



**OFFICE OF AUDITOR OF STATE**  
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Mary Mosiman, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE

March 26, 2014

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman today released an audit report on the Central Iowa Juvenile Detention Center in Eldora, Iowa.

The Center had total receipts of \$6,373,910 for the year ended June 30, 2013, a 23.4% increase from the prior year. The receipts included \$832,497 in receipts from juvenile justice, \$1,606,793 in line of credit and loan proceeds, \$738,470 in detention care fees, \$581,360 in state program receipts and \$2,586,230 from child welfare service fees.

Disbursements totaled \$6,434,349 for the year ended June 30, 2013, a 24.7% increase from the prior year, and included \$2,188,577 for salaries and \$1,732,796 for debt principal and interest payments.

The increase in receipts and disbursements is due primarily to a larger volume of loan activity in fiscal year 2013.

A copy of the audit report is available for review in the Central Iowa Juvenile Detention Center's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1314-2341-B00F.pdf>.

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**CENTRAL IOWA JUVENILE DETENTION CENTER**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENT  
OTHER INFORMATION  
SCHEDULE OF FINDINGS**

**JUNE 30, 2013**

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## Central Iowa Juvenile Detention Center

### Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Morton Christianson	Chair	Humboldt County
Eugene Elsbecker	1 <sup>st</sup> Vice-Chair	Kossuth County
Wesley Sweedler	2 <sup>nd</sup> Vice-Chair	Hamilton County
Dean Kaster	Member	Appanoose County
Terry Hertle	Member	Benton County
Tom Foster	Member	Boone County
Paul Merten	Member	Buena Vista County
Dean G. Hoag Sr.	Member	Calhoun County
Doug Kamm	Member	Floyd County
Jerry Plagge	Member	Franklin County
John Muir	Member	Greene County
Ted Hall	Member	Hancock County
Lance Granzow	Member	Hardin County
Kay Garringer	Member	Iowa County
Dennis Stevenson	Member	Jasper County
Ken Rozenboom	Member	Mahaska County
Dave Thompson	Member	Marshall County
Jerry Hofstad	Member	Palo Alto County
Trevor White	Member	Poweshiek County
Wayne Clinton	Member	Story County
Larry Vest	Member	Tama County
Phil Condon	Member	Webster County
Warren Wubben	Member	Winnebago County
Lucas Beenken	Member	Wright County
Tony Reed	Executive Director	

**Central Iowa Juvenile Detention Center**



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Independent Auditor's Report

To the Members of the  
Central Iowa Juvenile Detention Center:

Report on the Financial Statement

We have audited the accompanying financial statement of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2013, and the related Notes to Financial Statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Detention Center's preparation and fair presentation of the financial statement 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 Detention Center'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the Central Iowa Juvenile Detention Center as of June 30, 2013, and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters


*Other Information*

The other information, Management's Discussion and Analysis on pages 7 through 9, has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2014 on our consideration of the Central Iowa Juvenile Detention 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 to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Central Iowa Juvenile Detention Center's internal control over financial reporting and compliance.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

March 8, 2014



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The Central Iowa Juvenile Detention Center provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities of the Central Iowa Juvenile Detention Center is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the Center's financial statement, which follows.

### **2013 FINANCIAL HIGHLIGHTS**

- ◆ Operating receipts increased 7.2%, or \$318,973, from fiscal year 2012 to fiscal year 2013 due to increased programming for a larger area.
- ◆ Operating disbursements increased 4.8%, or \$197,786, from fiscal year 2012 to fiscal year 2013 due to increased programming costs.
- ◆ The Center's cash balance decreased 32%, or \$60,439, from June 30, 2012 to June 30, 2013, primarily due to an increase in construction expenses.

### **USING THIS ANNUAL REPORT**

The Center has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in this financial statement. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the financial statement. The annual report consists of the financial statement and other information, as follows:

- Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the Center's financial activities.
- The Statement of Cash Receipts, Disbursements and Changes in Cash Balance presents information on the Center's operating receipts and disbursements, non-operating receipts and disbursements and whether the Center's financial position has improved or deteriorated as a result of the year's activities.
- Notes to Financial Statement provide additional information essential to a full understanding of the data provided in the financial statement.

## FINANCIAL ANALYSIS OF THE CENTER

### Statement of Cash Receipts, Disbursements and Changes in Cash Balance

The purpose of the statement is to present the receipts received by the Center and the disbursements paid by the Center, both operating and non-operating. The statement also presents a fiscal snapshot of the cash balance at year end. Over time, readers of the financial statement are able to determine the Center's cash basis financial position by analyzing the increase and decrease in the Center's cash balance.

