



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

March 26, 2010

Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released an audit report on the Central Iowa Juvenile Detention Center in Eldora, Iowa.

The Center had total receipts of \$3,329,109 for the year ended June 30, 2009, a 47 percent decrease from 2008. The receipts included \$800,000 in bank loan and revenue note proceeds, \$958,188 in tracking, monitoring and outreach service fees and \$522,973 in state program receipts.

Disbursements totaled \$3,287,599 for the year ended June 30, 2009, a 60 percent decrease from the prior year, and included \$368,257 for construction of a new facility, \$1,271,872 for salaries and \$542,078 for debt service payments.

The significant decrease in receipts and disbursements is due to revenue note proceeds received in fiscal 2008 and lower payments for debt service and construction of a new facility in fiscal 2009.

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/index.html>.

###

CENTRAL IOWA JUVENILE DETENTION CENTER

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

JUNE 30, 2009

Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5
Management's Discussion and Analysis	7-9
Financial Statement:	<u>Exhibit</u>
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets	A 12-13
Notes to Financial Statement	14-17
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 <u>Government Auditing Standards</u>	21-22
Schedule of Findings	23-25
Staff	26

Central Iowa Juvenile Detention Center

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Dean Hoag, Sr.	Chair	Calhoun County
Morton Christianson	1 st Vice-Chair	Humboldt County
Eugene Elsbecker	2 nd Vice-Chair	Kossuth County
Mike O'Brien	Member	Boone County
Paul Merten	Member	Buena Vista County
Arlin Enabnit	Member	Floyd County
John Muir	Member	Greene County
Wesley Sweedler	Member	Hamilton County
Ted Hall	Member	Hancock County
Erv Miller	Member	Hardin County
Ray J. Garringer	Member	Iowa County
Dennis Stevenson	Member	Jasper County
Pat Brooks	Member	Marshall County
Jerry Hofstad	Member	Palo Alto County
Ellie Snook	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	Director	

Central Iowa Juvenile Detention Center



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Members of the
Central Iowa Juvenile Detention Center:

We have audited the accompanying financial statement of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2009. This financial statement is the responsibility of the Center's management. Our responsibility is to express an opinion on this 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement is prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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 at June 30, 2009, and the changes in its cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2010 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 and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 7 through 9 is not a required part of the financial statement, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 1, 2010

Central Iowa Juvenile Detention Center

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, 2009. We encourage readers to consider this information in conjunction with the Center's financial statement, which follows.

2009 FINANCIAL HIGHLIGHTS

- ◆ Operating receipts increased 2%, or approximately \$43,000, from fiscal 2008 to fiscal 2009 due to increased programming for a larger area.
- ◆ Operating disbursements increased 11%, or approximately \$223,000, from fiscal 2008 to fiscal 2009 due to increased programming costs.
- ◆ Cash basis net assets increased 30%, or approximately \$42,000, from June 30, 2008 to June 30, 2009 due to a combination of changes. Bank loans and revenue note proceeds decreased significantly from the prior year and were more than offset by a reduction in construction costs from the prior year.

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 are 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 Basis Net Assets 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 Basis Net Assets

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 cash basis net assets.

Operating receipts are received for fees for detention care, tracking services, drug testing services, transportation services, state programs, group services and fiscal agent services. Operating disbursements are disbursements paid to operate the Center. Non-operating receipts and disbursements are for interest on investments, capital projects activity, debt service and contract deposits paid and refunded. A summary of cash receipts, disbursements and changes in cash basis net assets for the years ended June 30, 2009 and June 30, 2008 are presented below:

