



**Auditor of State  
Betty Montgomery**



**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Central Ohio Youth Center  
Union County  
18100 State Route 4  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Central Ohio Youth Center, Union County, Ohio, (the Center) as of and for the years ended December 31, 2003, and December 31, 2002. These financial statements are the responsibility of the 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 described in Note 1, the 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 cash balances and reserve for encumbrances of the Central Ohio Youth Center, Union County, Ohio, as of December 31, 2003, and December 31, 2002, and its 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 April 30, 2004, on our consideration of the 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.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under Section 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

April 30, 2004

**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002**

	2003	2002
<b>Receipts:</b>		
Operating Receipts:		
Tuition	\$ 75,020	\$ 57,480
Contracts — Services	1,561,240	1,590,184
Restricted Revenue		
State and Local Sources	35,000	286,076
Federal Sources	37,147	50,356
Total Operating Receipts:	1,708,407	1,984,096
<b>Disbursements:</b>		
Salaries	975,053	1,058,108
Supplies	76,030	104,693
Equipment	78,706	37,272
Contracts	126,575	244,826
Travel and Expense	2,094	1,692
Fringe Benefits	354,283	357,093
Reimbursement to County:		
Bond Retirement	68,095	70,955
Other Expenses	115,632	13,095
Total Disbursements	1,796,468	1,887,734
Excess of Receipts (Under) Disbursements	(88,061)	96,362
<b>Other Financing Sources:</b>		
Refunds	595	-
Reimbursements	20,370	5,935
Other	1,222	133
Total Other Financing Sources	22,187	6,068
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements	(65,874)	102,430
Cash Balance, January 1	278,320	175,890
Cash Balance, December 31	\$ 212,446	\$ 278,320
Reserve for Encumbrances, December 31	\$ 103	\$ -

The accompanying notes are an integral part of the financial statements.

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**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Central Ohio Youth Center, Union County, Ohio (the Center) opened in October 1973, serves Youth and Juvenile Courts of Champaign, Delaware, Madison, and Union Counties, pursuant to Section 2151.34, Revised Code. Once a member, Logan County removed itself from operations on April 10, 2003.

The four counties share the operating expenses of the Center based on their usage. The Center operates under the direction of a board of trustees. All appointments to such board of trustees are made from persons who are recommended and approved by the juvenile court judge or judges of the county of which such person is resident.

The need for the Center was to eliminate the use of the county and town jails as places of detention for juveniles, and to provide a wholesome environment for positive growth and development for young adults.

Management believes the financial statements included in this report represent all of the activity of the Center over which the Center has the ability to exercise direct operating control.

**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. EQUITY IN POOLED CASH**

Union County acts as the fiscal agent for the Central Ohio Youth Center. The carrying value of the Center's deposits and the bank balance are included in the basic financial statements of Union County.

**D. BUDGETARY PROCESS**

The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. The 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.

**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**D. BUDGETARY PROCESS (Continued)**

**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.

**Encumbrances**

The Ohio Revised Code requires the Center to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated in the subsequent year.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**E. 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.

**F. ACCUMULATED UNPAID VACATION AND SICK PAY**

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 Center.

**2. EQUITY IN POOLED CASH**

Union County maintains a cash pool used by all funds. The Center's portion of this pool is disclosed below. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows

	<u>2003</u>	<u>2002</u>
Total deposits	<u>\$212,446</u>	<u>\$278,320</u>

**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2003 was as follows:

2003 Budgeted vs. Actual Receipts

Budgeted	Actual	Variance
\$1,609,457	\$1,730,594	\$121,137

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
\$1,860,589	\$1,796,571	\$64,081

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

2002 Budgeted vs. Actual Receipts

Budgeted	Actual	Variance
\$2,054,009	\$1,990,164	(\$63,845)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
\$1,963,839	\$1,887,734	\$76,105

**4. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Multi-County Juvenile Detention Facility Bond Issue	\$185,000	5.2-5.6%

The outstanding bond issue was for constructing and improving the Youth Center. Union County issued this debt on behalf of the Center. The Center makes payments to the County for retirement of the debt.

**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. DEBT (Continued)**

Amortization of the above debt, including interest is scheduled as follows:

Year ending December 31:	Facility Bond Issue
2004	\$ 70,180
2005	66,940
2006	68,640
Total	<hr/> <hr/> <u>\$205,760</u>

**5. RETIREMENT SYSTEMS**

The Center's Certificated teachers belong to the State Teachers Retirement System (STRS) of Ohio and other employees belong to the Public Employees Retirement System (PERS) of Ohio. These plans are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of STRS contributed 9.3% of their wages to STRS. The Center contributed an amount equal to 14% of participants wages. For 2003 and 2002, members of PERS contributed 8.5% of their wages to PERS. The Center contributed an amount equal to 13.55% of participants gross salaries. The Center has paid all contributions required through December 31, 2003.

**6. RISK MANAGEMENT**

The Center has obtained commercial insurance for the following risks:

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

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



**Auditor of State  
Betty Montgomery**

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

Central Ohio Youth Center  
Union County  
18100 State Route 4  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of the Central Ohio Youth Center, Union County, Ohio, (the Center) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated April 30, 2004. 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 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Center in a separate letter dated April 30, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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. 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 Center in a separate letter dated April 30, 2004.

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Central Ohio Youth Center  
Union County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of management and the Board of Trustees, 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

April 30, 2004

**CENTRAL OHIO YOUTH CENTER  
UNION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 and 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-60680-001	Revised Code 5705.41 (D)	Yes	

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**Auditor of State  
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**CENTRAL OHIO YOUTH CENTER**

**UNION 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 15, 2004**