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STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

March 30, 2015

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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 \$9,042,600 for the year ended June 30, 2014, a 41.9% increase over the prior year. The receipts included \$888,810 in juvenile justice receipts, \$2,990,010 in line of credit proceeds, \$649,071 in detention care fees, \$561,637 in state program receipts and \$3,884,240 from child welfare coordination service fees.

Disbursements totaled \$9,025,971 for the year ended June 30, 2014, a 40.3% increase over the prior year, and included \$2,738,511 for salaries, \$1,941,044 for construction in progress and \$1,706,137 for debt principal and interest payments.

The increase in receipts and disbursements is due primarily to a larger volume of loan activity, increased building addition construction costs and a significant increase in child welfare coordination services provided during fiscal year 2014.

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/1414-2341-B00F.pdf>.

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CENTRAL IOWA JUVENILE DETENTION CENTER

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

JUNE 30, 2014

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Central Iowa Juvenile Detention Center

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Wesley Sweedler	Chair	Hamilton County
Dave Thompson	1 st Vice-Chair	Marshall County
Lance Granzow	2 nd Vice-Chair	Hardin 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
Morton Christianson	Member	Humboldt County
Bill Keegan	Member	Iowa County
Dennis Stevenson	Member	Jasper County
Roger Tjarks	Member	Kossuth County
Mark Doland	Member	Mahaska County
Ed Noonan	Member	Palo Alto County
Trevor White	Member	Poweshiek County
Paul Toot	Member	Story County
Larry Vest	Member	Tama County
Merrill Leffler	Member	Webster County
Warren Wubben	Member	Winnebago County
Rick Rasmussen	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, 2014, 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 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 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, 2014, 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 13, 2015 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 13, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2014. We encourage readers to consider this information in conjunction with the Center's financial statement, which follows.

2014 FINANCIAL HIGHLIGHTS

- ◆ Operating receipts increased 27.0%, or \$1,285,446, from fiscal year 2013 to fiscal year 2014 due to increased programming for a larger area.
- ◆ Operating disbursements increased 24.5%, or \$1,058,478, from fiscal year 2013 to fiscal year 2014 due to increased programming costs.
- ◆ The Center's cash balance increased 12.9%, or \$16,629, from June 30, 2013 to June 30, 2014, primarily due to an increase in line of credit proceeds.

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, 2014 and June 30, 2013 is as follows:

	Changes in Cash Balance	
	Year ended June 30,	
	2014	2013
Operating receipts:		
Detention care fees	\$ 649,071	738,470
State programs	561,637	581,360
Child welfare coordination service fees	3,884,240	2,586,230
Juvenile justice	888,810	832,497
Miscellaneous	68,509	28,264
Total operating receipts	<u>6,052,267</u>	<u>4,766,821</u>
Operating disbursements:		
Salaries	2,738,511	2,188,577
Employee benefits	868,990	666,237
Travel	379,836	385,153
Resident meals	91,865	96,065
Building repairs	135,500	30,509
Utilities	67,175	38,879
Equipment	44,078	23,693
Vehicle purchase	19,979	148,318
Vehicle maintenance	73,752	70,967
Professional fees	109,474	85,991
Insurance	94,314	65,201
Supplies	98,893	73,726
Medical	80,480	91,011
Staff development	9,712	21,113
Information services	52,209	50,311
Community based services	514,022	284,561
Total operating disbursements	<u>5,378,790</u>	<u>4,320,312</u>
Excess of operating receipts over operating disbursements	<u>673,477</u>	<u>446,509</u>
Non-operating receipts (disbursements):		
Interest on investments	323	296
Mortgage line of credit proceeds	1,428,000	736,935
Other line of credit proceeds	1,562,010	869,858
Construction in progress	(1,941,044)	(390,241)
Debt service	(1,706,137)	(1,723,796)
Net non-operating receipts (disbursements)	<u>(656,848)</u>	<u>(506,948)</u>
Change in cash balance	16,629	(60,439)
Cash balance beginning of year	129,040	189,479
Cash balance end of year	<u>\$ 145,669</u>	<u>129,040</u>

In fiscal year 2014, operating receipts increased \$1,285,446, or 27.0%, over fiscal year 2013. The increase was primarily a result of increased receipts for child welfare coordination services being provided as well as increased receipts from a statewide drug testing contract. In fiscal year 2014, operating disbursements increased \$1,058,478, or 24.5%, over fiscal year 2013. The increase in disbursements was due to additional costs for providing the additional services noted above.

