

***LUCAS COUNTY FAMILY AND CHILDREN  
FIRST COUNCIL***

**LUCAS COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended December 31, 2013**







# Dave Yost • Auditor of State

Executive Council  
Lucas County Family and Children First Council  
2275 Collingwood Avenue, Suite 101  
Toledo, Ohio 43620

We have reviewed the *Independent Auditor's Report* of the Lucas County Family and Children First Council, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lucas County Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 18, 2014

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**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
LUCAS COUNTY, OHIO  
Audit Report  
For the year ended December 31, 2013**

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**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL**  
**LUCAS COUNTY, OHIO**  
**Audit Report**  
**For the year ended December 31, 2013**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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**INDEPENDENT AUDITORS' REPORT**

Lucas County Family and Children First Council  
Lucas County  
2275 Collinwood Blvd. Suite 101  
Toledo, Ohio 43620

To the Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lucas County Family and Children First Council, Lucas County, (the Council), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Lucas County Family and Children First Council, Lucas County, as of December 31, 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Help Me Grow, Bridges out of Poverty, Intersystem Core Coordination, Children's Trust, Teen Pregnancy Prevention and Other Restricted funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplemental and Other Information***

We audited to opine on the Council's financial statements that collectively comprise its basic financial statements. Management's Discussion & Analysis includes tables of net position and changes in net position. The Schedule of Federal Awards Expenditures (Schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the Schedule provide additional analysis and are not a required part of the basic financial statements.

These tables and the Schedule are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2014 on our consideration of the Council'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Council's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 22, 2014



Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013

This discussion and analysis of the Lucas County Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2013, within the limitations of the Council's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

### **Financial Highlights**

Key highlights for 2013 are as follows:

- Overall financial activity was mixed in FY 2013, with overall receipts *increasing* from \$2,606,918 in FY 2012 to \$2,896,047, an increase of 11%. Total expenditures decreased from \$3,216,474 in FY 2012 to \$2,814,903 in FY 2013, a decrease of 12%.
- Net position increased by 38%, from \$207,388 at the end of 2012 to \$288,532 by the end of 2013. This is an increase of \$81,144. Outstanding commitments at the end of 2013 totaled \$15,414.
- The Council's general fund balance increased by \$1,947 from \$6,341 at the end of 2012 to \$8,288 at the end of 2013, a increase of 31%.
- There are multiple sources of Council's revenues including the Federal government (56% of the Help Me Grow Part C Grant, Bridges out of Poverty (TANF), Children's Trust Fund (CAPTA), and 75% of Family Centered Service and Support Funds); State General Revenue Funds, 15%; and local revenues, 29% which are primarily the result of Pooled fund contributions to support Intersystem Care Coordination (formerly called "Cluster"); and miscellaneous funding. These receipts account for 100% of the Council's revenues.
- The Ohio Department of Health provided \$1,150,590 in federal Part C (including both Federal Part C and State GRF Funding), \$10,000 from the Federal Home Visitation Program and \$315,932 in state general funds for the Help Me Grow program in 2013.

### **Overview of the Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's cash basis of accounting.

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013

## **Report Components**

The statement of net position and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements, and changes in cash basis fund balances report the Council's cash position and the changes in cash position by major fund. The statements of cash receipts, disbursements, and changes in cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

## **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Lucas County Family and Children First Council  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2013

**Reporting the Government as a Whole**

The statement of net position and the statement of activities reflect how the Council did financially during 2013, within the limits of cash basis accounting. The statement of net position presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2013.

Table 1 provides a summary of the Council's net position for 2013 compared to 2012 on a cash basis:

**Table 1  
 Net Position**

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 288,532	\$ 207,388
Total assets	<b>\$ 288,532</b>	<b>\$ 207,388</b>
 <b>Net position</b>		
Unrestricted	\$ 8,288	\$ 6,341
Restricted	280,244	201,047
Total net position	<b>\$ 288,532</b>	<b>\$ 207,388</b>

As mentioned previously, net position increased by \$81,144 or a 39% increase during 2013.

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013

Table 2 reflects the changes in net position during 2013. This table also shows a comparison with changes in net position for 2012.