Operating receipts are received for fees for detention care, state programs, child welfare and juvenile justice. Operating disbursements are disbursements paid to operate the Center. Non-operating receipts and disbursements are for interest on investments, debt proceeds, construction costs and principal and interest paid. A summary of cash receipts, disbursements and changes in cash balance for the years ended June 30, 2013 and June 30, 2012 are presented below:

	Changes in Cash Balance	
	Year ended June 30,	
	2013	2012
Operating receipts:		
Detention care fees	\$ 738,470	563,074
State programs	581,360	176,094
Child welfare	2,586,230	2,649,745
Juvenile justice	832,497	896,721
County services	-	137,008
Miscellaneous	28,264	25,206
Total operating receipts	4,766,821	4,447,848
Operating disbursements:		
Salaries	2,188,577	2,156,192
Employee benefits	666,237	675,263
Travel	385,153	335,750
Resident meals	96,065	73,443
Building and utilities	69,388	116,525
Equipment and vehicle	172,011	20,918
Vehicle maintenance	70,967	77,025
Professional fees	85,991	71,769
Insurance	65,201	62,358
Supplies	73,726	44,614
Medical	91,011	44,235
Staff development	21,113	10,878
Information services	50,311	41,121
Community based services	284,561	392,435
Total operating disbursements	4,320,312	4,122,526
Excess of operating receipts over operating disbursements	446,509	325,322
Non-operating receipts (disbursements):		
Interest on investments	296	578 <sup>1</sup>
Mortgage line of credit proceeds	736,935	-
Other line of credit proceeds	869,858	716,000
Line of credit debt service	-	(718,974)
Construction in progress	(390,241)	-
Debt service	(1,723,796)	(319,078)
Net non-operating receipts (disbursements)	(506,948)	(321,474)
Change in cash balance	(60,439)	3,848
Cash balance beginning of year	189,479	185,631
Cash balance end of year	\$ 129,040	189,479

In fiscal year 2013, operating receipts increased \$318,973, or 7.2%, over fiscal year 2012. The increase was primarily a result of increased services. In fiscal year 2013, operating disbursements increased \$197,786, or 4.8%, over fiscal year 2012. The increase in disbursements was due to additional costs for providing additional services.

### **LONG-TERM DEBT**

During the year ended June 30, 2013, the Center received line of credit proceeds totaling \$1,606,793. At June 30, 2013, \$736,996 was outstanding on the mortgage line of credit. Other lines of credit were paid in full at June 30, 2013.

### **ECONOMIC FACTORS**

The financial position of the Center improved in the current fiscal year. The current condition of the economy in the state continues to be a concern for Center officials. Some of the realities that may potentially become challenges for the Center to meet are:

- ◆ Facilities and equipment require constant maintenance and upkeep.
- ◆ The State of Iowa's DHS inequitable system of payment to regional detention facilities will continue to create fiscal challenges for the Center.

The Center anticipates the current fiscal year will be a year of service growth due to the increase in the number of services provided and geographical areas served.

### **CONTACTING THE CENTER'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Center's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Iowa Juvenile Detention Center, 2317 Rick Collins Way, Eldora, Iowa 50627, phone (641) 858-3852 or e-mail [cijdc@cijdc.com](mailto:cijdc@cijdc.com).

**Central Iowa Juvenile Detention Center**

## **Financial Statement**

**Exhibit A**

## Central Iowa Juvenile Detention Center

Statement of Cash Receipts, Disbursements and Changes  
in Cash Balance

As of and for the year ended June 30, 2013

Operating receipts:		
Detention care fees		\$ 738,470
State programs:		
Detention care	\$ 533,238	
School lunch	48,122	581,360
Child welfare		2,586,230
Juvenile justice		832,497
Miscellaneous		28,264
Total operating receipts		<u>4,766,821</u>
Operating disbursements:		
Salaries:		
Detention care	1,390,313	
Community based services	798,264	2,188,577
Employee benefits:		
Detention care	495,117	
Community based services	171,120	666,237
Travel:		
Detention care	222,915	
Community based services	162,238	385,153
Resident meals		96,065
Building and utilities		69,388
Equipment and vehicle		172,011
Vehicle maintenance		70,967
Professional fees		85,991
Insurance		65,201
Supplies		73,726
Medical		91,011
Staff development		21,113
Information services		50,311
Community based services		284,561
Total operating disbursements		<u>4,320,312</u>
Excess of operating receipts over operating disbursements		<u>446,509</u>
Non-operating receipts (disbursements):		
Interest on investments		235
Mortgage line of credit proceeds		736,996
Other line of credit proceeds		869,858
Construction in progress		(390,241)
Debt service:		
Principal	(1,702,730)	
Interest	(21,066)	(1,723,796)
Net non-operating receipts (disbursements)		<u>(506,948)</u>
Change in cash balance		(60,439)
Cash balance beginning of year		189,479
Cash balance end of year		<u>\$ 129,040</u>
<b>Cash Basis Fund Balance</b>		
Unrestricted		<u>\$ 129,040</u>

See notes to financial statement.

