



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

Regular Audit

For the Years Ended December 31, 2011 and 2010

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of Trustees
South Central Ohio Regional Juvenile Detention Center
182 Cattail Road
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of the South Central Ohio Regional Juvenile Detention Center, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The South Central Ohio Regional Juvenile Detention Center is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 23, 2012

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SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER, ROSS COUNTY

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Independent Auditor's Report

Board of Trustees
South Central Ohio Regional Juvenile Detention Center
182 Cattail Road
Chillicothe, OH 45601

We have audited the accompanying financial statements of the South Central Ohio Regional Juvenile Detention Center (the Center), Ross County, as of and for the years ended December 31, 2011 and 2010. 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 of America. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Center 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.

Revisions to GAAP would require the Center to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2011 and 2010. Instead of the combined funds the accompanying financial statements presents for 2011 and 2010, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2011 and 2010. While the Center does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Center has elected not to reformat its statements. Since this Center does not use GAAP to measure financial statement amounts, 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, 2011 and 2010 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, 2011 and 2010, or its changes in financial position for the years then ended.

Board of Trustees
South Central Ohio Regional Juvenile Detention Center
Independent Auditor's Report

Also, in our opinion, the financial statements referred to in the first paragraph above presents fairly, in all material respects, the combined fund cash balances of the Center, as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, the Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2012 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. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 5, 2012

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2011

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Totals</u>
<u>Cash Receipts:</u>			
Intergovernmental	\$98,543	\$0	\$98,543
Charges for Services	1,251,127	0	1,251,127
Other Revenue	4,853	21,590	26,443
Total Cash Receipts	1,354,523	21,590	1,376,113
<u>Cash Disbursements:</u>			
<i>Current:</i>			
Salaries	811,773	0	811,773
Fringes	324,698	0	324,698
Supplies	21,190	0	21,190
Equipment	41,697	0	41,697
Contracts Repairs	13,867	19,030	32,897
Medical Expenses	12,229	0	12,229
Travel and Expenses	3,547	0	3,547
Other	173,854	0	173,854
Total Cash Disbursements	1,402,855	19,030	1,421,885
Total Cash Receipts Over(Under)Disbursements	(48,332)	2,560	(45,772)
Fund Cash Balances - January 1	52,814	63,259	116,073
Restricted	0	65,819	65,819
Unassigned	4,482	0	4,482
Fund Cash Balances - December 31	\$4,482	\$65,819	\$70,301

See accompanying notes to the financial statements.

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER
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>		
	<u>General</u>	<u>Capital Projects</u>	<u>Totals</u>
<u>Cash Receipts:</u>			
Intergovernmental	\$92,536	\$0	\$92,536
Charges for Services	1,222,035	0	1,222,035
Other Revenue	4,668	65,341	70,009
Total Cash Receipts	1,319,239	65,341	1,384,580
<u>Cash Disbursements:</u>			
<i>Current:</i>			
Salaries	799,139	0	799,139
Fringes	303,307	0	303,307
Supplies	22,734	0	22,734
Equipment	1,915	0	1,915
Contracts Repairs	9,030	24,427	33,457
Medical Expenses	10,490	0	10,490
Travel and Expenses	2,580	0	2,580
Other	162,623	0	162,623
Total Cash Disbursements	1,311,818	24,427	1,336,245
Total Cash Receipts Over(Under)Disbursements	7,421	40,914	48,335
Fund Cash Balances - January 1	45,393	22,345	67,738
Restricted	0	63,259	63,259
Unassigned	52,814	0	52,814
Fund Cash Balances - December 31	\$52,814	\$63,259	\$116,073

See accompanying notes to the financial statements.

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER

Notes to the Financial Statements

For the Years Ended December 31, 2011 and 2010

Note 1 – Summary of Significant Accounting Policies

Description of the Entity

South Central Ohio Regional Juvenile Detention Center (the Center), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and 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.

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.

Deposits and Investments

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

Fund Accounting

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

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.

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.

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 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.

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.

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER

Notes to the Financial Statements

For the Years Ended December 31, 2011 and 2010

Note 1 – Summary of Significant Accounting Policies - (continued)

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 2011 and 2010 budgetary activity appears in Note 3.

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Center must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable: The Center classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted: Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed: Trustees can *commit* amounts via formal action (resolution). The Center must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Board of Trustees or a Center official delegated that authority by resolution, or by State Statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Center applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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.

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.

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER

Notes to the Financial Statements

For the Years Ended December 31, 2011 and 2010

Note 2 – Chance in Accounting Principle

For 2010, the Center implemented GASB Statement No. 54, “Fund Balances Reporting and Governmental Fund Type Definitions”. The implementation of this statement did not result in any change in the Center’s financial statements.

Note 3 – Budgetary Activity

The Center’s budgetary activity for the years ending December 31, 2011 and December 31, 2010 was as follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$1,356,050	\$1,354,523	(\$1,527)
Capital Improvements	22,000	21,590	(410)
<i>Total</i>	<u>\$1,378,050</u>	<u>\$1,376,113</u>	<u>(\$1,937)</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,405,941	\$1,405,941	\$0
Capital Improvements	20,030	19,030	1,000
<i>Total</i>	<u>\$1,425,971</u>	<u>\$1,424,971</u>	<u>\$1,000</u>

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,344,244	1,319,239	(25,005)
Capital Projects	65,000	65,341	341
<i>Total</i>	<u>\$1,409,244</u>	<u>\$1,384,580</u>	<u>(\$24,664)</u>

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER

Notes to the Financial Statements

For the Years Ended December 31, 2011 and 2010

Note 3 – Budgetary Activity - (continued)

2010 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	1,352,032	1,326,687	25,345
Capital Project	24,428	24,428	0
<i>Total</i>	\$1,376,460	\$1,351,115	\$25,345

Note 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 2011 and 2010, 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, 2011.

Note 5 – Risk Management

Commercial Insurance

The Center has obtained commercial insurance for the following risks:

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

Independent Auditor's 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, OH 45601

We have audited the accompanying financial statements of the South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio (the Center) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 5, 2012, wherein we noted the Center adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As discussed in Note 2, the Center followed the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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 opinions 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 would not necessarily identify all internal control deficiencies that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider a material weakness, as defined above.

South Central Ohio Regional Juvenile Detention Center
Ross County
Independent Auditor's 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 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 or other matters we must report under *Government Auditing Standards*.

This report is intended 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 5, 2012



Dave Yost • 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
AUGUST 02, 2012**