**Table 2**  
**Change in Net Position**

	<b>2013</b>	<b>2012</b>
<b>Receipts</b>		
Intergovernmental	\$2,831,072	\$2,574,620
Non-governmental grants	-	19,264
Miscellaneous revenues	64,975	233
Interfund Transfers	-	12,801
<b>Total receipts</b>	<b>\$2,896,047</b>	<b>\$2,606,918</b>
<b>Disbursements</b>		
Salary and benefits	\$744,660	\$620,960
Supplies	38,767	10,502
Equipment	2,966	29,035
Contract services	1,810,360	2,352,796
Training	14,725	7,587
Telephones	5,603	4,890
Other	97,534	46,318
Rent	28,871	28,795
Administrative charges	64,968	102,790
Interfund Transfers	6,449	12,801
<b>Total disbursements</b>	<b>\$2,814,903</b>	<b>\$3,216,474</b>
Excess receipts over/(under) disbursements	\$81,144	\$(609,556)
Net position, beginning of year	207,388	816,944
Net position, end of year	<b>\$288,532</b>	<b>\$207,388</b>

Intergovernmental revenue represented 98% of total receipts and is primarily comprised of federal, state, and county government receipts. The largest category of disbursements were for specific restricted grant services provided to support the Help Me Grow and Cluster programs through contractors in the community.

These statements report the Council's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, these changes are one way to measure the Council's financial health. Over time, increases or decreases in the Council's cash position is one indicator of whether the Council's financial health is improving or deteriorating. When evaluating the Council's financial condition, other nonfinancial factors should be considered as well as the condition of the Council's capital assets and infrastructure, the extent of the Council's reliance on nonlocal

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013

financial resources for operations and the need for continued growth in other local revenue sources.

**Capital Assets and Debt Administration**

The Council has no capital assets and no debt.

**Budgetary Highlights**

The Council's 2013 financial statements include budgetary statements for the General, Help Me Grow (HMG), Teen Pregnancy and Intersystem Care Coordination, Children's Trust Fund and Other, which includes "Bridges out of Poverty". The Council made revisions to the General Fund Budget and various other Restricted Fund Budgets during the course of the year. The variances between the budget and actual results were spread over numerous line items in the funds.

**Request for Information**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to David Kontur, Executive Director, Lucas County Office of Family and Children First, 2275 Collingwood Blvd, Room 101, Toledo, Ohio 43620.

Lucas County Family and Children First Council  
Statement of Net Position – Cash Basis  
December 31, 2013

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 288,532
<b>Total Assets</b>	<b>\$ 288,532</b>
 <b>Net Position</b>	
Restricted	\$ 343,145
Unrestricted	(54,613)
<b>Total Net Position</b>	<b>\$ 288,532</b>

*See accompanying notes.*

Lucas County Family and Children First Council  
Statement of Activities – Cash Basis  
December 31, 2013

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental activities</b>			
General government	\$ 76,072	\$ 78,019	\$ 1,947
Social services	2,738,831	2,818,028	79,197
<b>Total governmental activities</b>	<b><u>\$ 2,814,903</u></b>	<b><u>\$ 2,896,047</u></b>	<b><u>81,144</u></b>
Changes in net position			81,144
Net position beginning of year			207,388
Net position end of year			<b><u>\$ 288,532</u></b>

*See accompanying notes.*

Lucas County Family and Children First Council  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2013

	General	Help Me Grow (HMG)	Intersystem Coordination	Bridges Out of Poverty	Other Restricted	Children's Trust Fund	Teen Pregnancy Prevention	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 8,288	\$ 327,950	\$ (62,901)	\$ 2,038	\$ 13,113	\$ 44	\$ -	\$ 288,532
<b>Total assets</b>	<b>8,288</b>	<b>327,950</b>	<b>(62,901)</b>	<b>2,038</b>	<b>13,113</b>	<b>44</b>	<b>-</b>	<b>288,532</b>
<b>Fund balances</b>								
Restricted	-	327,950	-	2,038	13,113	44	-	343,145
Unassigned (deficit)	8,288	-	(62,901)	-	-	-	-	(54,613)
<b>Total fund balances</b>	<b>\$ 8,288</b>	<b>\$ 327,950</b>	<b>\$ (62,901)</b>	<b>\$ 2,038</b>	<b>\$ 13,113</b>	<b>\$ 44</b>	<b>\$ -</b>	<b>\$ 288,532</b>

See accompanying notes.



Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements,  
and Changes in Cash Basis Fund Balances  
Governmental Funds  
Year Ended December 31, 2013

	General	Help Me Grow (HMG)	Intersystem Coordination	Children's Trust Fund	Bridges out of Poverty	Other Restricted	Teen Pregnancy Prevention	Total Governmental Funds
<b>Receipts</b>								
Intergovernmental	\$ 75,427	\$ 1,476,479	\$ 1,023,818	\$ 141,230	\$ 101,765	\$ 10,000	\$ 2,353	\$ 2,831,072
Miscellaneous	2,592	45,418	7,271	4,945	82	4,667		64,975
<b>Total receipts</b>	<b>78,019</b>	<b>1,521,897</b>	<b>1,031,089</b>	<b>146,175</b>	<b>101,847</b>	<b>14,667</b>	<b>2,353</b>	<b>2,896,047</b>
<b>Disbursements</b>								
Salary and benefits	52,045	255,979	288,473	102,594	45,569	-	-	744,660
Supplies	1,088	4,927	1,368	9,009	21,951	424	-	38,767
Equipment	-	-	2,966	-	-	-	-	2,966
Contract services	5,788	905,687	867,825	16,311	14,749	-	-	1,810,360
Training	3,257	644	4,276	785	5,763	-	-	14,725
Telephones	495	1,456	2,439	1,213	-	-	-	5,603
Other	11,660	58,265	6,236	14,683	12,009	1,130	-	103,983
Rent	1,739	9,641	13,055	3,133	1,303	-	-	28,871
Administrative charges	-	40,474	16,915	6,548	1,031	-	-	64,968
<b>Total disbursements</b>	<b>76,072</b>	<b>1,277,073</b>	<b>1,203,553</b>	<b>154,276</b>	<b>102,375</b>	<b>1,554</b>	<b>-</b>	<b>2,814,903</b>
Receipts over/(under) Disbursements	<b>1,947</b>	<b>244,824</b>	<b>(172,464)</b>	<b>(8,101)</b>	<b>(528)</b>	<b>13,113</b>	<b>2,353</b>	<b>81,144</b>
Fund balances beginning of year	6,341	83,126	109,563	8,145	2,566	-	(2,353)	207,388
Fund balances end of year	<b>\$ 8,288</b>	<b>\$ 327,950</b>	<b>\$ (62,901)</b>	<b>\$ 44</b>	<b>\$ 2,038</b>	<b>\$ 13,113</b>	<b>\$ -</b>	<b>\$ 288,532</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
General Fund  
December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ 62,399	\$ 62,399	\$ 75,427	\$ 13,028
Miscellaneous	-	-	2,592	2,592
<b>Total receipts</b>	<b>62,399</b>	<b>62,399</b>	<b>78,019</b>	<b>15,620</b>
<b>Disbursements</b>				
Salary and benefits	47,958	47,958	52,045	(4,087)
Supplies	800	800	1,088	(288)
Equipment	-	-	-	-
Contract Services & Professional Services	6,973	6,973	5,788	1,185
Training	1,568	1,568	3,257	(1,689)
Telephones	500	500	495	5
Other	2,450	2,450	11,660	(9,210)
Rent	2,151	2,151	1,739	412
<b>Total disbursements</b>	<b>62,400</b>	<b>62,400</b>	<b>76,072</b>	<b>(13,672)</b>
Receipts over/(under) disbursements	(1)	(1)	1,947	1,948
Fund balances beginning of year	6,341	6,341	6,341	-
<b>Fund balances end of year</b>	<b>\$ 6,340</b>	<b>\$ 6,340</b>	<b>\$ 8,288</b>	<b>\$ 1,948</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
Help Me Grow (HMG)  
December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 1,148,078	\$ 1,148,078	\$ 1,476,479	\$ 328,401
Miscellaneous	-	-	45,418	45,418
<b>Total receipts</b>	<b>1,148,078</b>	<b>1,148,078</b>	<b>1,521,897</b>	<b>373,819</b>
<b>Disbursements</b>				
Salary and benefits	262,787	262,787	255,979	6,808
Admin Charges	36,496	36,496	40,474	(3,978)
Supplies	2,371	2,371	4,927	(2,556)
Contract Services	870,962	870,962	905,687	(34,725)
Training	1,797	1,797	644	1,153
Telephones	2,385	2,385	1,456	929
Other	3,551	3,551	58,265	(54,714)
Rent	15,042	15,042	9,641	5,401
<b>Total disbursements</b>	<b>1,195,391</b>	<b>1,195,391</b>	<b>1,277,073</b>	<b>(81,682)</b>
Receipts (under) disbursements	(47,313)	(47,313)	244,824	292,137
Fund balances beginning of year	83,126	83,126	83,126	-
<b>Fund balances end of year</b>	<b>\$ 35,813</b>	<b>\$ 35,813</b>	<b>\$ 327,950</b>	<b>\$ 292,137</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
Intersystem Coordination  
December 31, 2013

