



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

# **CRIMINAL JUSTICE COORDINATING COUNCIL**

LUCAS COUNTY

SINGLE AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019





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Criminal Justice Coordinating Council  
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We have reviewed the *Independent Auditors' Report* of the Criminal Justice Coordinating Council, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2020 through December 31, 2020. 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 Criminal Justice Coordinating Council is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 25, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

To the Council  
Criminal Justice Coordinating Council  
Toledo, Ohio:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of the Criminal Justice Coordinating Council (the "Council"), as of and for the years ended December 31, 2020 and 2019, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the remaining fund information of the Criminal Justice Coordinating Council, as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of proportionate share of net pension liability and contributions and net OPEB liability and contributions listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedules of operating revenues on page 33 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of operating revenues are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such 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, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021 on our consideration of the Criminal Justice Coordinating Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 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 Criminal Justice Coordinating Council's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Toledo, Ohio  
June 11, 2021



LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
UNAUDITED

The following Management's Discussion and Analysis (MD&A) section of the Criminal Justice Coordinating Council's (the Council) financial report represents a discussion and analysis of the Council's financial performance during the fiscal years ended December 31, 2020 and 2019. Please read it in conjunction with the Council's financial statements, which follow this section.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- In total, Net Position decreased \$73,263 or (3.2%) from 2019 balance, resulting in ending net position of (\$2,247,580) at December 31, 2020.
- Total Assets and Deferred Outflows of Resources increased \$30,616 or (0.6%).
- Total Liabilities and Deferred Inflows of Resources decreased by \$42,647 or (0.6%) from 2019. Current liabilities increased by \$198,762 or (25.3%). The Council recorded a combined net pension and net OPEB (Other Post Employment Benefits) liability of \$4,845,761 in 2020. Deferred inflows of resources increased \$790,565 or (184.2%). Deferred inflows at December 31, 2020 included grant revenues and the MacArthur Foundation Safety and Justice Challenge grant, with the vast majority of the increase resulting from deferred inflows of resources from net pension and OPEB.
- The Council had \$4,608,565 in operating expenses and \$4,743,775 in operating revenues in 2020. Non-operating revenues and expenses netted to (\$2,168) in 2020.
- Grants administered by the Council increased \$1,042,346 or (138.0%) from 2019.

**Using This Annual Financial Report**

This annual report consists of a series of financial statements and footnotes to those statements. These statements are prepared and organized so the reader can understand the Council as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions. For a summary of the Council's significant accounting policies, please see footnote number two attached to the financial statements.

The Statements of Net Position, similar to a traditional balance sheet, presents information regarding assets, deferred outflows, liabilities and deferred inflows. The net position of the Council as of December 31, 2020 and 2019 represents the difference between the total assets and deferred outflows and total liabilities and deferred inflows.

The Statements of Revenues, Expenses, and Changes in Net Position, similar to a traditional Profit and Loss (P&L) Statement, reports the operating and non-operating revenues and expenses which, upon combining, determine the total change in net position for the current year.

The Statements of Cash Flows report changes in cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital financing activities, and investing activities. The net result of these activities added to the beginning of the year's cash and

LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
UNAUDITED

cash equivalents balance reconciles to the cash and cash equivalents balance on the Statements of Net Position at the end of the current fiscal year.

Fiduciary Funds – Custodial are used to account for resources held for the benefit of parties outside the Council and are reported separately. This fund is not reflected in the Council's own statements as the resources of the fund are not available to support the Council's own programs.

**Reporting the Council as a Whole**

*Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position*

While this document contains the fund used by the Council to provide its program, the view of the Council as a whole encompasses all financial transactions and asks the question, "How did we do financially during 2020 and 2019?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position answer this question. These statements include *all assets, deferred outflows, liabilities, and deferred inflows* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Council's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Council as a whole, the *financial position* of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the continued availability of grant funds at the federal, state and local levels.

In the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position, the Council is presented as one activity, business-type.

- Business-type activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided.

**Reporting the Council's Fund**

*Fund Financial Statements*

The Council has only one fund; therefore, additional fund level statements are not presented.

LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
UNAUDITED

*Statements of Net Position*

The major components of the Statement of Net Position at December 31, 2020, 2019 and 2018 are reflected below:

	2020	2019	2018
Assets and Deferred Outflows of Resources			
Current assets	\$ 3,826,133	\$ 3,192,738	\$ 2,545,174
Capital assets	212,792	215,947	142,670
Deferred outflows of resources	763,748	1,363,372	678,938
Total assets and deferred outflows	\$ 4,802,673	\$ 4,772,057	\$ 3,366,782
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities	\$ 984,846	\$ 786,084	\$ 744,183
Long Term Liabilities	4,845,761	5,877,735	3,811,472
Deferred inflows of resources	1,219,646	429,081	870,911
Total liabilities and deferred inflows	7,050,253	7,092,900	5,426,566
Net Position			
Investment in capital assets	212,792	215,947	142,670
Unrestricted net position	(2,460,372)	(2,536,790)	(2,202,454)
Total Net Position	(2,247,580)	(2,320,843)	(2,059,784)
Total liabilities, deferred inflows, and net position	\$ 4,802,673	\$ 4,772,057	\$ 3,366,782

LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
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Total assets and deferred outflows had an overall increase of \$30,616 or (0.6%) in fiscal year 2020. The change in total assets and deferred outflows was primarily due to a substantial decrease of \$751,560 or (63.5%) in deferred outflows related to pension. OPEB, Grants receivable, and accounts receivable all had considerable increases from 2019. Cash and cash equivalents had an overall increase of 6.8% or \$181,793.

