



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

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**Regular Audit**

**For the Years Ended  
December 31, 2015 and 2014**

**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  
184 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, 2014 through December 31, 2015. 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

August 1, 2016

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

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*For the Years Ended December 31, 2015 and 2014*

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type 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, 2015 and 2014.

#### *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 2 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 (D), 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 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the Center does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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, 2015 and 2014, 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, 2015 and 2014, 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 2.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2016 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

June 10, 2016



**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, 2015**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Project</u>	<u>Totals</u>
<b><u>Cash Receipts:</u></b>			
Intergovernmental	\$34,832	\$0	\$34,832
Charges for Services	1,453,849	0	1,453,849
Other Revenue	3,994	20,400	24,394
Total Cash Receipts	<u>1,492,675</u>	<u>20,400</u>	<u>1,513,075</u>
<b><u>Cash Disbursements:</u></b>			
<i>Current:</i>			
Salaries	962,658	0	962,658
Fringes	346,356	0	346,356
Supplies	24,730	0	24,730
Equipment	5,421	6,735	12,156
Contracts Repairs	10,290	0	10,290
Medical Expenses	11,214	0	11,214
Travel and Expenses	1,035	0	1,035
Other	195,482	0	195,482
Total Cash Disbursements	<u>1,557,186</u>	<u>6,735</u>	<u>1,563,921</u>
Total Cash Receipts Over (Under) Disbursements	(64,511)	13,665	(50,846)
Fund Cash Balances - January 1	<u>44,754</u>	<u>94,336</u>	<u>139,090</u>
Restricted	0	108,001	108,001
Assigned	0	0	0
Unassigned	(19,757)	0	(19,757)
Fund Cash Balances - December 31	<u>(\$19,757)</u>	<u>\$108,001</u>	<u>\$88,244</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, 2014**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Project</u>	<u>Totals</u>
<b><u>Cash Receipts:</u></b>			
Intergovernmental	\$28,171	\$0	\$28,171
Charges for Services	1,428,856	0	1,428,856
Other Revenue	13,495	18,700	32,195
	<u>1,470,522</u>	<u>18,700</u>	<u>1,489,222</u>
Total Cash Receipts			
<b><u>Cash Disbursements:</u></b>			
<i>Current:</i>			
Salaries	876,818	0	876,818
Fringes	319,705	0	319,705
Supplies	19,520	0	19,520
Equipment	2,458	0	2,458
Contracts Repairs	12,870	0	12,870
Medical Expenses	12,537	0	12,537
Travel and Expenses	1,866	0	1,866
Other	190,675	0	190,675
	<u>1,436,449</u>	<u>0</u>	<u>1,436,449</u>
Total Cash Disbursements			
Total Cash Receipts Over (Under) Disbursements	34,073	18,700	52,773
Fund Cash Balances - January 1	<u>10,681</u>	<u>75,636</u>	<u>86,317</u>
Restricted	0	94,336	94,336
Assigned	2,450	0	2,450
Unassigned	42,303	0	42,303
Fund Cash Balances - December 31	<u>\$44,754</u>	<u>\$94,336</u>	<u>\$139,089</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, 2015 and 2014***

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**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**

The Center's financial statements follow the basis of accounting permitted by the financial reporting provisions of Ohio Revised Code 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**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.

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2015 and 2014*

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**Note 1 – Summary of Significant Accounting Policies** - (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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2015 and 2014 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, 2015 and 2014*

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**Note 2 – Budgetary Activity**

The Center's budgetary activity for the years ending December 31, 2015 and December 31, 2014 was as follows:

2015 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$1,631,135	\$1,492,675	(\$138,460)
Capital Project	0	20,400	20,400
<i>Total</i>	<u>\$1,631,135</u>	<u>\$1,513,075</u>	<u>(\$118,060)</u>

2015 Budgeted vs. Actual Budgetary Basis Disbursements

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,633,585	\$1,564,136	\$69,449
Capital Project	6,735	6,735	0
<i>Total</i>	<u>\$1,640,320</u>	<u>\$1,570,871</u>	<u>\$69,449</u>

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,562,356	\$1,470,522	(\$91,834)
Capital Project	0	18,700	18,700
<i>Total</i>	<u>\$1,562,356</u>	<u>\$1,489,222</u>	<u>(\$73,134)</u>

**SOUTH CENTRAL OHIO REGIONAL JUVENILE DETENTION CENTER**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2015 and 2014*

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**Note 2 – Budgetary Activity** - (continued)

2014 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,454,840	\$1,436,449	\$18,391
Capital Project	0	0	0
<i>Total</i>	\$1,454,840	\$1,436,449	\$18,391

**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 2015 and 2014, 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, 2015.

**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

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Board of Trustees  
South Central Ohio Regional Juvenile Detention Center  
184 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 financial statements of the cash balances, receipts and disbursements by fund type of the South Central Ohio Regional Juvenile Detention Center, Ross County, Ohio (the Center), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Centers' basic financial statements, and have issued our report thereon dated June 10, 2016, wherein we noted that the Center followed the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**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 Required by *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

June 10, 2016





# 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 11, 2016**