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 1,065,849	\$ 1,065,849	\$ 1,023,818	\$ (42,031)
Miscellaneous	12,500	12,500	7,271	(5,229)
<b>Total receipts</b>	<b>1,078,349</b>	<b>1,078,349</b>	<b>1,031,089</b>	<b>(47,260)</b>
<b>Disbursements</b>				
Salary and benefits	339,265	339,265	288,473	50,792
Admin Charges	34,847	34,847	16,915	17,932
Supplies	3,800	3,800	1,368	2,432
Equipment	3,500	3,500	2,966	534
Contract Services	910,000	910,000	867,825	42,175
Training	5,000	5,000	4,276	724
Telephones	2,500	2,500	2,439	61
Other	1,800	1,800	6,236	(4,436)
Rent	14,055	14,055	13,055	1,000
<b>Total disbursements</b>	<b>1,314,767</b>	<b>1,314,767</b>	<b>1,203,553</b>	<b>111,214</b>
Receipts (under) disbursements	(236,418)	(236,418)	(172,464)	63,954
Fund balances beginning of year	109,563	109,563	109,563	-
<b>Fund balances end of year</b>	<b>\$ (126,855)</b>	<b>\$ (126,855)</b>	<b>\$ (62,901)</b>	<b>\$ 63,954</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
Children's Trust Fund  
December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 141,618	\$ 141,618	\$ 141,230	\$ (388)
Miscellaneous	-	-	4,945	4,945
<b>Total receipts</b>	<b>141,618</b>	<b>141,618</b>	<b>146,175</b>	<b>4,557</b>
<b>Disbursements</b>				
Salary and benefits	93,956	93,956	102,594	(8,638)
Supplies	15,544	15,544	9,009	6,535
Equipment	2,000	2,000	-	2,000
Contract Services & Professional Services	10,900	10,900	16,311	(5,411)
Training	1,500	1,500	785	715
Telephones	600	600	1,213	(613)
Other	2,333	2,333	14,683	(12,350)
Rent	3,667	3,667	3,133	534
Administrative Charges	11,118	11,118	6,548	4,570
<b>Total disbursements</b>	<b>141,618</b>	<b>141,618</b>	<b>154,276</b>	<b>(12,658)</b>
Receipts over disbursements	-	-	(8,101)	(8,101)
Fund balances beginning of year	8,145	8,145	8,145	-
<b>Fund balances end of year</b>	<b>\$ 8,145</b>	<b>\$ 8,145</b>	<b>\$ 44</b>	<b>\$ 44</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
Teen Pregnancy Prevention Fund  
December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ -	\$ -	\$ 2,353	2,353
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>2,353</b>	<b>2,353</b>
<b>Disbursements</b>				
Contract Services	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Receipts over (under) disbursements	-	-	2,353	2,353
Fund balances beginning of year	(2,353)	(2,353)	(2,353)	-
<b>Fund balances end of year</b>	<b>\$ (2,353)</b>	<b>\$ (2,353)</b>	<b>-</b>	<b>\$ 2,353</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
Bridges out of Poverty  
December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 101,765	\$ 51,765
Misc	-	-	82	82
<b>Total receipts</b>	<b>50,000</b>	<b>50,000</b>	<b>101,847</b>	<b>51,847</b>
<b>Disbursements</b>				
Salary and benefits	12,933	12,933	45,569	(32,636)
Admin Charges	798	798	1,031	(233)
Supplies	2,572	2,572	21,951	(19,379)
Contract Services	29,506	29,506	14,749	14,757
Training	2,500	2,500	5,763	(3,263)
Telephones	350	350	-	350
Other	1,341	1,341	12,009	(10,668)
Rent	-	-	1,303	(1,303)
<b>Total disbursements</b>	<b>50,000</b>	<b>50,000</b>	<b>102,375</b>	<b>(52,375)</b>
Receipts over (under) disbursements	-	-	(528)	(528)
Fund balances beginning of year	2,566	2,566	2,566	-
<b>Fund balances end of year</b>	<b>\$ 2,566</b>	<b>\$ 2,566</b>	<b>\$ 2,038</b>	<b>\$ (528)</b>