In addition to GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" that was implemented in 2015, the Council implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" for the year ended December 31, 2018. These Statements significantly revise accounting for pension and OPEB costs and liabilities. As a result, the Council is reporting liabilities and deferred inflows/outflows of resources related to pension and other postemployment benefits (OPEB) on the accrual basis of accounting. These additional liabilities and deferred inflows/outflows of resources substantially impact the Council's unrestricted net position resulting in a reduction of \$73,263 from 2019. The net pension liability and OPEB liability recognized by the Council at December 31, 2020 were \$2,856,515 and \$1,989,246, respectively.

Current liabilities increased \$198,762 or (25.3%) in fiscal year 2020 due mainly to increased grants payable at December 31. Total liabilities decreased \$833,212 or (12.5%) resulting from a substantial decrease in net pension liability.

What are the Council's Revenue Sources? The Council receives much of its revenue from contract services to the City of Toledo and Lucas County and operating grants. Sources of these grants are federal, state and local. The Council has multiple functions, with the major function being improving the justice system in the Toledo/Lucas County area, and all revenue is used to support this function.

LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
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*Statements of Revenues, Expenses and Changes in Net Position*

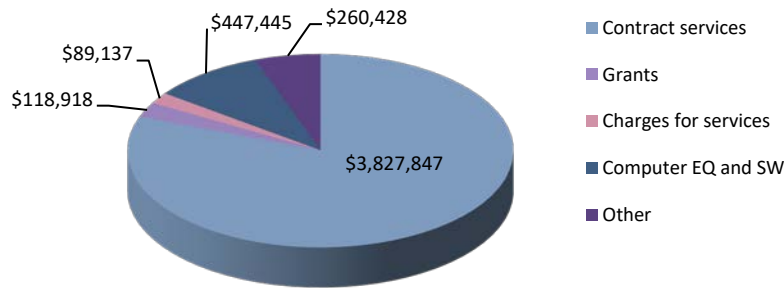
The major components of the Statements of Revenues, Expenses and Changes in Net Position for fiscal years ended December 31, 2020, 2019 and 2018 are reflected below:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues	\$ 4,743,775	\$ 4,804,490	\$ 4,473,165
Operating Expenses	<u>4,608,565</u>	<u>5,006,142</u>	<u>4,477,977</u>
Operating income before depreciation	<u>135,210</u>	<u>(201,652)</u>	<u>(4,812)</u>
Depreciation	<u>64,115</u>	<u>62,815</u>	<u>42,678</u>
Operating income	71,095	(264,467)	(47,490)
Grant revenues	1,797,498	755,152	782,574
Less: grant allocations to subrecipients	(1,798,183)	(755,152)	(782,574)
Interest income	<u>2,853</u>	<u>3,408</u>	<u>2,321</u>
Total non-operating revenues and expenses	<u>2,168</u>	<u>3,408</u>	<u>2,321</u>
Changes in net position	73,263	(261,059)	(45,169)
Net position at beginning of year	(2,320,843)	(2,059,784)	(555,103)
Cummulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>(1,459,512)</u>
Net position at end of the year	<u>\$ (2,247,580)</u>	<u>\$ (2,320,843)</u>	<u>\$ (2,059,784)</u>

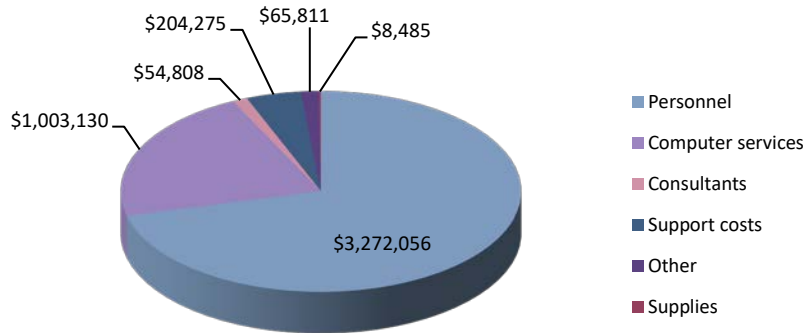
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
UNAUDITED

In fiscal year 2020, operating revenues had a slight decrease of 1.3% primarily from a decrease in administrative grant revenue and charges for services. Operating expenses also decreased 7.9% predominantly from a decrease in personnel costs, support costs, and other costs. The reduction in operating expenses can be directly related to the COVID-19 pandemic.

**2020 Operating Revenue**



**2020 Operating Expenses**



LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
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***Statements of Cash Flows***

In fiscal year 2020, cash and cash equivalents increased \$181,793. Net cash provided by operating activities decreased \$234,493 primarily due to a decrease in cash received for services and an increase in cash paid to others. Net cash used in non-capital financing activities decreased \$258,132 related to timing in receiving and disbursing grant funds. Net cash used in capital and related financing activities decreased \$75,132 and net cash from investing activities slightly decreased \$555 in fiscal year 2020.

Cash flows for fiscal years ended December 31, 2020, 2019 and 2018 are reflected below:

	2020	2019	2018
Cash flows from operating activities	\$ 335,506	\$ 569,999	\$ 337,356
Cash flows from non-capital financing activities	(95,606)	162,526	(124,009)
Cash flows from capital and related financing activities	(60,960)	(136,092)	(111,560)
Cash flows from investing activities	2,853	3,408	2,321
Net increase in cash	\$ 181,793	\$ 599,841	\$ 104,108

**Capital Assets and Debt Administration**

At the end of fiscal year 2020, the Council had \$212,792 investment in capital assets as compared to \$215,947 at December 31, 2019. The Council had no debt during 2020.

