OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Marlys Gaston
515/281-5834

FOR RELEASE June 15, 2020

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

FINANCIAL HIGHLIGHTS:

The Center had total receipts $10,822,876 for the year ended June 30, 2019, a 15.7% increase over the prior year. Disbursements for the year ended June 30, 2019 totaled $10,836,538, a 15.2% increase over the prior year. The significant increase in receipts is due primarily to increases in child welfare service fees and line of credit proceeds. The significant increase in disbursements is due primarily to an increase in community-based services salaries and benefits disbursements. The community-based services program added more fiscal services and the area served increased.

AUDIT FINDINGS:

Sand reported two findings related to the receipt and disbursement of taxpayer funds. They are found on page 27 of this report. The findings address noncompliance with Chapter 28E.6(3) of the Code of Iowa pertaining to publication of Board minutes and the Center securing loan agreements with government assets. Sand provided the Center with recommendations to address each of the findings.

The two findings discussed above are repeated from the prior year. The Central Iowa Juvenile Detention Center Board has a fiduciary responsibility to provide oversight of the Center's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's web site at https://auditor.iowa.gov/reports/audit-reports/.

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CENTRAL IOWA JUVENILE DETENTION CENTER

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

JUNE 30, 2019

1914-2341-B00F

Central Iowa Juvenile Detention Center

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Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

March 15, 2020

Officials of the Central Iowa Juvenile Detention Center
Eldora, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for the Central Iowa Juvenile Detention Center for the year ended June 30, 2019. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the Central Iowa Juvenile Detention Center throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

Rob Sand
Auditor of State

Table of Contents

Central Iowa Juvenile Detention Center

Officials

Name	Title	Representing
Dave Thompson	Chair	Marshall County
Trevor White	1st Vice-Chair	Poweshiek County
Lance Granzow	2nd Vice-Chair	Hardin County
Dan Campidilli	Ex-Officio	Hamilton County
Mark Waits	Member	Appanoose County
Rick Primmer	Member	Benton County
Bill Zinnel	Member	Boone County
Don Shonka	Member	Buchanan County
Paul Merten	Member	Buena Vista County
Mike Cooper	Member	Calhoun County
Cecil Blum	Member	Crawford County
Dave Baker	Member	Dubuque County
Jeff Quastad	Member	Emmet County
Doug Kamm	Member	Floyd County
Gary McVicker	Member	Franklin County
Peter Bardole	Member	Greene County
Ron Sweers	Member	Hancock County
Bruce Reimers	Member	Humboldt County
John Gahring	Member	Iowa County
Doug Cupples	Member	Jasper County
Roger Tjarks	Member	Kossuth County
Larry Davis	Member	Lucas County
Mark Doland	Member	Mahaska County
Roger Faulstick	Member	Palo Alto County
Martin Chitty	Member	Story County
Larry Vest	Member	Tama County
Bob Thode	Member	Webster County
Mike Stensrud	Member	Winnebago County
Mark Smeby	Member	Worth County
Rick Rasmussen	Member	Wright County
Tony Reed	Executive Director	
Justin Cornish	Regulatory Director	
Kassie Ruth	Fiscal Director	

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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 financial statement of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2019, 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, 2019, 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 discussed 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, the Schedule of the Center's Proportionate Share of the Net Pension Liability and the Schedule of Center Contributions on pages 19 through 23 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 15, 2020 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.