See accompanying notes.

Lucas County Family and Children First Council  
Statement of Cash Receipts, Disbursements, and Changes in  
Cash-Basis Fund Balances – Budget and Actual – Budget Basis  
Other Restricted Fund  
December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ -	\$ -	\$ 10,000	\$ 10,000
Misc	-	-	4,667	4,667
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>14,667</b>	<b>10,000</b>
<b>Disbursements</b>				
Supplies	-	-	424	(424)
Other	-	-	1,130	(1,130)
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>1,554</b>	<b>(1,554)</b>
Receipts over (under) disbursements	-	-	13,113	13,113
Fund balances beginning of year	-	-	-	-
<b>Fund balances end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,113</b>	<b>\$ 13,113</b>

See accompanying notes.



LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**1. Description of the Council and Reporting Entity**

**Description of the Entity**

The Lucas County Family and Children First Council (the Council) was established in April 1993 as one of the pilot sites of the Ohio Family and Children First Initiative. The Council is a collaborative effort focused on improving outcomes for the children and families of Lucas County. The mission of the Council is “to coordinate a publicly accountable, cost effective system of services that supports health, education, and well being of families in Lucas County.”

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and directed counties to establish county family and children first councils. Statutory membership of a county consists of the following individuals:

- The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards [In Lucas County this is the Lucas County Mental Health and Recovery Services Board];
- The health commissioner of the board of health of each city or general health Council in the county, or their designees;
- The director of the county department of Job and Family Services;
- The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- The superintendent of the county board of mental retardation and developmental disabilities;
- The county's juvenile court judge senior in service or another judge of the juvenile court designated by the administrative judge or, where there is no administrative judge, by the judge senior in service shall serve as the judicial advisor to the county family and children first council. The judge may advise the county council on the court's utilization of resources, services, or programs provided by the entities represented by the members of the county council and how those resources, services, or programs assist the court in its administration of justice. Service of a judge as a judicial advisor pursuant to this section is a judicial function;
- The superintendent of the city, exempted village, or local school Council with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- A school superintendent representing all other school Councils with territory in the county, as designated at a biennial meeting of the superintendents of those Councils;
- A representative of the largest city in the county;
- The chair of the board of county commissioners, or an individual designated by the board;
- A representative of the regional office of the department of youth services;
- A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**1. Description of the Council and Reporting Entity – (continued)**

- A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the Individuals with Disabilities Education Act of 2004;
- At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to 20% of the Council's remaining membership;

The Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

The Council's membership includes all members specified by Ohio Revised Code 121.37, as well as additional at large members, including family representatives, advocates, and other community leaders. At large members serve a maximum of two successive three year terms. The primary purpose of the Council is to improve child and family well-being through identifying and facilitating opportunities for improved coordination and collaboration in a manner that results in the efficient and effective provisions of services for the community's families.