**Contacting the Criminal Justice Coordinating Council's Financial Management**

This financial report is designed to provide our citizens, taxpayers, patrons and creditors with a general overview of the Council's finances and to show the Council's accountability for the funds it receives or spends. If you have any questions about this report or need financial information, contact the Director of Administrative Services, Criminal Justice Coordinating Council, One Government Center, Suite 1720, Toledo, OH 43604 or call (567) 200-6850.

**STATEMENTS OF NET POSITION**  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,692,359	\$ 2,414,960
Cash and cash equivalents - Restricted	157,412	253,018
Accounts receivable	130,527	18,701
Grants Receivable	449,467	179,492
Prepaid expenses	396,368	326,567
Total current assets	<u>3,826,133</u>	<u>3,192,738</u>
<b>Non-current assets</b>		
Property and equipment	1,653,691	1,617,717
Accumulated depreciation	(1,440,899)	(1,401,770)
Net property and equipment	<u>212,792</u>	<u>215,947</u>
<b>Deferred outflows of resources</b>		
Pension	432,787	1,184,347
OPEB	330,961	179,025
Deferred outflows of resources	<u>763,748</u>	<u>1,363,372</u>
Total Assets and Deferred Outflows	<u>\$ 4,802,673</u>	<u>\$ 4,772,057</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 105,240	\$ 103,539
Grants payable	446,142	224,660
Accrued payroll and related expenses	55,420	108,775
Matured compensated absences payable	378,044	349,110
Total current liabilities	<u>984,846</u>	<u>786,084</u>
<b>Long term liabilities</b>		
Net pension liability	2,856,515	3,974,439
Net OPEB liability	1,989,246	1,903,296
Total long term liabilities	<u>4,845,761</u>	<u>5,877,735</u>
Total liabilities	<u>5,830,607</u>	<u>6,663,819</u>
<b>Deferred inflows of resources</b>		
Grants	305,974	313,466
Pension	615,345	95,545
OPEB	298,327	20,070
Total deferred inflows of resources	<u>1,219,646</u>	<u>429,081</u>
<b>Net Position</b>		
Investment in capital assets	212,792	215,947
Unrestricted net position	(2,460,372)	(2,536,790)
Total net position	<u>\$ (2,247,580)</u>	<u>\$ (2,320,843)</u>
Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 4,802,673</u>	<u>\$ 4,772,057</u>

The accompanying notes are an integral part of these financial statements.



LUCAS COUNTY

**STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Operating revenues</b>		
Contract services	\$ 3,827,847	\$ 3,773,969
Grants	118,918	265,849
Charges for services	89,137	110,626
Computer equipment and software	447,445	486,450
Other	<u>260,428</u>	<u>167,596</u>
Total operating revenues	4,743,775	4,804,490
<b>Operating expenses</b>		
Personnel	3,272,056	3,661,860
Computer services	1,003,130	984,622
Consultants	54,808	38,722
Support costs	204,275	229,146
Other	65,811	81,737
Supplies	<u>8,485</u>	<u>10,055</u>
Total operating expenses	<u>4,608,565</u>	<u>5,006,142</u>
<b>Operating Income (loss) before depreciation</b>	135,210	(201,652)
<b>Depreciation</b>	<u>64,115</u>	<u>62,815</u>
<b>Operating Income (loss)</b>	71,095	(264,467)
<b>Non-operating revenue and expense</b>		
Grant revenues	1,797,498	755,152
Less: Grant allocations to subrecipients & vendors	(1,798,183)	(755,152)
Interest income	<u>2,853</u>	<u>3,408</u>
Total non-operating revenue , net	<u>2,168</u>	<u>3,408</u>
<b>Change in net position</b>	73,263	(261,059)
<b>Net position (deficit) at beginning of the year</b>	<u>(2,320,843)</u>	<u>(2,059,784)</u>
<b>Net position (deficit) at end of the year</b>	<u><u>(2,247,580)</u></u>	<u><u>(2,320,843)</u></u>

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Cash received for services	\$ 4,670,885	\$ 4,850,527
Cash paid to employees	(2,930,770)	(2,954,951)
Cash paid to others	(1,404,609)	(1,325,577)
Net cash provided by operating activities	<u>335,506</u>	<u>569,999</u>
<b>Cash flows from non-capital financing activities</b>		
Cash received from grants	1,481,095	869,493
Cash paid for grant allocations	(1,576,701)	(706,967)
Net cash provided by (used in) non-capital financing activities	<u>(95,606)</u>	<u>162,526</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of property and equipment	<u>(60,960)</u>	<u>(136,092)</u>
<b>Cash flows from investing activities</b>	<u>2,853</u>	<u>3,408</u>
Net increase in cash	181,793	599,841
Cash and cash equivalents at beginning of year	<u>2,667,978</u>	<u>2,068,137</u>
Cash and cash equivalents at end of year	<u>\$ 2,849,771</u>	<u>\$ 2,667,978</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 71,095	\$ (264,467)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	64,115	62,815
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(111,826)	37,478
Prepaid expenses	(69,801)	(2,542)
Deferred outflows - pension	751,560	(619,414)
Deferred outflows - OPEB	(151,936)	(65,020)
Increase (decrease) in:		
Accounts payable	1,701	21,247
Accrued payroll and related expenses	(53,355)	(38,409)
Accrued vacation and sick	28,934	10,878
Deferred inflows	38,936	8,559
Net pension liability	(1,117,924)	1,712,177
Net OPEB liability	85,950	354,086
Deferred inflows - pension	519,800	(523,493)
Deferred inflows - OPEB	278,257	(123,896)
Net cash provided by operating activities	<u>\$ 335,506</u>	<u>\$ 569,999</u>

The accompanying notes are an integral part of these financial statements.