	Changes in Cash Basis Net Assets	
	Year ended June 30,	
	2009	2008
Operating receipts:		
Detention care fees	\$ 368,138	\$ 626,372
Tracking service fees	958,188	835,016
Drug testing	150,746	-
State programs	522,973	307,861
Transport service fees	241,228	389,337
Family team meetings		10,999
Group services	4,057	
Fiscal agent services	171,848	200,684
Miscellaneous	9,748	13,784
Total operating receipts	<u>2,426,926</u>	<u>2,384,053</u>
Operating disbursements:		
Salaries	1,271,872	1,184,637
Employee benefits	298,571	262,001
Travel	197,825	201,799
Resident meals	31,382	42,100
Utilities	60,421	23,781
Support services	5,963	53,783
Equipment and vehicle	73,476	84,055
Professional fees	109,364	16,270
Insurance	56,750	50,621
Supplies	21,486	18,592
Medical	51,684	10,082
Staff development	9,105	7,287
Information services	21,894	11,110
Family team meetings	-	1,772
Fiscal agent services	67,471	86,433
Miscellaneous	-	334
Total operating disbursements	<u>2,277,264</u>	<u>2,054,657</u>
Excess of operating receipts over operating disbursements	<u>149,662</u>	<u>329,396</u>
Non-operating receipts (disbursements):		
Interest on investments	2,183	44,412
Construction of new facility	(368,257)	(3,511,875)
Bank loans and revenue note proceeds	800,000	3,600,000
Debt service	(542,078)	(2,344,679)
Contract deposits paid to DHS	(100,000)	(225,000)
Contract deposits refunded by DHS	100,000	225,000
Net non-operating receipts (disbursements)	<u>(108,152)</u>	<u>(2,212,142)</u>
Net change in cash basis assets	41,510	(1,882,746)
Cash basis net assets beginning of year	<u>140,344</u>	<u>2,023,090</u>
Cash basis net assets end of year	<u>\$ 181,854</u>	<u>140,344</u>

In fiscal 2009, operating receipts increased \$42,873, or 2%, over fiscal 2008. The increase was a result of expanding tracking and drug testing services. In fiscal 2009, operating disbursements increased \$222,607, or 11%, over fiscal 2008. The increase in disbursements was due to additional tracking and drug testing services. Non-operating disbursements decreased primarily due to lower costs for construction of a new facility for the Central Iowa Juvenile Detention Center and retiring less debt issued during the current and prior fiscal year related to the construction activities. The Center is paying for the new facility with fund balances and a loan.

LONG-TERM DEBT

During the year ended June 30, 2009, the Center received bank loans totaling \$800,000. At June 30, 2009, the balance outstanding on the bank loans is \$500,000 and the balance outstanding on the revenue note issued in the prior year was \$1,108,591.

ECONOMIC FACTORS

The financial position of the Center did not improve in the current fiscal year as construction projects decreased cash basis net assets. 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 require constant maintenance and upkeep.
- ◆ Technology continues to expand and current technology becomes outdated, presenting an on going challenge to maintain up to date technology at a reasonable cost.

The Center anticipates the current fiscal year will be a transitional one as the building project is completed and the Center continues to repay long-term debt.

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, 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 Basis Net Assets

As of and for the year ended June 30, 2009

Operating receipts:		
Detention care fees		\$ 368,138
Tracking service fees		958,188
Drug testing		150,746
State programs		522,973
Transport service fees		241,228
Group services		4,057
Fiscal agent services		171,848
Miscellaneous		9,748
Total operating receipts		<u>2,426,926</u>
Operating disbursements:		
Salaries:		
Transport service	\$ 29,617	
Tracking service	380,735	
Other	<u>861,520</u>	1,271,872
Employee benefits		298,571
Travel:		
Transport service	50,396	
Tracking service	88,825	
Other	<u>58,604</u>	197,825
Resident meals		31,382
Building utilities		60,421
Support services		5,963
Equipment and vehicle		73,476
Professional fees		109,364
Insurance		56,750
Supplies		21,486
Medical		51,684
Staff development		9,105
Information services		21,894
Fiscal agent services		67,471
Total operating disbursements		<u>2,277,264</u>
Excess of operating receipts over operating disbursements		<u>149,662</u>
Non-operating receipts (disbursements):		
Interest on investments		2,183
Construction of new facility		(368,257)
Bank loan proceeds		800,000
Debt service		(542,078)
Contract deposits paid to DHS		(100,000)
Contract deposits refunded by DHS		100,000
Net non-operating receipts (disbursements)		<u>(108,152)</u>
Change in cash basis net assets		41,510
Cash basis net assets beginning of year		<u>140,344</u>
Cash basis net assets end of year		<u>\$ 181,854</u>

Central Iowa Juvenile Detention Center

Statement of Cash Receipts, Disbursements and Changes
in Cash Basis Net Assets

As of and for the year ended June 30, 2009

Cash Basis Net Assets

Unrestricted

181,854

Total cash basis net assets

\$ 181,854

See notes to financial statement.