Marlys Gaston

Marlys K. Gaston, CPA
Deputy Auditor of State

March 15, 2020

Central Iowa Juvenile Detention Center

Financial Statement

Central Iowa Juvenile Detention Center

Central Iowa Juvenile Detention Center

Statement of Cash Receipts, Disbursements and Changes in Cash Balance

As of and for the year ended June 30, 2019

Operating receipts:		
Detention care fees		$ 1,219,135
State programs:		
Detention care	$ 721,816	
School lunch	64,498	786,314
Child welfare service and juvenile justice fees		6,308,510
Transportation services		975,320
Miscellaneous		206,154
Total operating receipts		9,495,433
Operating disbursements:		
Salaries:		
Detention care	2,156,583	
Community based services	2,744,445	4,901,028
Employee benefits:		
Detention care	987,681	
Community based services	997,909	1,985,590
Travel:		
Detention care	111,017	
Community based services	250,823	361,840
Resident meals		119,282
Building repairs		15,121
Utilities		107,747
Equipment		13,958
Vehicle purchase		112,736
Vehicle maintenance		168,464
Professional fees		170,956
Insurance		128,315
Supplies		106,026
Medical		167,352
Staff development		20,348
Information services		64,619
Community based services		875,082
Total operating disbursements		9,318,464
Excess of operating receipts over operating disbursements		176,969
Non-operating receipts (disbursements):		
Interest on investments		466
Line of credit proceeds		1,326,977
Debt service:		
Principal	(1,444,510)	
Interest	(73,564)	(1,518,074)
Net non-operating receipts (disbursements)		(190,631)
Change in cash balance		(13,662)
Cash balance beginning of year		188,980
Cash balance end of year		$ 175,318
Cash Basis Fund Balance		
Unrestricted		$ 175,318

See notes to financial statement.

(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, Buchanan, Buena Vista, Calhoun, Crawford, Dubuque, Emmet, Floyd, Franklin, Greene, Hamilton, Hancock, Hardin, Humboldt, Iowa, Jasper, Kossuth, Lucas, Mahaska, Marshall, Palo Alto, Poweshiek, Story, Tama, Webster, Winnebago, Worth 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, 2019 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 ensure 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. 72.

(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, 2019 is as follows:

	Line of Credit	Building Loan	Total
Balance beginning of year	$ 183,687	1,858,842	2,042,529
Increases	1,326,977	-	1,326,977
Decreases	760,664	683,846	1,444,510
Balance end of year	$ 750,000	1,174,996	1,924,996
Interest paid during the year	$ 18,502	55,062	73,564

Line of Credit

On September 13, 2016, the Center entered into a loan agreement with a local bank to borrow up to $750,000 for the payment of operating expenses. The loan agreement is evidenced by a promissory note, with a maturity date of September 10, 2017 and a variable interest rate equal to the Bank Prime Loan Rate as published in the Federal Reserve Statistical Bulletin (the Index). The variable interest rate is not to be less than 4.0% per annum or more than the lesser of 6.5% per annum or the maximum rate allowed by applicable law. The line of credit is to be paid when funds are received from operations. On December 8, 2017, the loan agreement was extended to September 1, 2018 with an interest rate of 4.75% per annum until maturity. The loan agreement was extended again on October 9, 2018 to March 15, 2019 with an interest rate of 5.75% per annum until maturity. On April 10, 2019 the Center entered into a new loan agreement for $750,000 with a maturity date of April 1, 2020 for the purpose of repaying the April 1, 2020 loan agreement extension. The variable interest rate is not to be less than 5.75% per annum or more than the lesser of 8.75% per annum or the maximum rate allowed by applicable law. On April 11, 2019 the Center transferred the remaining balance of the loan agreement to the new loan agreement and at June 30, 2019, the outstanding balance was $750,000. In fiscal year 2019, $1,326,977 was drawn on the loan agreements and $760,664 was repaid.

The loan agreement includes provisions that in the event of a default the total amount due will continue to accrue interest and the entire unpaid principal balance and accrued interest are due immediately. The Center has drawn the entire line of credit.

According to the loan agreement, the loan is secured by real estate collateral belonging to the Center.

Construction and Building Loans

On September 3, 2017, the Center entered into a loan agreement for $1,900,621 with a maturity date of October 20, 2037. The initial interest rate on the loan is 4.0% for the first 5 years and thereafter a variable interest rate subject to the monthly average of the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year rounded to the nearest 0.001 (the Index). The variable interest rate is not to be less than 4.0% per annum or more than the lesser of 9.0% per annum or the maximum rate allowed by applicable law. In fiscal year 2019, $683,846 was repaid on the loan.

Annual debt service requirements to maturity under the loan agreement are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2020	4.00%	$ 93,613	45,296	138,909
2021	4.00	97,427	41,482	138,909
2022	4.00	101,396	37,513	138,909
2023	4.00-4.125	105,527	33,382	138,909
2024	4.125	109,826	29,082	138,908
2025-2029	4.125	667,207	74,940	742,147
Total		$ 1,174,996	261,695	1,436,691

According to the loan agreements, the loan is secured by real estate collateral belonging to the Center.