LUCAS COUNTY

STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Restricted cash	\$ 1,350	\$ 3,996
Total assets	<u>\$ 1,350</u>	<u>\$ 3,996</u>
<b>NET POSITION</b>		
Restricted for individuals, organizations, and other governments	\$ 1,350	\$ 3,996
Total net position	<u>\$ 1,350</u>	<u>\$ 3,996</u>

The accompanying notes are an integral part of these financial statements.

LUCAS COUNTY

**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS**  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ADDITIONS</b>		
Other custodial fund collections	\$ 25,009	\$ 34,521
Total Additions	<u>\$ 25,009</u>	<u>\$ 34,521</u>
<b>DEDUCTIONS</b>		
Other custodial fund disbursements	\$ 27,655	\$ 37,671
Total Deductions	<u>\$ 27,655</u>	<u>\$ 37,671</u>
Net change in fiduciary net position	(2,646)	(3,150)
<b>Net position beginning of year</b>	<u>\$ 3,996</u>	<u>\$ 7,146</u>
<b>Net position end of year</b>	<u><u>\$ 1,350</u></u>	<u><u>\$ 3,996</u></u>

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. REPORTING ENTITY

**Description of the Entity**

The Criminal Justice Coordinating Council (the Council) is an entity organized to promote cooperation and coordination between and among separate governmental units and agencies for improving the criminal justice system in the Toledo/Lucas County area through planning, analysis, technical assistance, training, and information management. The Council provides these services in three major areas. The first major area is the Northwest Ohio Regional Information System (NORIS) project which provides applications programming, computer training, computer hardware and network support services for an automated regional information system for local criminal justice agencies. Regional planning efforts is the second major area in which the Council provides services and includes planning, grants management, and coordinating efforts for local criminal justice agencies and units of government. The third major area is an administrative services component that is responsible for coordinating activities between project areas.

The Custodial fund type is used to account for and maintain assets held in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. Activity of the Toledo Police Department (TPD) Metro Drug Task Force and Vice Narcotics Unit is included in this fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. The Council's significant accounting policies are described below:

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Revenue from charges for services is reported as operating revenues. Expenses from employee wages and benefits, purchases of services, materials and supplies and other miscellaneous expenses are reported as operating expenses.

Non-operating revenues and expenses are all revenues and expenses not meeting the definition of operating revenues and expenses. Non-operating revenues and expenses include revenues and expenses from grant management, capital and related financing activities, and investing activities. Expenses relating to disbursements of grant allocations to subrecipients are reported as non-operating expenses.

NOTES TO THE FINANCIAL STATEMENTS  
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**Cash and cash equivalents**

For purposes of the statements of cash flows, the Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Accounts receivable**

Accounts receivable are comprised of contracts, and other receivables primarily from governmental entities. Receivables are considered fully collectible at December 31, 2020 and 2019. Accordingly, no allowance for doubtful accounts is deemed necessary. When amounts are deemed to be uncollectible, they are expensed in the year in which that determination is made.

**Prepaid expenses**

Prepaid expenses represent computer maintenance and other agreements paid in or prior to December 31, 2020 and 2019, and expire in subsequent years.

**Property and equipment**

Property and equipment are stated at cost (or estimated historical cost) and updated for the costs of additions and retirements during the year. The capitalization threshold is \$5,000. Depreciation of property and equipment is based upon the estimated useful lives, ranging from three to forty years, of the various assets and is computed using the straight-line method.

**Compensated absences**

The Council follows GASB No. 16, Accounting for Compensated Absences, which requires that a liability be accrued for sick leave and vacation if it is probable that the employee will be compensated through a cash payment. The liability is accrued using the vesting method. The Council employees accumulate sick leave at a rate of 15 days per year. Upon retirement, if the employee has completed twenty or more years of service with the Council, reimbursement for sick leave shall be at the employee's final rate of pay for no more than one-third (1/3) of their accrued but unused sick leave credit, not to exceed three hundred and twenty (320) hours. Payments at retirement for accumulated sick leave are calculated using the rate of compensation at the date of retirement.

The Council employees accumulate vacation leave at a rate between two and five weeks per year, depending on their length of service. The Council policy restricts employees from carrying forward more than three (3) years of vacation accrual per calendar year. Any unused leave is paid out upon termination or retirement.

**Economic dependency**

The Council provides services to the City of Toledo and Lucas County. For the years ended December 31, 2020 and 2019, 41% and 41% of total operating revenues were received from City of Toledo and 14% and 14% of total operating revenues were received from Lucas County, respectively. At December 31, 2020 and 2019, accounts receivable related to allocated revenue from the City of Toledo and Lucas County totaled \$0.

**Net position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets represent capital assets, reduced by accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

**Restricted assets**

Restricted assets consist of monies and other resources which are restricted by specific agreements. At December 31, 2020 and 2019, restricted cash and cash equivalents for grant allocations represent restricted assets for payment of future grant funding requests by subrecipients.

**Pension and other postemployment benefits (OPEB)**

For purposes of measuring the net pension and OPEB liabilities, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the Ohio Public Employees Retirement System of Ohio (OPERS). For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. OPERS reports investments at fair value.