Central Iowa Juvenile Detention Center

Notes to Financial Statement

June 30, 2008

(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 Boone, Buena Vista, Calhoun, Greene, Hamilton, Hardin, Hancock, Humboldt, Iowa, Jasper, Kossuth, Marshall, Palo Alto, Poweshiek, Story, Tama, Webster and Winnebago, 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 Central Iowa Juvenile Detention 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, 2009 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) Long-term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009 is as follows:

	Bank Loans	Revenue Note	Total
Balance beginning of year	\$ -	1,285,563	1,285,563
Increases	800,000	-	800,000
Decreases	300,000	176,972	476,972
Balance end of year	\$ 500,000	1,108,591	1,608,591
Due within one year	\$ 500,000	184,761	684,761

Bank Loans

On July 30, 2008, the Center entered into a loan agreement with a local bank for \$100,000. The funds were used for construction costs. The loan bears 5.50% interest per annum and was repaid in one payment on August 15, 2008.

On December 11, 2008, the Center entered into a loan agreement with a local bank for \$200,000. The funds were used for construction costs. The loan bears 5.00% interest per annum and was repaid on April 27, 2009. Current year interest paid was \$3,806.

On April 27, 2009, the Center entered into a loan agreement with a local bank for \$500,000. The funds were used for construction costs and to pay off the loan taken out on December 11, 2008. The loan bears 5.50% interest per annum and interest is to be paid monthly. Current year interest paid was \$1,619.

Revenue Note

A summary of the Center's revenue note indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	4.69%	\$ 184,761	49,455	234,216
2011	4.69	193,740	40,476	234,216
2012	4.69	203,076	31,140	234,216
2013	4.69	213,026	21,190	234,216
2014	4.69	223,495	10,721	234,216
2015	4.69	90,493	1,494	91,987
Total		\$ 1,108,591	154,476	1,263,067

On April 1, 2008, the Center issued a revenue note for \$2,500,000. The funds were used for construction costs and to pay off the bank loan taken out on March 6, 2008. The revenue note bears 4.69% interest per annum and is to be repaid in monthly installments, including interest, beginning June 1, 2008. The revenue note is subject to prepayment in whole or in part in reverse order of maturity. During the year ended June 30, 2009, the Center prepaid maturities of \$15,212 due after December 1, 2014. Current year interest paid was \$57,255. The balance of the loan at June 30, 2009 was \$1,108,591. Final payment is due by April 1, 2023.

The revenue note is secured by the future net revenues of the Center and by a mortgage on certain real estate, buildings and equipment located in Eldora, Iowa.

Annual principal and interest payments on the note is expected to require more than 155 percent of net receipts. For the current year, principal and interest paid and total net receipts were \$234,227 and \$149,662, respectively.

(4) 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 4.10% of their annual covered salary and the Center is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by state statute. The Center's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$75,336, \$64,807 and \$52,914, respectively, equal to the required contributions for each year.

(5) 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.

(6) 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, 2009 is \$98,800.

This liability has been computed based on rates of pay in effect at June 30, 2009.

(7) Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Center. The amount, if any, of disbursements which may be disallowed by grantor agencies can not be determined at this time, although the Center expects such amounts, if any, to be immaterial.

