



**SOUTH CENTRAL OHIO REGIONAL
JUVENILE DETENTION CENTER
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

**SOUTH CENTRAL OHIO REGIONAL
JUVENILE DETENTION CENTER
ROSS COUNTY**

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Mary Taylor, CPA
Auditor of State

South Central Ohio Regional Juvenile Detention Center
Ross County
182 Cattail Road
Chillicothe, Ohio 45601

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 the AOS does not require you 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 AOS prescribes or permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 3, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

South Central Ohio Regional Juvenile Detention Center
Ross County
182 Cattail Road
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited the accompanying financial statements of South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio (the Center) as of and for the years ended December 31, 2009 and 2008. 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 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 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.

While the 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 following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Center uses. 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 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 fund cash balances and reserves for encumbrances of the South Central Ohio Regional Juvenile Detention Center, Ross 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 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 November 3, 2010 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 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.

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Mary Taylor, CPA
Auditor of State

November 3, 2010

**SOUTH CENTRAL OHIO REGIONAL JUNVENILE DETENTION CENTER
ROSS COUNTY**

**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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Intergovernmental	\$ 79,251	\$ -	\$ 79,251
Charges for Services	1,170,342	-	1,170,342
Other Revenue	3,148	-	3,148
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	1,252,741	-	1,252,741
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current			
Salaries	762,529	-	762,529
Fringes	298,836	-	298,836
Supplies	15,246	-	15,246
Equipment	1,615	-	1,615
Contracts Repair	3,588	-	3,588
Medical Expenses	7,152	-	7,152
Travel and Expenses	2,208	-	2,208
Other	122,909	-	122,909
Debt Service:			
Principal	15,000	-	15,000
	<hr/>	<hr/>	<hr/>
Total Disbursements	1,229,083	-	1,229,083
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	23,658	-	23,658
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	21,735	22,345	44,080
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$ 45,393	\$ 22,345	\$ 67,738
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Reserves for Encumbrances, December 31	\$ 2,788	\$ -	\$ 2,788
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The notes to the financial statements are an integral part of this statement.

**SOUTH CENTRAL OHIO REGIONAL JUNVENILE DETENTION CENTER
ROSS COUNTY**

**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>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Intergovernmental	\$ 40,147	\$ -	\$ 40,147
Charges for Services	1,203,438	-	1,203,438
Other Revenue	108,255	-	108,255
Total Cash Receipts	<u>1,351,840</u>	<u>-</u>	<u>1,351,840</u>
Cash Disbursements:			
Current			
Salaries	816,689	-	816,689
Fringes	292,080	-	292,080
Supplies	19,813	-	19,813
Equipment	35,531	-	35,531
Contracts Repair	12,419	-	12,419
Medical Fees	11,104	-	11,104
Travel and Expenses	3,682	-	3,682
Other	151,760	-	151,760
Total Disbursements	<u>1,343,078</u>	<u>-</u>	<u>1,343,078</u>
Total Receipts Over Disbursements	<u>8,762</u>	<u>-</u>	<u>8,762</u>
Other Financing Sources:			
Proceeds of Loan	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Other Financing Sources	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements	23,762	-	23,762
Fund Cash Balances, January 1 (Restated)	<u>(2,027)</u>	<u>22,345</u>	<u>20,318</u>
Fund Cash Balances, December 31	<u>\$ 21,735</u>	<u>\$ 22,345</u>	<u>\$ 44,080</u>
Reserves for Encumbrances, December 31	<u>\$ 1,748</u>	<u>\$ -</u>	<u>\$ 1,748</u>

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

**SOUTH CENTRAL OHIO REGIONAL
JUVENILE DETENTION CENTER
ROSS COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio, (the Center) is a body corporate and public established to exercise the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. The Center is directed by a seven-member Board of Trustees appointed by the member counties. Member County juvenile courts use the Center to detain delinquent, unruly, dependent, neglected or abused children or juvenile traffic offenders until final disposition. Member counties include Fayette, Vinton, Highland, Jackson, Pike and Ross counties.

The Center's management believes these financial statements present all activities for which the Center 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 Center recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State requires.

C. Deposits and Investments

The Ross County Treasurer is the custodian of the Center's grant funds and appropriations. The County holds the Center's assets in the County's deposit and investment pool, valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Center uses fund accounting to segregate amounts that are restricted as to use. The Center has the following funds:

1. General Fund

The 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.

2. Capital Improvement Fund

The Capital Improvement Fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects.

**SOUTH CENTRAL OHIO REGIONAL
JUVENILE DETENTION CENTER
ROSS COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

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 function 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.

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 Center 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 2009 and 2008 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. The financial statements do not include a liability for unpaid leave.

2. Restatement of Fund Balances

Management has restated beginning fund balances to reflect the correct balances as of January 1, 2008; adjustments were made to recognize expenditures in the proper funds:

	General Fund	Capital Projects Fund	Total Fund Balances
Fund Balances (Deficit) - 12/31/07	\$ (8,787)	\$ 26,367	\$ 17,580
Corrections	6,760	(4,022)	2,738
Restated Fund Balances (Deficit) - 12/31/07	<u>\$ (2,027)</u>	<u>\$ 22,345</u>	<u>\$ 20,318</u>

**SOUTH CENTRAL OHIO REGIONAL
JUVENILE DETENTION CENTER
ROSS COUNTY**

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

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	\$ 1,251,582	\$ 1,252,741	\$ 1,159
Capital Improvements	-	-	-
Total	\$ 1,251,582	\$ 1,252,741	\$ 1,159

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,246,540	\$ 1,231,871	\$ 14,669
Capital Improvements	-	-	-
Total	\$ 1,246,540	\$ 1,231,871	\$ 14,669

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,398,470	\$1,366,840	(\$31,630)
Capital Improvements	-	-	-
Total	\$1,398,470	\$1,366,840	(\$31,630)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,349,930	\$1,344,826	\$5,104
Capital Improvements	-	-	-
Total	\$1,349,930	\$1,344,826	\$5,104

4. Retirement Systems

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

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

**SOUTH CENTRAL OHIO REGIONAL
JUVENILE DETENTION CENTER
ROSS COUNTY**

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

5. Risk Management

Commercial Insurance

The Center has obtained commercial insurance for the following risks:

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

6. County Loan

The Center received loan proceeds as needed from the Ross County Commissioners (the County) to fund operations. No formal agreement existed between the County and the Center requiring repayment in a specific time frame. All loans were repaid as of December 31, 2009.

	Balance 1/1/09	Additions	Deletions	Balance 12/31/09
Ross County Loan	\$ 15,000	\$ -	\$ 15,000	\$ -
	Balance 1/1/08	Additions	Deletions	Balance 12/31/08
Ross County Loan	\$ -	\$ 15,000	\$ -	\$ 15,000



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*

South Central Ohio Regional Juvenile Detention Center
Ross County
182 Cattail Road
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited the financial statements of the South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio (the Center) as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated November 3, 2010, wherein we noted the 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 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 Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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 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.

Compliance and Other Matters

As part of reasonably assuring whether the 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 did note certain matters that we reported to the Center's management in a separate letter dated November 3, 2010.

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

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Mary Taylor, CPA
Auditor of State

November 3, 2010

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER
ROSS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-001	Financial Statement Adjustments – there were six reclassifications and audit adjustments	No	Partially Corrected – Re-Issued in Management Letter
2007-002	Ohio Rev. Code 5705.41(D) – Prior Certification of Expenditures	Yes	

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Mary Taylor, CPA
Auditor of State

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER

ROSS 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
DECEMBER 2, 2010**