**Deferred outsources and deferred inflows of resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources that represent a consumption of net position that applies to a future period(s), and so will not be recognized as an outflow of resource (expense) until then. For the Council, deferred outflows of resources are reported on the statement of net position for pension and OPEB, which are explained in Notes 6 and 7.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources that represent an acquisition of net position that applies to a future period(s), and so will not be recognized as an inflow of resource until then. For the Council, deferred inflows of resources are reported on the statement of net position for pension and OPEB, which are explained in Notes 6 and 7.

**3. CASH AND INVESTMENTS**

The Council has designated Fifth Third Bank for the deposit of funds and the Toledo Police Federal Credit Union for the deposit of the Council's Agency Funds. The Council's cash and cash equivalents are primarily subject to custodial credit risk, as further explained below.

*Custodial credit risk* is the risk that, in the event of bank failure, the Council's deposits may not be returned to it. Protection of the Council's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of Council funds shall be required to pledge as security for repayment of all public monies.

At December 31, 2020 and 2019, the carrying value of the Council's deposits is as follows:



NOTES TO THE FINANCIAL STATEMENTS  
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	Demand Deposits	
	<u>2020</u>	<u>2019</u>
Carrying Amount	\$ 2,851,121	\$ 2,671,974
Bank Balance	\$ 2,976,189	\$ 2,686,851

Of the bank balance, \$250,000 was insured by the Federal Depository Insurance Corporation as of December 31, 2020 and 2019. Also, at December 31, 2020 and 2019, \$1,350 and \$3,996 was insured by the National Credit Union Association (NCUA). Finally, \$2,724,839 and \$2,432,855 as of December 31, 2020 and 2019, respectively, was uninsured and collateralized by securities held by the pledging institution's trust department, not in the Council's name.

At December 31, 2020 and 2019, the Council had no investments.

**4. PROPERTY AND EQUIPMENT**

A summary of the changes in property and equipment, by asset type, is as follows:

	Balance 1/1/2020	Additions	Disposals	Balance 12/31/2020
Property and equipment:				
Leasehold improvements	\$ 161,047	\$ -	\$ -	\$ 161,047
Furniture and fixtures	36,493	-	-	36,493
Computer equipment	1,389,961	41,376	(7,655)	1,423,682
Office equipment	12,885	-	-	12,885
Vehicles	17,331	19,584	(17,331)	19,584
Total property and equipment	<u>1,617,717</u>	<u>60,960</u>	<u>(24,986)</u>	<u>1,653,691</u>
Accumulated Depreciation:				
Furniture and fixtures	(35,682)	(136)	-	(35,818)
Computer equipment	(1,174,827)	(63,651)	7,655	(1,230,823)
Office equipment	(12,883)	(2)	-	(12,885)
Vehicles	(17,331)	(326)	17,331	(326)
Leasehold improvements	(161,047)	-	-	(161,047)
	<u>(1,401,770)</u>	<u>(64,115)</u>	<u>24,986</u>	<u>(1,440,899)</u>
Net property and equipment	<u>\$ 215,947</u>	<u>\$ (3,155)</u>	<u>\$ -</u>	<u>\$ 212,792</u>

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

	Balance 1/1/2019	Additions	Disposals	Balance 12/31/2019
Property and equipment:				
Leasehold improvements	\$ 161,047	\$ -	\$ -	\$ 161,047
Furniture and fixtures	36,493	-	-	36,493
Computer equipment	1,253,869	136,092	-	1,389,961
Office equipment	12,885	-	-	12,885
Vehicles	17,331	-	-	17,331
Total property and equipment	<u>1,481,625</u>	<u>136,092</u>	<u>-</u>	<u>1,617,717</u>
Accumulated Depreciation:				
Furniture and fixtures	(34,867)	(815)	-	(35,682)
Computer equipment	(1,113,432)	(61,395)	-	(1,174,827)
Office equipment	(12,278)	(605)	-	(12,883)
Vehicles	(17,331)	-	-	(17,331)
Leasehold improvements	(161,047)	-	-	(161,047)
	<u>(1,338,955)</u>	<u>(62,815)</u>	<u>-</u>	<u>(1,401,770)</u>
Net property and equipment	<u>\$ 142,670</u>	<u>\$ 73,277</u>	<u>\$ -</u>	<u>\$ 215,947</u>

**5. LEASE COMMITMENTS**

**Operating leases**

In April, 2003, the Council entered into an operating lease for a new office facility under a subleasing agreement with the City of Toledo which expired April 2008. The current arrangement is a month to month lease with monthly rent payments of \$11,250. This amount includes operating expenses such as electricity and maintenance. Total rent expense under this building lease for the years ended December 31, 2020 and 2019 was \$135,000 and \$135,000, respectively.

The Council entered into a sixty month operating lease for a copier in January 2019. Total payments which include copier supplies and the lease expense amounted to \$2,344 and \$3,900, respectively, for the years ended December 31, 2020 and 2019.

The minimum future annual rental commitment under all the Council leases at December 31, 2020 is as follows:

Year	
2021	1,684
2022	1,684
2023	1,682
	<u>\$5,050</u>

NOTES TO THE FINANCIAL STATEMENTS  
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6. DEFINED BENEFIT PENSION PLAN

**Plan Description**

The Council contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer defined benefit pension plan. OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the ORC assigns the Council to establish and amend benefit provisions to the OPERS Board of Trustees (Board). OPERS issues separate, publicly available financial report that includes the financial statements and required supplemental information. These reports may be obtained by contacting the OPERS at 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 1-800-222-PERS (7377) or [www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml).

In accordance with GASB Statement No. 68, employers participating in the cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension liabilities of the plan. Although changes in the net pension liability generally are recognized as pension expense in the current period, GASB 68 requires certain items to be deferred and recognized as expense in the future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 9 years).

