



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

Regular Audit

**For the Years Ended
December 31, 2013 and 2012**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANTS 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, 2012 through December 31, 2013. 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.

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 7, 2014

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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

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of South Central Ohio Regional Juvenile Detention Center (the Center), Ross County, Ohio as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Center prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Center as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the South Central Ohio Regional Juvenile Detention Center as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 8, 2014 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

May 8, 2014

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, 2013

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Project</u>	<u>Totals</u>
<u>Cash Receipts:</u>			
Intergovernmental	\$85,688	\$0	\$85,688
Charges for Services	1,387,461	0	1,387,461
Other Revenue	39,852	17,480	57,332
Total Cash Receipts	<u>1,513,001</u>	<u>17,480</u>	<u>1,530,481</u>
<u>Cash Disbursements:</u>			
<i>Current:</i>			
Salaries	883,450	0	883,450
Fringes	356,526	0	356,526
Supplies	26,538	0	26,538
Equipment	12,946	0	12,946
Contracts Repairs	6,229	21,295	27,524
Medical Expenses	11,426	0	11,426
Travel and Expenses	2,378	0	2,378
Other	204,558	0	204,558
Total Cash Disbursements	<u>1,504,051</u>	<u>21,295</u>	<u>1,525,346</u>
Total Cash Receipts Over (Under) Disbursements	8,950	(3,815)	5,135
Fund Cash Balances - January 1	<u>1,731</u>	<u>79,451</u>	<u>81,182</u>
Restricted	0	75,636	75,636
Assigned	6,484	0	6,484
Unassigned	4,197	0	4,197
Fund Cash Balances - December 31	<u><u>\$10,681</u></u>	<u><u>\$75,636</u></u>	<u><u>\$86,317</u></u>

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, 2012

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Project</u>	<u>Totals</u>
<u>Cash Receipts:</u>			
Intergovernmental	\$82,649	\$11,346	\$93,995
Charges for Services	1,332,560	0	1,332,560
Other Revenue	18,930	21,419	40,349
Total Cash Receipts	<u>1,434,139</u>	<u>32,765</u>	<u>1,466,904</u>
<u>Cash Disbursements:</u>			
<i>Current:</i>			
Salaries	843,966	0	843,966
Fringes	344,796	0	344,796
Supplies	23,215	0	23,215
Equipment	1,231	0	1,231
Contracts Repairs	13,844	19,133	32,977
Medical Expenses	10,706	0	10,706
Travel and Expenses	5,482	0	5,482
Other	193,650	0	193,650
Total Cash Disbursements	<u>1,436,890</u>	<u>19,133</u>	<u>1,456,023</u>
Total Cash Receipts Over (Under) Disbursements	(2,751)	13,632	10,881
Fund Cash Balances - January 1	<u>4,482</u>	<u>65,819</u>	<u>70,301</u>
Restricted	0	79,451	79,451
Assigned	1,016	0	1,016
Unassigned	715	0	715
Fund Cash Balances - December 31	<u>\$1,731</u>	<u>\$79,451</u>	<u>\$81,182</u>

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, 2013 and 2012

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 the only capital project fund and 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 disbursements (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, 2013 and 2012

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 2013 and 2012 budgetary activity appears in Note 2.

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, 2013 and 2012

Note 2 – Budgetary Activity

The Center’s budgetary activity for the years ending December 31, 2013 and December 31, 2012 was as follows:

2013 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$1,579,081	\$1,513,001	(\$66,080)
Capital Project	0	17,480	17,480
<i>Total</i>	<u>\$1,579,081</u>	<u>\$1,530,481</u>	<u>(\$48,600)</u>

2013 Budgeted vs. Actual Budgetary Basis Disbursements

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,510,535	\$1,510,535	\$0
Capital Project	21,295	21,295	0
<i>Total</i>	<u>\$1,531,830</u>	<u>\$1,531,830</u>	<u>\$0</u>

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,483,239	\$1,434,139	(\$49,100)
Capital Project	0	32,765	32,765
<i>Total</i>	<u>\$1,483,239</u>	<u>\$1,466,904</u>	<u>(\$16,335)</u>

SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER

Notes to the Financial Statements

For the Years Ended December 31, 2013 and 2012

Note 2 – Budgetary Activity - (continued)

2012 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,437,906	\$1,437,906	\$0
Capital Project	19,133	19,133	0
<i>Total</i>	\$1,457,039	\$1,457,039	\$0

Note 3- 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 2013 and 2012, 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, 2013.

Note 4 – Risk Management

Commercial Insurance

The Center has obtained commercial insurance for the following risks:

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, 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, 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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Centers' basic financial statements, and have issued our report thereon dated May 8, 2014, wherein we noted that the Center followed the cash basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Centers' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Centers' internal control. Accordingly, we do not express an opinion on the effectiveness of the Centers' internal control.

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 correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Centers' financial statements will not be prevented, or detected and timely corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
South Central Ohio Regional Juvenile Detention Center
Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Centers' 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Centers' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Centers' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

Chillicothe, Ohio

May 8, 2014



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
JULY 17, 2014**