Central Iowa Juvenile Detention Center

Notes to Financial Statement

June 30, 2013

**(1) Summary of Significant Accounting Policies**

The Central Iowa Juvenile Detention Center was formed in 1993 pursuant to Chapter 28E of the Code of Iowa. The Center is a voluntary joint undertaking of the Boards of Supervisors of the counties of Appanoose, Benton, Boone, Buena Vista, Calhoun, Floyd, Franklin, Greene, Hamilton, Hancock, Hardin, Humboldt, Iowa, Jasper, Kossuth, Mahaska, Marshall, Palo Alto, Poweshiek, Story, Tama, Webster, Winnebago and Wright, Iowa. The primary purpose of this detention facility is to provide a physically secure, emotionally stable and safe environment in which juveniles can await court disposition.

A. Reporting Entity

For financial reporting purposes, the Central Iowa Juvenile Detention Center has included all funds, organizations, agencies, boards, commissions and authorities. The Center has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Center are such that exclusion would cause the Center's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Center to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Center. The Center has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Center are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

C. Basis of Accounting

The Center maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Center is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statement does not present the financial position and results of operations of the Center in accordance with U.S. generally accepted accounting principles.

**(2) Cash and Investments**

The Center's deposits in banks at June 30, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Center is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Center; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Center had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

**(3) Short-Term and Long-Term Liabilities**

A summary of changes in short-term and long-term liabilities and interest paid for the year ended June 30, 2013 is as follows:

	Mortgage Loan	Line of Credit # 1	Line of Credit # 2	Mortgage Line of Credit	Total
Balance beginning of year	\$ 832,872	-	-	-	832,872
Increases	-	375,000	494,858	736,996	1,606,854
Decreases	832,872	375,000	494,858	-	1,702,730
Balance end of year	\$ -	-	-	736,996	736,996
Interest paid during the year	\$ 19,124	1,942	-	-	21,066

Mortgage Loan

On April 15, 2011, the Center entered into a mortgage loan agreement with a local bank for \$1,100,000. The funds were used to pay off the line of credit, the \$200,000 loan taken out on August 31, 2010 and for operating expenses. The mortgage loan bears 5.0% interest per annum. Current year principal payments totaled \$832,872 and interest paid was \$19,124. The loan was paid in full during fiscal year 2013.

Line of Credit

On March 12, 2010, the Board approved a line of credit with a local bank for a maximum of \$500,000. The line of credit bears 4.75% interest per annum. Funds are drawn to pay operating expenses and are repaid when funds are received from operations. During fiscal year 2013, the outstanding balance did not exceed the \$500,000 maximum. In fiscal year 2013, \$375,000 was drawn on the line of credit and \$375,000 was repaid. Current year interest paid was \$1,942. The account was closed on June 1, 2013.

Line of Credit

On June 21, 2013, the Board approved a line of credit with a local bank for a maximum of \$500,000. The line of credit bears 3.9% interest per annum. Funds are drawn to pay operating expenses and are repaid when funds are received from operations. During fiscal year 2013, the outstanding balance did not exceed the \$500,000 maximum. In fiscal year 2013, \$494,858 was drawn on the line of credit and \$494,858 was repaid.



### Mortgage Line of Credit

On June 21, 2013, the Board approved a mortgage line of credit with a local bank for a maximum of \$2,700,000. The line of credit bears 3.9% interest per annum. Funds are drawn to pay construction expenses and are repaid when funds are received from operations. During fiscal year 2013, the outstanding balance did not exceed the \$2,700,000 maximum. In fiscal year 2013, \$736,996 was drawn on the line of credit. No interest was paid in the current year. The outstanding balance at June 30, 2013 was \$736,996.

#### **(4) Other Postemployment Benefits (OPEB)**

Plan Description - The Center operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 30 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 would pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy - The contribution requirements of plan members are established and may be amended by the Center. The Center currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Center and plan members are \$465 for single coverage and \$1,135 for family coverage. For the year ended June 30, 2013, the Center contributed \$60,609 and plan members eligible for benefits contributed \$15,181 to the plan.

#### **(5) Pension and Retirement Benefits**

The Center contributes to the Iowa Public Employees' Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.78% of their annual covered salary and the Center is required to contribute 8.67% of annual covered payroll. Contribution requirements are established by state statute. The Center's contributions to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$141,083, \$169,861 and \$113,566, respectively, equal to the required contributions for each year.