The net pension liability of the traditional pension plan and the Council's proportionate share of this net pension liability as of December 31, 2020 and 2019 are as follows:

	2020	2019
Net pension liability – all employers	\$ 19,765,678,367	\$ 27,387,972,593
Proportion of the net pension liability	0.014452%	0.014512%
Proportion share of net pension liability	\$ 2,856,515	\$ 3,974,439
Change in proportion of the net pension liability	(0.000060%)	0.000092%

NOTES TO THE FINANCIAL STATEMENTS  
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Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of December 31, 2020 and 2019:

	2020	2019
<b>Deferred Outflows of Resources</b>		
Difference between expected and actual experience	\$ -	\$ 183
Change in assumptions	152,571	345,985
Change in Council's proportionate share and difference in employer contributions	7,722	16,612
Net difference between projected and actual earnings on pension plan investments	-	539,443
Council contributions subsequent to the measurement date	272,494	282,124
Total	\$ 432,787	\$ 1,184,347

	2020	2019
<b>Deferred Inflows of Resources</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 36,116	\$ 52,187
Change in Council's proportionate share and difference in employer contributions	9,419	43,358
Difference between expected and actual experience	569,810	-
Total	\$ 615,345	95,545

\$272,494 reported as deferred outflows of resources related to pension resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

	<b>OPERS</b>
2021	(65,006)
2022	(187,390)
2023	23,596
2024	(226,252)
	\$ (455,052)

**Summary of Employer Pension Expense**

Total pension expense recognized for the year ended December 31, 2020 and 2019 including employer contributions and accruals associated with the recognition of the change in net pension liability and related deferrals is \$426,021 and \$851,394, respectively.

The following table provides additional details on the pension benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension liabilities for the retirement system:

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

<b>OPERS</b>	
<b>Benefit Formula</b>	<p>Benefits are calculated on the basis of age, final average salary (FAS) and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 or more years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.</p> <p>The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.</p>
<b>Cost-of-Living Adjustments</b>	<p><b>Pre 1/7/2013 Retirees:</b> 3.00% Simple  <b>Post 1/7/2013 Retirees:</b> 3.00% Simple through 2020, then 2.15% Simple</p>
<b>Contribution Rates</b>	<p>Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2019 and 2020, employer rates for the State and Local Divisions were 14% of covered payroll. Member rates for the State and Local Divisions were 10% of covered payroll.</p>
<b>Measurement Date</b>	December 31, 2019
<b>Actuarial Assumptions</b>	<p><b>Valuation Date:</b> December 31, 2019  <b>Actuarial Cost Method:</b> Individual entry age  <b>Investment Rate of Return:</b> 7.20%  <b>Wage Inflation:</b> 3.25%  <b>Projected Salary Increases:</b> 3.25% - 10.75%, including wage inflation</p>
<b>Mortality Rates</b>	<p>RP-2014 health annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. The mortality tables used in evaluating disability allowances were based on the RP-2014 disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvement scale to the above described tables.</p>
<b>Date of Last Experience Study</b>	5 Year Period Ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

<b>OPERS</b>																											
<b>Investment Return Assumptions</b>	<p>The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><b>Asset Class</b></th> <th style="text-align: center;"><b>Target Allocation</b></th> <th style="text-align: center;"><b>Long Term Expected Return*</b></th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">1.83%</td> </tr> <tr> <td>Domestic Equities</td> <td style="text-align: center;">19.0%</td> <td style="text-align: center;">5.75%</td> </tr> <tr> <td>Real Estate</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">5.20%</td> </tr> <tr> <td>Private Equity</td> <td style="text-align: center;">12.0%</td> <td style="text-align: center;">10.70%</td> </tr> <tr> <td>International Equities</td> <td style="text-align: center;">21.0%</td> <td style="text-align: center;">7.66%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">13.0%</td> <td style="text-align: center;">4.98%</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">100.0%</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">5.61%</td> </tr> </tbody> </table> <p>* Returns presented as arithmetic means. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Defined Benefit portfolio was 17.2% for 2019.</p>			<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Return*</b>	Fixed Income	25.0%	1.83%	Domestic Equities	19.0%	5.75%	Real Estate	10.0%	5.20%	Private Equity	12.0%	10.70%	International Equities	21.0%	7.66%	Other Investments	13.0%	4.98%	Total	100.0%	5.61%
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Return*</b>																									
Fixed Income	25.0%	1.83%																									
Domestic Equities	19.0%	5.75%																									
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Private Equity	12.0%	10.70%																									
International Equities	21.0%	7.66%																									
Other Investments	13.0%	4.98%																									
Total	100.0%	5.61%																									
<b>Discount Rate</b>	<p>The discount rate used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.</p>																										
<b>Sensitivity of Council's Proportionate Share of Net Pension Liabilities to Change in Discount Rate</b>	<p><b>1% Decrease (6.20%)</b></p> <p>\$4,219,899</p>	<p><b>Current Discount Rate (7.20%)</b></p> <p>\$2,856,515</p>	<p><b>1% Increase (8.20%)</b></p> <p>\$1,723,525</p>																								

NOTES TO THE FINANCIAL STATEMENTS  
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**Defined Contribution Plans**

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost of living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

**Combined Plans**

OPERS also offer a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefits. Employees electing the combined plan receive post-retirement health care benefits. OPERS provide retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

**Funding Policy**

ORC provides OPERS statutory Council to set employee and employer contributions. The required contribution rates (as a percentage of covered payroll) for plan members and the Council are 10% and 14%, respectively.

