



**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA
Auditor of State

**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

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Mary Taylor, CPA

Auditor of State

Central Ohio Youth Center
Union County
18100 State Route 4
Marysville, Ohio 43040

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Center to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor, CPA
Auditor of State

July 15, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Central Ohio Youth Center
Union County
18100 State Route 4
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statement of the Central Ohio Youth Center, Union County, Ohio (the Center) as of and for the years ended December 31, 2009 and 2008. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Center has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

GAAP require presenting the Center's larger (i.e. major) funds separately. While the Center does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Center to reformat their statement. The Center has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2009 and 2008, does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Center as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Central Ohio Youth Center, Union County, Ohio as of December 31, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Center has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2010, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Mary Taylor, CPA
Auditor of State

July 15, 2010

**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Cash Receipts:		
Charges for Service	\$847,985	\$1,000,436
Intergovernmental	115,913	113,393
Member County contributions	1,672,555	1,813,513
Miscellaneous	12,918	7,243
Total Cash Receipts	2,649,371	2,934,585
Cash Disbursements:		
Personnel Expenses	1,652,787	1,562,396
Fringe Benefits	678,649	631,376
Materials & Supplies	121,483	144,389
Contractual Services	395,363	244,824
Capital Outlay	29,954	29,276
Refund to Member County contributions		200,000
Other	13,319	12,248
Total Cash Disbursements	2,891,555	2,824,509
Total Cash Receipts Over/(Under) Cash Disbursements	(242,184)	110,076
Cash Balance, January 1	409,391	299,315
Cash Balance, December 31	\$167,207	\$409,391

The notes to the financial statements are an integral part of this statement.

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**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2008 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Central Ohio Youth Center, Union County, Ohio (the Center) opened in October 1973, serves Youth and Juvenile Courts of Champaign, Delaware, Madison, and Union Counties, pursuant to Section 2151.34, Revised Code. Once a member, Logan County removed itself from operations on April 10, 2003.

The four counties share the operating expenses of the Center based on their usage. The Center operates under the direction of a board of trustees. All appointments to such board of trustees are made from persons who are recommended and approved by the juvenile court judge or judges of the county of which such person is resident.

The need for the Center was to eliminate the use of the county and town jails as places of detention for juveniles, and to provide a wholesome environment for positive growth and development for young adults.

Management believes the financial statement included in this report represents all of the activity of the Center over which the Center has the ability to exercise direct operating control.

B. Deposits

Union County acts as the fiscal agent for the Central Ohio Youth Center. The carrying value of the Center's deposits and the bank balance are included in the basic financial statements of Union County.

C. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Center to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled and re-appropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2008 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property, Plant, and Equipment

The Center records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these acquisitions as assets.

E. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

2. EQUITY IN CASH

Union County maintains a cash and investment pool used by all funds. The Center's portion of this pool is disclosed below. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows

	2009	2008
Total deposits	\$167,207	\$409,391

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and December 31 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted	Actual	Variance
General	\$2,664,200	\$2,649,371	(\$14,829)

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,896,067	\$2,891,555	\$4,512

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted	Actual	Variance
General	\$2,868,132	\$2,934,585	\$66,453

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,008,700	\$2,824,509	\$184,191

**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2008 AND 2009
(Continued)**

4. RETIREMENT SYSTEM

The Center's employees belong to the Ohio Public Employees Retirement System (OPERS). Certified teachers belong to the State Teachers Retirement System (STRS). OPERS and STRS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes plan benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Center contributed an amount equaling 14% of participants' gross salaries. For 2009 and 2008, STRS members contributed 10% of their gross salaries to STRS. The Center contributed an amount equal to 14% of participants' gross salaries to STRS. The Center has paid all contributions required through December 31, 2009.

5. RISK MANAGEMENT

The Central Ohio Youth Center has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Center also provides health insurance and dental coverage to full-time employees through a private carrier.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Central Ohio Youth Center
Union County
18100 State Route 4
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the financial statement of the Central Ohio Youth Center, Union County, Ohio (the Center) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 15, 2010, wherein we noted the Center has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of opining on the effectiveness of the Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Center's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in performing their assigned function, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matter that we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the Center's management in a separate letter date July 15, 2010.

We intend this report solely for the information and use of management, the audit committee and the Board of Trustees. We intend it for no one other than these specified parties.

Mary Taylor, CPA
Auditor of State

July 15, 2010

**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	ORC 9.38 – Timely Deposits	Yes	