The Council's statutory responsibilities include the following:

- Refer to the cabinet council those children for whom the council cannot provide adequate services;
- Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the Individuals with Disabilities Education Act of 2004;
- Maintain an accountability system to monitor the Council's progress in achieving its purposes;
- Establish a mechanism to ensure ongoing input from a board of representation of families who are receiving services within the county system;

Additionally, in 2006 the following mandates were added pursuant to House Bill 289:

Develop and implement the following:

- An interagency process to establish local indicators and monitor the county's progress toward increasing child well-being;
- An interagency process to identify local priorities to increase child well-being; and an annual plan that identifies the county's interagency efforts to increase child well-being;

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**1. Description of the Council and Reporting Entity – (continued)**

**Intersystem Care Coordination**

Intersystem Care Coordination provides a cross-system mechanism to ensure the coordination of care for Lucas County children/youth, through the age of 21, and their families who have multi-systemic and complex needs. Intersystem Care Coordination in Lucas County is defined in the County-wide Intersystem Care Coordination Plan, as required by ORC 121.37 (C-F). Key components of the Intersystem Care Coordination Plan include –

- Special Assistance Funding
- Wraparound
- Funding for Intersystem Placements

Decisions about access to Intersystem Care Coordination, System of Care development and funding are made through the Intersystem Resource Team, convened by the Lucas County Family and Children First Council. Five public agencies, the Pooled Fund Group, pool funds dedicated to the funding of services for children and youth identified as eligible through the Intersystem Care Coordination process. The primary source of revenue for operations consists of Local Pooled Fund Contributions and a combination of State and Federal Funding through “Family-Centered Service and Support” funds through Ohio Family and Children First/Ohio Department of Mental Health. Pooled Fund Contributions are local monies contributed by Lucas County agencies, including Children Services Board, Mental Health and Recovery Services Board, Board of Mental Retardation and Developmental Disabilities, Juvenile Court, Toledo Public Schools, and Department of Job and Family Services. The amount provided by each agency is based on the annual budget and the amount of funding needed to fulfill obligations.

**Reporting Entity**

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, and activities that are not legally separate from the Council. They comprise the Council’s legal entity which provides for intersystem coordination of services, administration and ongoing development of Help Me Grow services, and the development and execution of a plan that seeks to improve the wellbeing of children and families in Lucas County. The Council, the Executive Committee, and the Executive Director have direct responsibility for these activities.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

These financial statements follow the cash basis of accounting.

The Council’s basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**2. Summary of Significant Accounting Policies – (continued)**

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the Council at year-end. The statement of activities presents a comparison between direct disbursements and program for each program receipts or function of the Council's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions.

The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the Council.

**Fund Financial Statements**

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

**Fund Accounting**

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council utilizes the governmental category of funds.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

*General Fund* – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the Council.

*Help Me Grow (HMG) Fund* – The Help Me Grow (HMG) Fund is used to account for revenue received and expended from Federal, State, and local funding to support Help Me Grow.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**2. Summary of Significant Accounting Policies – (continued)**

*Intersystem Care Coordination* – The Intersystem Care Coordination Fund is used to account for revenue received from local Pooled Funding Agencies, including Lucas County Board of Mental Health, Lucas County Children Services, Lucas County Juvenile Court, Lucas County Board of Mental Retardation and Developmental Disabilities, Lucas County Alcohol and Drug Addiction Services Board, and Toledo Public Schools and expended for youth referred for intersystem coordination of services. This also includes FCSS funding through Ohio Family and Children First/Ohio Department of Mental Health.

*Teen Pregnancy Prevention*- The Teen Pregnancy Prevention Fund is used to account for revenue received and expended localgrant monies for the specific purpose of providing technical assistance, data collection and management, and analysis of data related to the Reducing the Risk and Teen Outreach Programs – both directed at reducing teen pregnancy prevention.

*Other* – Smaller programs/projects that are more time limited and receive lower levels of funding are grouped under Other in our Financial Statements. While they are grouped under the category of Other they are still tracked separately in Peachtree, our accounting system. This has included programs/projects such as “Bridges out of Poverty”, and past programs such as “Family Development Matrix Information System”, and Maternal Health.

*Children’s Trust Fund* – As per ORC 3109, Sections 15 through 18, the Ohio Children’s Trust Fund provides funding to counties for the purpose of child abuse and neglect prevention. As required under revised code, each county’s Board of County Commissioners must either appoint a local advisory board or designate the County Family and Children First Council to serve as the advisory board. In Lucas County the Family and Children First Council is designated as the local advisory board and is responsible for making decisions about the proposed use and oversight of Children’s Trust Fund dollars allocated to Lucas County.