The Council's contributions, which represent 100% of required employer contributions, for the year ended December 31, 2020 and for each of the two preceding years were \$272,494, \$282,124, and \$283,443.

**7. DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and Combined plans. This trust is also used to fund health care for Member-Directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care 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 No. 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.



NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

In accordance with GASB Statement No. 75, employers participating in the cost-sharing, multiple-employer plans are required to recognize a proportionate share of the collective net OPEB liabilities of the plan. Although changes in the net OPEB liability generally are recognized as OPEB expense in the current period, GASB 75 requires certain items to be deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to OPEB expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees of 3.0305 years.

The net OPEB liability of OPERS and the Council's proportionate share of this net OPEB liability as of December 31, 2020 and 2019 are as follows:

	2020	2019
Net OPEB liability – all employers	\$ 13,812,597,868	\$ 13,037,639,421
Proportion of the net OPEB liability	0.014402%	0.014599%
Proportionate share of the net OPEB liability	\$ 1,989,246	\$ 1,903,296
Change in proportion of the net OPEB liability	(0.000197%)	0.000332%

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of December 31, 2020 and 2019:

	2020	2019
<b>Deferred Outflows of Resources</b>		
Difference between expected and actual experience	\$ 53	\$ 644
Change in assumptions	314,876	61,365
Change in Council's proportionate share and difference in employer contributions	12,279	24,194
Net difference between projected and actual earnings on OPEB plan investments	-	87,255
Council contributions subsequent to the measurement date	3,753	5,567
Total	<u>\$ 330,961</u>	<u>\$ 179,025</u>

	2020	2019
<b>Deferred Inflows of Resources</b>		
Difference between expected and actual experience	\$ 181,926	\$ 5,164
Change in Council's proportionate share and difference in employer contributions	15,109	14,906
Net difference between projected and actual earnings on OPEB plan investments	101,292	-
Total	<u>\$ 298,327</u>	<u>\$ 20,070</u>



NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

\$3,753 reported as deferred outflows of resources related to pension resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>OPERS</b>
2021	53,476
2022	18,607
2023	81
2024	(43,283)
Total	<u>\$ 28,881</u>

**Summary of Employer OPEB Expense**

Total OPEB expense recognized for the year ended December 31, 2020 and 2019 including employer contributions and accruals associated with the recognition of the change in net OPEB liability and related deferrals is \$216,024 and \$170,737, respectively.

The following table provides additional details on the OPEB contribution requirements and significant assumptions used in the measurement of total OPEB liabilities for the retirement system:

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

<b>OPERS</b>	
<b>Contribution Rates</b>	Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension and Combined plans was 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0%.
<b>Measurement Date</b>	December 31, 2019
<b>Actuarial Assumptions</b>	<p><b>Valuation Date:</b> December 31, 2018  <b>Rolled-Forward Measurement Date:</b> December 31, 2019  <b>Actuarial Cost Method:</b> Individual entry age  <b>Investment Rate of Return:</b> 6.00%  <b>Single Discount Rate:</b>            <b>Current Measurement Date:</b> 3.16%            <b>Prior Measurement Date:</b> 3.96%  <b>Municipal Bond Rate:</b>            <b>Current Measurement Date:</b> 2.75%            <b>Prior Measurement Date:</b> 3.71%  <b>Wage Inflation:</b> 3.25%  <b>Projected Salary Increases:</b> 3.25% - 10.75%, including wage inflation  <b>Health Care Cost Trend Rate:</b>            <b>Current Measurement Date:</b> 10.5% initial, 3.5% ultimate in 2030            <b>Prior Measurement Date:</b> 10.0% initial, 3.25% ultimate in 2028</p>
<b>Mortality Rates</b>	RP-2014 health annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. The mortality tables used in evaluating disability allowances were based on the RP-2014 disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvement scale to the above described tables.
<b>Date of Last Experience Study</b>	5 Year Period Ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

<b>OPERS</b>																						
<b>Investment Return Assumptions</b>	<p>The long term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><b>Asset Class</b></th> <th style="text-align: center;"><b>Target Allocation</b></th> <th style="text-align: center;"><b>Long Term Expected Return*</b></th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">36.0%</td> <td style="text-align: center;">1.53%</td> </tr> <tr> <td>Domestic Equities</td> <td style="text-align: center;">21.0%</td> <td style="text-align: center;">5.75%</td> </tr> <tr> <td>REITs</td> <td style="text-align: center;">6.0%</td> <td style="text-align: center;">5.69%</td> </tr> <tr> <td>International Equities</td> <td style="text-align: center;">23.0%</td> <td style="text-align: center;">7.66%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">14.0%</td> <td style="text-align: center;">4.90%</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">100.0%</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">4.55%</td> </tr> </tbody> </table> <p>* Returns presented as arithmetic means. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was a loss of 19.70% for 2019.</p>	<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Return*</b>	Fixed Income	36.0%	1.53%	Domestic Equities	21.0%	5.75%	REITs	6.0%	5.69%	International Equities	23.0%	7.66%	Other Investments	14.0%	4.90%	Total	100.0%	4.55%
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Return*</b>																				
Fixed Income	36.0%	1.53%																				
Domestic Equities	21.0%	5.75%																				
REITs	6.0%	5.69%																				
International Equities	23.0%	7.66%																				
Other Investments	14.0%	4.90%																				
Total	100.0%	4.55%																				
<b>Discount Rate</b>	<p>A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.</p>																					

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

OPERS			
Sensitivity of Council's Proportionate Share of Net OPEB Liabilities to Changes in Discount Rate	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
	\$2,603,172	\$1,989,246	\$1,497,587
Sensitivity of Council's Proportionate Share of Net OPEB Liabilities to Change in Health Care Cost Trend Rate	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
	\$1,930,489	\$1,989,246	\$2,047,139
	<p>Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.5%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5% in the most recent valuation.</p>		

**Funding Policy**

The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed plan for 2020 was 4.0%.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0% of earnable. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

The Council's contributions, which represent 100% of required employer contributions, for the year ended December 31, 2020 and for each of the two preceding years were \$3,753, \$5,567, and \$5,415.