(4) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Center, except for those covered by another retirement system. Employees of the Center are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Center contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Center's contributions to IPERS for the year ended June 30, 2019 totaled $411,506.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the Center had a liability of $3,506,466 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the Center's proportion was 0.055409%, which was an increase of 0.008448% over its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Center's pension expense, deferred outflows of resources and deferred inflows of resources totaled $475,097, $928,007 and $584,161, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	6.01%
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Center will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Center's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	$ 5,951,177	3,506,466	1,455,716

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(5) Other Postemployment Benefits (OPEB)

Plan Description – The Center operates a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The Center currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for health coverage for the Center and the plan members range from $353 for single coverage to $1,550 for family coverage. The most recent active member monthly premiums for dental coverage for the Center and the plan members range from $26 for single coverage to $79 for family coverage. For the year ended June 30, 2019, the Center contributed $213,255 and plan member eligible for benefits contributed $148,475 to the plan. At June 30, 2019, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Central Iowa Juvenile Detention Center and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy.

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service. At June 30, 2019, there were 35 active employees covered by the benefit terms and no inactive employees or beneficiaries currently receiving benefit payments.

(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, 2019 is $297,000. This liability has been computed based on rates of pay in effect at June 30, 2019.

Other Information

Central Iowa Juvenile Detention Center

Central Iowa Juvenile Detention Center

Schedule of the Center’s Proportionate Share of the Net Pension Liability

Iowa Public Employees’ Retirement System
For the Last Five Years*
(In Thousands)

Other Information

	2019	2018	2017	2016	2015
Center's proportion of the net pension liability	0.055409%	0.046961%	0.045978%	0.040556%	0.038800%
Center's proportionate share of the net pension liability	$ 3,506	3,128	2,894	2,004	1,539
Center's covered payroll	$ 4,165	3,505	3,299	2,778	2,531
Center's proportionate share of the net pension liability as a percentage of its covered payroll	84.18%	89.24%	87.72%	72.14%	60.81%
IPERS' net position as a percentage of the total pension liability	83.62%	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

Central Iowa Juvenile Detention Center

Schedule of Center Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Other Information

		2019	2018	2017	2016
Statutorily required contribution	$	412	372	313	295
Contributions in relation to the statutorily required contribution		(412)	(372)	(313)	(295)
Contribution deficiency (excess)	$	-	-	-	-
Center's covered payroll	$	4,428	4,165	3,505	3,299
Contributions as a percentage of covered payroll		9.44%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

2015	2014	2013	2012	2011	2010
248	226	141	170	114	82
(248)	(226)	(141)	(170)	(114)	(82)
-	-	-	-	-	-
2,778	2,531	1,626	2,107	1,640	1,233
8.93%	8.93%	8.67%	8.07%	6.95%	6.65%

Central Iowa Juvenile Detention Center

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
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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 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, 2019, and the related Notes to Financial Statement, and have issued our report thereon dated March 15, 2020. 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 which 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 which 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. However, we noted certain immaterial instances of non-compliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2019 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 Responses to the Findings

The Central Iowa Juvenile Detention Center's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The Central Iowa Juvenile Detention Center's responses were not subjected to the auditing procedures applies in the audit of the financial statement and, accordingly, we express no opinion on them.

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.

Marlys Gaston

Marlys K. Gaston, CPA
Deputy Auditor of State

March 15, 2020

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2019

Findings Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCY:

No material weaknesses in internal control over financial reporting were noted.

INSTANCE OF NON-COMPLIANCE:

No matters were noted.

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. However, for 1 of 6 meetings during the fiscal year, the Center did not submit a summary of proceedings for publication within 20 days after the meeting.

Recommendation – The summary of proceedings should be submitted for publication within 20 days following adjournment of the meeting as required by Chapter 28E.6(3) of the Code of Iowa.

Response – The Center has made some internal changes to rectify this.

Conclusion – Response accepted.

(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.

Staff

This audit was performed by:

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