**Administrative and Fiscal Agent**

The Lucas County Board of Commissioners serves as the administrative and fiscal agent for the Council. The funds are maintained in a separate agency fund by the Lucas County Auditor.

**Measurement Focus**

The Council has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council’s cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

**Basis of Accounting**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**2. Summary of Significant Accounting Policies – (continued)**

**Cash**

As required by Ohio Revised Code, the Lucas County (the County) Treasurer is custodian for the Council's cash. As custodian, the County requires the Council to participate in its investment pool. The Council's assets are held in the County's cash and investment pool, and are valued at fair value. The fair value of the position in the pool is the same as the value of the pool shares.

The County is permitted by Ohio law to deposit or invest County funds provided that they mature or are redeemable within two years from date of purchase. The County is permitted to invest or deposit in the following classification of obligations:

1. Obligations of, or backed by the faith of, the United States Government.
2. Obligations issued by and Federal agency.
3. Deposits in institutions eligible under Ohio law. All deposits are collateralized with eligible securities, as described by state statutes, which are pledged to a collateral pool for each individual financial institution, in amounts equal to at least 105% of the carrying value of all public deposits held by each institution.
4. Obligations of the State.
5. Repurchase agreements with institutions eligible under Ohio law not to exceed 30 days, where the institution agrees unconditionally to repurchase any of the securities listed in (1) or (2).
6. Commercial paper issued by any corporation incorporated under the laws of the United States or a state if both of the following conditions apply. Two nationally recognized rating agencies rank the commercial paper in either of their two highest categories; the total amount invested in commercial paper at any time does not exceed five percent of the county's total average portfolio, as determined and calculated by the investing authority.
7. Bankers acceptances, if the following conditions are met: the acceptances mature in two hundred seventy days or fewer from the date of settlement; the acceptances are eligible for purchase by the federal reserve system; the total amount invested in bankers acceptances at any time does not exceed ten percent of the county's total average portfolio, as determined and calculated by the investing authority.
8. The State Treasurer's Investment pool (STAR Ohio). Investment authority for the State Treasurer's Investment pool is established by the State Legislature and reflected in the Ohio Revised Code.
9. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

The Council does not have investment policies relating to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. The County handles all aspects regarding investments.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**2. Summary of Significant Accounting Policies – (continued)**

**Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the cash basis of accounting utilized by the Council.

**Long-Term Debt Obligations**

The Council does not have any bonds or other long-term debt obligations.

**Net Position**

These statements report restricted net position when enabling legislation or creditors, grantors or laws, or regulations of other governments have imposed limitations on their use. The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

**Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The Council must annually file a budget with its administrative agent. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Executive Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**2. Summary of Significant Accounting Policies – (continued)**

**Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as liability under the cash basis of accounting utilized by the Council.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Nonspendable**

The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed**

The Council can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council or a Council official delegated that authority by resolution, or by State Statute.

**Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.



LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**2. Summary of Significant Accounting Policies – (continued)**

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**3. Cash and Cash Equivalents**

The Lucas County Commissioners maintain a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. At year end, the carrying amount of the Council's deposits with the Lucas County Commissioners was \$288,532 (Family Council Account) and \$0.00 (Children's Trust Fund Account). The Lucas County Board of Commissioners is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

**4. Contractual Commitments**

At December 31, 2013, the Council had \$15,414 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants, whose funding follows the State fiscal year of July 1 through June 30 rather than a calendar fiscal year. While all of itemized commitments in the following list were outstanding encumbrances as of December 31, 2013, this does not mean that we actually owe this amount, but rather what is encumbered and may be used by the provider by June 30, 2013.

<b>VENDOR</b>	<b>AMOUNT</b>
Lutheran Home Services	\$4,036
Sonit Systems, Inc.	\$1,800
Amy Smith	\$94
Family and Child Abuse Prevention Center	\$332
East Toledo Family Center	\$370
Neil Brown Consulting	\$7,500
Black and White Cab Co.	\$236
Marian Brannon	\$1
Pamela Gilbert	\$180
Olunaseun Saka	\$45
Patricia Willoughby	\$135
James Carswell	\$575
Kristen Kania	\$46
Dell Computer	\$64
<b>Total</b>	<b>\$15,414</b>

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**5. Risk Management**

The Council is covered under Lucas County's (County) insurance policies. The County is self funded for dental, prescription drug, and health benefits. For the workers' compensation program, the County pays premiums to the State Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. The Council is charged for its proportionate share of the cost for covered employees. The County accounts for its risk management activities in Internal Service funds.