#### **(6) Risk Management**

The Center is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(7) Compensated Absences**

Center employees accumulate an established amount of earned personal time off based on the number of years of service for subsequent use or for payment upon termination, resignation, retirement or death. These accumulations are not recognized as disbursements by the Center until used or paid. The Center's approximate liability to employees for earned personal time off at June 30, 2013 is \$192,000. This liability has been computed based on rates of pay in effect at June 30, 2013.

**(8) Early Childhood Iowa Area Boards**

The Center is the fiscal agent for two Early Childhood Iowa Area Boards, organizations formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Boards receive state grants to administer early childhood centers school ready programs. Financial transactions of the Area Boards are not included in the Center's financial statements. The Area Boards' financial data for the year ended June 30, 2013 is as follows:

Building Directions for Families

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early Childhood	\$ 96,265	-	96,265
Family support and parent education	-	290,037	290,037
Preschool support for low-income families	-	127,347	127,347
Quality improvement	-	50,628	50,628
Allocation for administration	5,067	15,432	20,499
Other grant programs	-	31,292	31,292
Total state grants	101,332	514,736	616,068
Interest on investments	97	389	486
Total revenues	101,429	515,125	616,554
	-	-	-
Expenditures:			
Program services:			
Early childhood	97,149	-	97,149
Family support and parent education	-	289,264	289,264
Preschool support for low income families	-	136,007	136,007
Quality improvement	-	51,011	51,011
Other program services	-	30,019	30,019
Total program services	97,149	506,301	603,450
Administration	6,030	16,063	22,093
Total expenditures	103,179	522,364	625,543
Change in fund balance	(1,750)	(7,239)	(8,989)
Fund balance beginning of year	16,359	23,311	39,670
Fund balance end of year	\$ 14,609	16,072	30,681

#### 4 R Kids

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early Childhood	\$ 109,312	-	109,312
Family support and parent education	-	494,795	494,795
Preschool support for low-income families	-	217,251	217,251
Quality improvement	-	65,190	65,190
Allocation for administration	5,753	25,691	31,444
Other grant programs	-	54,018	54,018
Total state grants	115,065	856,945	972,010
Interest on investments	-	650	650
Total revenues	115,065	857,595	972,660
Expenditures:			
Program services:			
Early childhood	109,376	-	109,376
Family support and parent education	-	476,915	476,915
Preschool support for low income families	-	216,470	216,470
Quality improvement	-	64,310	64,310
Other program services	-	56,680	56,680
Total program services	109,376	814,375	923,751
Administration	5,753	25,260	31,013
Total expenditures	115,129	839,635	954,764
Change in fund balance	(64)	17,960	17,896
Fund balance beginning of year	64	84,317	84,381
Fund balance end of year	\$ -	102,277	102,277

**Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of a Financial Statement Performed in Accordance with  
Government Auditing Standards**



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Auditor of State

Independent Auditor's Report on Internal Control  
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Based on an Audit of a Financial Statement Performed in Accordance with  
Government Auditing Standards

To the Members of the  
Central Iowa Juvenile Detention Center:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statement of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2013, and the related Notes to Financial Statement, and have issued our report thereon dated March 8, 2014. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Central Iowa Juvenile Detention Center's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Central Iowa Juvenile Detention Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Iowa Juvenile Detention Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of 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 a material misstatement of the Center's financial statement will not be prevented or detected and 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 we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Central Iowa Juvenile Detention Center's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under Government Auditing Standards. The results of our tests disclosed no instances of non-compliance or other matters which are required to be reported under Government Auditing Standards.


Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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 Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Central Iowa Juvenile Detention Center during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

March 8, 2014

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2013

**Findings Related to the Financial Statement:**

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**INSTANCE OF NON-COMPLIANCE:**

No matters were noted.

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2013

**Other Findings Related to Required Statutory Reporting:**

- (1) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (2) Travel Expense – No disbursements of Center money for travel expenses of spouses of Center officials or employees were noted.
- (3) Center Minutes – No transactions were found that we believe should have been approved in the Center minutes but were not.
- (4) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Center’s investment policy were noted.
- (5) Early Childhood Iowa Area Boards – The Center is the fiscal agent for two Early Childhood Iowa Area Boards, formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Boards are not included in the Center’s financial statements.

No instances of non-compliance were noted as a result of the audit procedures performed.



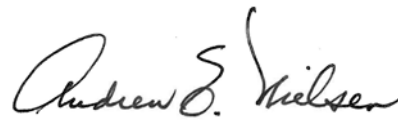
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Central Iowa Juvenile Detention Center

Staff

This audit was performed by:

James S. Cunningham, CPA, Manager  
Jenny R. Lawrence, Senior Auditor  
Amanda Burt, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State