



Mary Taylor, CPA  
Auditor of State



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

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Mary Taylor, CPA  
Auditor of State

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

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.

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**Mary Taylor, CPA**  
Auditor of State

May 21, 2010

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Portage-Geauga Juvenile Detention Center, Portage County, (the Detention Center) as of and for the years ended December 31, 2009 and 2008. 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 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 Detention Center 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 Detention Center's larger (i.e. major) funds separately. While the Detention Center 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 Detention Center to reformat their statements. The Detention Center 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, 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 Detention Center as of December 31, 2009 and 2008, 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 Portage-Geauga Juvenile Detention Center, Portage County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Detention Center 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 May 21, 2010, 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 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

May 21, 2010



**PORTAGE-GEAUGA 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, 2009**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Contracts - Services	\$2,102,295		\$24,051	\$2,126,346
Federal Grants		\$91,121		91,121
Tuition	203,775			203,775
Refunds/Reimbursements	395			395
Gifts and Donations	58,311			58,311
Other Revenue	1,205			1,205
<b>Total Cash Receipts:</b>	<b>2,365,981</b>	<b>91,121</b>	<b>24,051</b>	<b>2,481,153</b>
<b>Cash Disbursements:</b>				
Personal Services:				
Salaries	1,100,116	54,500		1,154,616
PERS and STRS Retirement	154,706	6,605		161,311
Worker's Compensation	24,529	1,706		26,235
Medicare	14,403	725		15,128
Health Benefits	233,604	4,056		237,660
Unemployment Compensation	1,466			1,466
Contractual Services:				
Contractual Services	19,527			19,527
Training/Education	4,048			4,048
Utilities	162,754			162,754
Contracts-Services	9,423			9,423
Contracts-Repair	56,781			56,781
Leases	3,304			3,304
Professional Services	7,071			7,071
Consultants	107,679			107,679
Insurance	15,042			15,042
Materials and Supplies	104,317			104,317
Food Supplies		39,432		39,432
Other Expenses	237,001			237,001
Capital Outlay	19,448		29,027	48,475
<b>Total Cash Disbursements</b>	<b>2,275,219</b>	<b>107,024</b>	<b>29,027</b>	<b>2,411,270</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>90,762</b>	<b>(15,903)</b>	<b>(4,976)</b>	<b>69,883</b>
<b>Other Financing Receipts:</b>				
Sale of Fixed Assets	611			611
<b>Total Other Financing Receipts</b>	<b>611</b>	<b>0</b>	<b>0</b>	<b>611</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	<b>91,373</b>	<b>(15,903)</b>	<b>(4,976)</b>	<b>70,494</b>
Fund Cash Balances, January 1	367,916	21,306	197,013	586,235
<b>Fund Cash Balances, December 31</b>	<b>\$459,289</b>	<b>\$5,403</b>	<b>\$192,037</b>	<b>\$656,729</b>
Reserved For Encumbrances, December 31	\$29,521			\$29,521

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

PORTAGE-GEAUGA 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, 2008**

<u>Governmental Fund Types</u>				
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Contracts - Services	\$1,990,999		\$20,244	\$2,011,243
Federal Grants		\$108,801		108,801
Tuition	172,021			172,021
Refunds/Reimbursements	236			236
Other Revenue	817			817
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts:	2,164,073	108,801	20,244	2,293,118
<b>Cash Disbursements:</b>				
Personal Services:				
Salaries	1,087,279	53,381		1,140,660
PERS and STRS Retirement	152,206	6,605		158,811
Worker's Compensation	21,837	1,706		23,543
Medicare	14,182	725		14,907
Health Benefits	218,938	4,056		222,994
Unemployment Compensation	4,396			4,396
Contractual Services:				
Contractual Services	14,626			14,626
Training/Education	6,145			6,145
Utilities	156,123			156,123
Contracts-Services	10,175			10,175
Contracts-Repair	39,568			39,568
Leases	3,423			3,423
Professional Services	11,411			11,411
Consultants	96,444			96,444
Insurance	15,115			15,115
Materials and Supplies	92,300			92,300
Food Supplies		39,205		39,205
Other Expenses	173,590			173,590
Capital Outlay			2,577	2,577
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	2,117,758	105,678	2,577	2,226,013
Total Receipts Over Disbursements	46,315	3,123	17,667	67,105
Fund Cash Balances, January 1	321,601	18,183	179,346	519,130
<b>Fund Cash Balances, December 31</b>	<b><u>\$367,916</u></b>	<b><u>\$21,306</u></b>	<b><u>\$197,013</u></b>	<b><u>\$586,235</u></b>
Reserved For Encumbrances, December 31	<u>\$31,918</u>		<u>\$5,000</u>	<u>\$36,918</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**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. 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 Detention Center 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 authorized by 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 value.

**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 General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from capital projects) that are restricted to expenditure for specific purposes. The Detention Center had the following significant Special Revenue Funds:

Detention Center Title 1 - This fund receives Title 1 grants from the federal government.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Food Service – This fund accounts for Lunchroom grants from the federal government.

**3. Capital Project Funds**

This fund account for receipts restricted to acquiring or constructing major capital projects. The Detention Center had the following significant capital project fund:

Construction Fund - This fund accounts 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 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Township 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.

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

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

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

The Portage County Treasurer acts as custodian for the Detention Center funds and maintains a cash and investments pool along with the Portage County funds. The Ohio Revised Code Section 2151 prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 2009 was \$656,729 and December 31, 2008 was \$586,235. These funds were adequately collateralized

**3. BUDGETARY ACTIVITY**

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

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,560,013	\$2,366,592	(\$193,421)
Special Revenue	108,802	91,121	(17,681)
Capital Projects	216,136	24,051	(192,085)
Total	<u>\$2,884,951</u>	<u>\$2,481,764</u>	<u>(\$403,187)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,511,430	\$2,304,740	\$206,690
Special Revenue	108,802	107,024	1,778
Capital Projects	29,123	29,027	96
Total	<u>\$2,649,355</u>	<u>\$2,440,791</u>	<u>\$208,564</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,408,889	\$2,164,073	(\$244,816)
Special Revenue	105,678	108,801	3,123
Capital Projects	203,702	20,244	(183,458)
Total	<u>\$2,718,269</u>	<u>\$2,293,118</u>	<u>(\$425,151)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,359,366	\$2,149,676	\$209,690
Special Revenue	105,678	105,678	0
Capital Projects	24,356	7,577	16,779
Total	<u>\$2,489,400</u>	<u>\$2,262,931</u>	<u>\$226,469</u>

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

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

**4. RETIREMENT SYSTEMS**

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

OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits. OPERS 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

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

The STRS Ohio is a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal years ended December 30, 2009 and 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

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

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

**5. RISK MANAGEMENT**

The Detention Center 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.

- General liability and casualty;
- Public official's liability; and
- Vehicle.

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

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# 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*

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

To the Board of Trustees:

We have audited the financial statements of the Portage-Geauga Juvenile Detention Center (The Detention Center) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 21, 2010, wherein we noted the Detention Center 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 Detention Center'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 Detention Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Detention Center'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 Detention Center'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.

Portage-Geauga Juvenile Detention Center  
Portage County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*

**Compliance and Other Matters**

As part of reasonably assuring whether the Detention Center'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 Audit Committee, management and the Joint Board of Trustees. 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

May 21, 2010



**Mary Taylor, CPA**  
Auditor of State

**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  
JUNE 24, 2010**