**6. Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as follows: The Traditional Pension Plan – a cost sharing, multiple-employer defined pension plan. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Oh 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2013 member contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2013 employer contribution rate for state and local employers was 14.0% for covered payroll. The Council's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$74,362, \$59,530, and \$54,509, respectively; 100 percent has been contributed for all three years.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**7. Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both Traditional Pension and the Combined plans. Members of the Member-Directed do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Oh 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0% of covered payroll. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 1.0% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**7. Postemployment Benefits – (continued)**

retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above are the contractually required contribution rates for OPERS. The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$5,309, \$17,122 and \$15,573, respectively; 100 percent has been contributed for all years.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2013, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocated 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**8. Contingencies/Grants**

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2013.

Lucas County Family and Children First Council  
Lucas County  
Schedule of Federal Awards Expenditures

Year Ended December 31, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Receipts	Disbursements
<b>United States Department of Education</b>			
<i>Passed Through Ohio Department of Health:</i>			
Special Education – Grants for Infants and Families With Disabilities (Help Me Grow – Part C)	84.181	\$ 884,354	\$ 675,189
<b>Total United States Department of Education</b>		<b>884,354</b>	<b>675,189</b>
<b>United States Department of Health and Human Services</b>			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
CAPTA Funding	93.590	141,230	153,656
<i>Passed Through Lucas County Department of Job and Family Services</i>			
Temporary Assistance to Needy Families (TANF) Bridges out of Poverty and Fatherhood Grant	93.558	111,765	100,993
Family Centered Services and Support	93.556	118,637	132,670
MIECHV Home Visitation Program	93.505	10,000	3,099
<b>Total United States Department of Health and Human Services</b>		<b>381,632</b>	<b>390,418</b>
<b>Total Federal Assistance</b>		<b>\$ 1,265,986</b>	<b>\$ 1,065,607</b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2013**

**1. Significant Accounting Policies**

The accompanying schedule of federal awards expenditures is a summary of the activity of the Council's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than the obligation is incurred.

**2. Subrecipients**

The Council passed-through \$604,755 of Federal assistance received from the Ohio Department of Health and the Lucas County Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As described in Note 2, the Council records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under Federal Circular A-133, the Council is responsible for monitoring with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Lucas County Family and Children First Council  
Lucas County  
2275 Collingwood Blvd. Suite 101  
Toledo, Ohio 43620

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Lucas County Family and Children First Council, Lucas County, (the Council) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 22, 2014, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

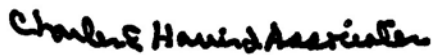
***Compliance and Other Matters***

As part of reasonably assuring whether the Council'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, opining 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 matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated June 22, 2014.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
June 22, 2014



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Lucas County Family and Children First Council  
Lucas County  
2275 Collingwood Blvd. Suite 101  
Toledo, Ohio 43620

To the Council:

***Report on Compliance for Each Major Federal Program***

We have audited Lucas County Family and Children First Council's (the Council) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Lucas County Family and Children First Council's major federal program for the year ended December 31, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the Council's major federal program.

***Management's Responsibility***

The Council's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the Council's compliance for each of the Council's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Council's major program. However, our audit does not provide a legal determination of the Council's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Lucas County Family and Children First Council complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.


***Report on Internal Control Over Compliance***

The Council's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Council's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



*Charles E. Harris & Associates, Inc.*  
June 22, 2014

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 SECTION .505**

**Lucas County Family and Children First Council  
Lucas County  
December 31, 2013**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Special Education-Grants for Infants and Families with Disabilities (Help Me Grow/Part C) - CFDA# 84.181
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

**SCHEDULE OF FINDINGS - (continued)**  
**OMB CIRCULAR A-133 SECTION .505**

**Lucas County Family and Children First Council**  
**Lucas County**  
**December 31, 2013**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

The prior audit report, for the year ending December 31, 2012, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**LUCAS FAMILY CHILDREN FIRST COUNCIL**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 31, 2014**