LONG-TERM DEBT

During the year ended June 30, 2014, the Center received line of credit proceeds totaling \$2,990,010. At June 30, 2014, \$1,843,318 was outstanding on the mortgage line of credit and \$234,688 was outstanding on the business line of credit.

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 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.

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, 2014

Operating receipts:		
Detention care fees		\$ 649,071
State programs:		
Detention care	\$ 525,119	
School lunch	36,518	561,637
Child welfare coordination service fees		3,884,240
Juvenile justice		888,810
Miscellaneous		68,509
Total operating receipts		<u>6,052,267</u>
Operating disbursements:		
Salaries:		
Detention care	1,481,753	
Community based services	1,256,758	2,738,511
Employee benefits:		
Detention care	631,588	
Community based services	237,402	868,990
Travel:		
Detention care	204,729	
Community based services	175,107	379,836
Resident meals		91,865
Building repairs		135,500
Utilities		67,175
Equipment		44,078
Vehicle purchase		19,979
Vehicle maintenance		73,752
Professional fees		109,474
Insurance		94,314
Supplies		98,893
Medical		80,480
Staff development		9,712
Information services		52,209
Community based services		514,022
Total operating disbursements		<u>5,378,790</u>
Excess of operating receipts over operating disbursements		<u>673,477</u>
Non-operating receipts (disbursements):		
Interest on investments		323
Mortgage line of credit proceeds		1,428,000
Other line of credit proceeds		1,562,010
Construction in progress		(1,941,044)
Debt service:		
Principal	(1,649,000)	
Interest	(57,137)	(1,706,137)
Net non-operating receipts (disbursements)		<u>(656,848)</u>
Change in cash balance		16,629
Cash balance beginning of year		129,040
Cash balance end of year		<u>\$ 145,669</u>
Cash Basis Fund Balance		
Unrestricted		<u>\$ 145,669</u>

See notes to financial statement.

Central Iowa Juvenile Detention Center

Notes to Financial Statement

June 30, 2014

(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, 2014 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, 2014 is as follows:

	Line of Credit	Mortgage Line of Credit	Total
Balance beginning of year	\$ -	736,996	736,996
Increases	1,562,010	1,428,000	2,990,010
Decreases	1,327,322	321,678	1,649,000
Balance end of year	\$ 234,688	1,843,318	2,078,006
Interest paid during the year	\$ 9,969	47,168	57,137

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 2014, the outstanding balance did not exceed the \$500,000 maximum. In fiscal year 2014, \$1,562,010 was drawn on the line of credit and \$1,327,322 was repaid. Current year interest paid was \$9,969.

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 2014, the outstanding balance did not exceed the \$2,700,000 maximum. In fiscal year 2014, \$1,428,000 was drawn on the line of credit. Current year interest paid was \$47,168. The outstanding balance at June 30, 2014 was \$1,843,318.

(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 31 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 \$427 for single coverage and \$1,311 for family coverage. For the year ended June 30, 2014, the Center contributed \$135,964 and plan members eligible for benefits contributed \$27,422 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 5.95% of their annual covered salary and the Center is required to contribute 8.93% of annual covered payroll. Contribution requirements are established by state statute. The Center's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$225,952, \$141,083 and \$169,861, 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, 2014 is \$212,300. This liability has been computed based on rates of pay in effect at June 30, 2014.

