the prior year, appropriations for the current year, and the request for the next year. A personal service schedule accompanies the departmental budget and reflects each person's name, present rate of pay, rate of pay for the next year, and the amount requested for the next year. An estimate of anticipated revenue is also filed with the departmental budget. The Executive Director reviews the forms and they are filed with the County Commissioners by June 1. This information is then combined with all other county departmental budgets and the Belmont County subdivision budget is prepared. The budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control, and appropriations may not exceed estimated resources. The County 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 Juvenile District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Juvenile 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.

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

2. Equity in Pooled Deposits and Investments

As required by Ohio Revised Code, the Juvenile District's cash is held and invested by the Belmont County Treasurer, who acts as custodian for the Juvenile District's monies. The Juvenile District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. The carrying amount of cash and investments at December 31 was as follows:

	2010	2009
Deposits	\$101,183	\$90,283

Deposits: The Juvenile District's deposits maintained by the County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered uncollateralized even though securities for collateral were held by the pledging financial institution's trust department in the county's name and all statutory requirements for the deposit of money had been followed.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,429,391	\$1,437,129	\$7,738
Special Revenue	79,298	79,298	0
Total	\$1,508,689	\$1,516,427	\$7,738

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,519,676	\$1,492,113	\$27,563
Special Revenue	79,298	79,260	38
Total	\$1,598,974	\$1,571,373	\$27,601

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,435,773	\$1,462,872	\$27,099

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,531,570	\$1,507,645	\$23,925

**BELMONT HARRISON JUVENILE DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

4. Retirement System

The Juvenile District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Juvenile District contributed an amount equaling 14% of participants' gross salaries. The Juvenile District has paid all contributions required through December 31, 2010.

5. Risk Management

The District has obtained commercial insurance for the following risks through the County Commissioners:

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

6. Grant

A resolution was approved by the Belmont County Commissioners approving an agreement between the Ohio Department of Youth Services and the Board of Trustees of the Juvenile District to provide funds to reimburse costs of improvement to their facility. The Renovation Grant was for \$40,500 with the Belmont County Commissioners providing a local match of \$27,500. On August 4, 2010, the County Commissioners also approved a transfer of \$40,500 to the Juvenile District. The Juvenile District is repaying the County as the grant funds are received.

7. Contingent Liabilities

The Juvenile District is not a defendant in any lawsuits.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Belmont Harrison Juvenile District
Belmont County
210 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the financial statements of the Belmont Harrison Juvenile District, Belmont County, Ohio (the Juvenile District), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated March 3, 2011, wherein we noted the Juvenile District followed accounting practices the Auditor of State prescribes 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 Juvenile 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 for the purpose of opining on the effectiveness of the Juvenile District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Juvenile 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 Juvenile 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 Juvenile 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 did note certain matters not requiring inclusion in this report that we reported to the Juvenile District's management in a separate letter dated March 3, 2011.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees and others within the Juvenile District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

March 3, 2011



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BELMONT HARRISON JUVENILE DISTRICT

BELMONT 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
MARCH 24, 2011**