Central Iowa Juvenile Detention Center

**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**

Central Iowa Juvenile Detention Center



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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 the accompanying financial statement of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2009, and have issued our report thereon dated February 1, 2010. Our report expressed an unqualified opinion on the financial statement which was prepared in conformity with an other comprehensive basis of accounting. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Central Iowa Juvenile Detention Center's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Central Iowa Juvenile Detention Center's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Center's financial statement that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by the Center's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

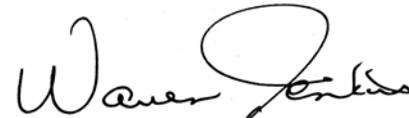
As part of obtaining reasonable assurance about whether the Central Iowa Juvenile Detention Center's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could 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 an instance of non-compliance or other matters required to be reported under Government Auditing Standards described as item A in the accompanying Schedule of Findings.

Central Iowa Juvenile Detention Center's response to the finding identified in our audit is described in the accompanying Schedule of Findings. While we have expressed our conclusion on the Center's response, we did not audit the Central Iowa Juvenile Detention Center's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the Central Iowa Juvenile Detention Center and other parties to whom the Center may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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.


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 1, 2010

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2009

Findings Related to the Financial Statement:

SIGNIFICANT DEFICIENCIES:

No matters were noted.

INSTANCES OF NON-COMPLIANCE:

- (A) State Reimbursements – Pursuant to Chapter 232.142 of the Code of Iowa, multicounty juvenile detention centers receive financial aid from the State of Iowa of at least 10 percent, but not more than 50 percent, of the total cost of the establishment, improvement, operation and maintenance of the home in a manner approved by the Director of the Iowa Department of Human Services.

During the year ended June 30, 2009, the Central Iowa Juvenile Detention Center received reimbursements of \$170,172 from the State of Iowa for certain disbursements related to tracking, transportation and other activities. The disbursements associated with these receipts were not removed when requesting reimbursement from the State of Iowa for the year ended June 30, 2009, pursuant to Chapter 232.142 of the Code of Iowa.

Chapter 232.142 of the Code of Iowa does not specifically address whether expenses for tracking, transportation and other activities are to be included in the total cost of the establishment, improvement, operation and maintenance of the home.

The Center removed the disbursements related to tracking, transportation and other activities from total disbursements for costs submitted for the year ended June 30, 2008 which will be used to compute the reimbursement for the year ending June 30, 2010.

Recommendation – Since the statute does not address whether expenses for reimbursed tracking, transportation and other activities should be removed from a request for reimbursement pursuant to Chapter 232.142 of the Code of Iowa, the Center should contact the Iowa Department of Human Services to resolve this matter.

Response – We completely agree with the statement Chapter 232.142 of the Code of Iowa does not specifically address if expenses for related services should be included in the total cost. The questioned expenses were categorized as operating expenses in our fiscal year 2007 audit report.

The reimbursements are paid to detention facilities based solely on total expenditures. The current system rewards detention centers for inefficiency. The more money you spend or waste, the more you get in reimbursement. CIJDC prides itself on being one of Iowa's most efficient Detention Centers, but this is a true disadvantage under the current system. This reimbursement system is contrary to the accountable government act. CIJDC has discussed this reimbursement system and proposed several recommendations to both the Department of Human Services and the Iowa Juvenile Detention Association.

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2009

CIJDC recognizes some major flaws in the language in Chapter 232.142 of the Code of Iowa. CIJDC has pushed to have this code section changed since 1997. The current proposals to disqualify a narrow list of items from reimbursement would do a great disservice to the taxpayers of Iowa. The following items have been identified as questionable for reimbursement: in-home detention, shared shelter staff, space sharing for other services, centralized intake, bumped juvenile fees and percentage of salaries of other county employees. In addition, overall cost of service should be evaluated to ensure equity for taxpayers.

DHS did make some minor changes to this system in July of 2008. This was 10 months after the reimbursement listed here was received. The reimbursement we received in FY 09 was based on expenditures in FY 07 as allowed by Chapter 232.142 of the Iowa Code. At this time, no clarification was given by DHS on whether any items should be removed.

Conclusion – Response accepted.

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2009

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.

Central Iowa Juvenile Detention Center

Staff

This audit was performed by:

Joe T. Marturello, CIA, Manager
Lori M. Dinville, Staff Auditor
Lara K. Van Wyk, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State