(8) Early Childhood Iowa Area Boards

The Center is the fiscal agent for two Early Childhood Iowa Area Boards (Building Direction for Families and 4RKids), 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, 2014 is as follows:

Building Directions for Families

	Early Childhood		School	
	Federal	State	Ready	Total
Revenues:				
State grants:				
Early childhood	\$ -	81,286	-	81,286
Family support and parent education	-	-	280,839	280,839
Preschool support for low-income families	-	-	123,308	123,308
Quality improvement	-	-	58,129	58,129
Allocation for administration	-	4,278	15,215	19,493
Other grant programs	-	-	30,167	30,167
Total state grants	-	85,564	507,658	593,222
Interest on investments	-	87	348	435
Total revenues	-	85,651	508,006	593,657
Expenditures:				
Program services:				
Early childhood	14,609	73,479	-	88,088
Family support and parent education	-	-	275,056	275,056
Preschool support for low income families	-	-	130,204	130,204
Quality improvement	-	-	52,969	52,969
Other program services	-	-	23,063	23,063
Total program services	14,609	73,479	481,292	569,380
Administration	-	4,278	15,085	19,363
Total expenditures	14,609	77,757	496,377	588,743
Change in fund balance	(14,609)	7,894	11,629	4,914
Fund balance beginning of year	14,609	-	16,072	30,681
Fund balance end of year	\$ -	7,894	27,701	35,595

4 R Kids

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 113,515	-	113,515
Family support and parent education	-	498,778	498,778
Preschool support for low-income families	-	219,000	219,000
Quality improvement	-	78,719	78,719
Allocation for administration	5,974	26,288	32,262
Other grant programs	-	54,313	54,313
Total state grants	119,489	877,098	996,587
Interest on investments	92.00	677	769
Total revenues	119,581	877,775	997,356
Expenditures:			
Program services:			
Early childhood	113,514	-	113,514
Family support and parent education	-	481,451	481,451
Preschool support for low income families	-	255,361	255,361
Quality improvement	-	78,115	78,115
Other program services	-	56,706	56,706
Total program services	113,514	871,633	985,147
Administration	4,493	24,864	29,357
Total expenditures	118,007	896,497	1,014,504
Change in fund balance	1,574	(18,722)	(17,148)
Fund balance beginning of year	-	102,277	102,277
Fund balance end of year	\$ 1,574	83,555	85,129

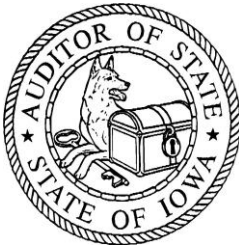
(9) Central Iowa Recovery

The Center is the fiscal agent for Central Iowa Recovery (CIR), which provides Intensive Psychiatric Rehabilitation Services (IPRS), Community Support Services (CSS) and Peer Support services for multiple counties in Iowa. For fiscal year 2014, CIR's total revenues were \$965,289 and CIR's total disbursements were \$739,331. At June 30, 2014, the fund balance was \$225,958. Financial transactions of CIR are not included in the Center's financial statements.

(10) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and other information.

**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**



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Mary Mosiman, CPA
Auditor of State

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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

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, 2014, and the related Notes to Financial Statement, and have issued our report thereon dated March 13, 2015. 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, we consider to be a significant deficiency.

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.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2014 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.

The Central Iowa Juvenile Detention Center's Response to the Finding


The Central Iowa Juvenile Detention Center's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Central Iowa Juvenile Detention Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 13, 2015

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2014

Finding Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCY:

Bank Reconciliations – Although listings of outstanding checks and deposits were prepared and retained monthly and the Center’s general ledger was reconciled to the previous months ending balance on a monthly basis, the cash and investment balances in the Center’s general ledger were not reconciled to the bank balances throughout the year.

Recommendation – The Center should establish procedures to ensure cash and investment balances per the bank are reconciled monthly to the general ledger. Variances, if any, should be investigated and resolved timely.

Response – Central Iowa Juvenile Detention Center has already implemented this additional reconciliation to resolve variances more efficiently.

Conclusion – Response accepted.

INSTANCE OF NON-COMPLIANCE:

No matters were noted.

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2014

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.

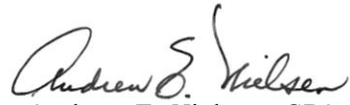
No instances of non-compliance were noted as a result of the audit procedures performed.

Central Iowa Juvenile Detention Center

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Jenny R. Lawrence, Senior Auditor
April D. Harbst, Staff Auditor
Emma L. McGrane, Assistant Auditor



Andrew E. Nielsen, CPA
Deputy Auditor of State