**Changes Subsequent to the Measurement Date**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes will be effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current measurement period, but are expected to decrease the associated OPEB liability.

**8. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM**

The Council employees participate in a statewide deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred wages and any earned income are not subject to taxes until actually received by the employee.

**9. RISK MANAGEMENT**

The Council maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Property and equipment are 90% co-insured. A liability policy covers all employees, elected and appointed officials, board members, and volunteers. None of the Council's settlements have exceeded the insurance coverage for any of the past three fiscal years.

The Council provides health insurance to its employees in conjunction with Lucas County. Lucas County is self-insured for health and dental benefits. The Council is charged for its participant's share of the cost for its covered employees. The unpaid claim liability, if any, has not been determined.

**10. SETTLEMENT**

On October 17, 1997, the Council entered into a settlement agreement with a computer consultant it sued for breach of contract. Under the terms of the agreement, the Council received a settlement of \$800,000. The settlement is to be received in quarterly installments of \$7,500 plus the proceeds from an escrow account and any proceeds received from the settling defendant's bankruptcy trustee. Amounts related to the settlement are recorded as revenue when they are received. In 2020, 2019, and 2018, the Council did not receive any payments. Payments received are to be reimbursed to the County of Lucas and the City of Toledo for funds they paid to the Council for the consultant. The amount of proceeds, if any that will be received when the bankruptcy is settled is undeterminable.

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

11. COMMITMENTS AND CONTINGENCIES

**Grants**

The Council received financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Council. However, in the opinion of Council management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2020 and 2019.

LUCAS COUNTY

**Schedule of Operating Revenues  
For the Years Ending December 31, 2020 and 2019**

	2020	2019
<b>Operating revenues</b>		
Contract services		
City of Toledo	\$ 1,961,145	\$ 1,950,812
Lucas County	673,876	670,497
CCNO	313,957	307,053
Other	878,869	845,607
Total contract services	3,827,847	3,773,969
Grants	118,918	265,849
Charges for services	89,137	110,626
Computer equipment and software	447,445	486,450
Other	260,428	167,596
	\$ 4,743,775	\$ 4,804,490

**REQUIRED SUPPLEMENTARY INFORMATION**



LUCAS COUNTY

Required Supplementary Information on GASB 68 Pension Liabilities  
Schedule of The Council's Proportionate Share of OPERS Net Pension Liability  
Ohio Public Employees Retirement System (OPERS)—Traditional Pension Plan

LAST SEVEN YEARS

	Council's proportion of the net pension liability	Council's proportionate share of the net pension liability	Council's covered payroll	Council's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.014909%	\$1,757,577	\$1,763,893	99.64%	86.36%
2015	0.014909%	\$1,798,192	\$1,853,879	96.99%	86.45%
2016	0.015049%	\$2,606,678	\$1,940,407	134.34%	81.08%
2017	0.015185%	\$3,448,241	\$2,029,038	169.94%	77.25%
2018	0.014420%	\$2,262,262	\$1,905,592	118.72%	84.66%
2019	0.014512%	\$3,974,439	\$2,118,828	187.58%	74.70%
2020	0.014452%	\$2,856,515	\$2,177,016	131.21%	82.17%

Note: Information prior to 2014 was unavailable.

Amounts presented as the Council's measurement date, which is the prior year.

**Notes to Schedule**

*Change in assumptions.* In 2017, changes in assumptions were made based upon the updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

LUCAS COUNTY

Required Supplementary Information on GASB 68 Pension Liabilities  
Schedule of The Council's Pension Contributions  
Ohio Public Employees Retirement System (OPERS)—Traditional Pension Plan

LAST EIGHT YEARS

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Council's covered payroll	Contributions as a percentage of covered payroll
2013	\$229,306	(\$229,306)	\$ -	\$1,763,896	13.00%
2014	\$222,465	(\$222,465)	\$ -	\$1,853,879	12.00%
2015	\$232,849	(\$232,849)	\$ -	\$1,940,407	12.00%
2016	\$243,517	(\$243,517)	\$ -	\$2,029,038	12.00%
2017	\$247,727	(\$247,727)	\$ -	\$1,905,592	13.00%
2018	\$283,443	(\$283,443)	\$ -	\$2,118,828	13.74%
2019	\$282,124	(\$282,124)	\$ -	\$2,177,016	12.74%
2020	\$272,494	(\$272,494)	\$ -	\$2,082,713	13.82%

Note: Information prior to 2013 was unavailable.

LUCAS COUNTY

Required Supplementary Information on GASB 75 OPEB Liabilities  
Schedule of The Council's Proportionate Share of OPERS Net OPEB Liability  
Ohio Public Employees Retirement System (OPERS)

LAST FOUR YEARS

	Council's proportion of the net OPEB liability	Council's proportionate share of the net OPEB liability	Council's covered payroll	Council's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2017	0.014684%	\$1,483,158	\$2,029,038	73.10%	54.05%
2018	0.014266%	\$1,549,210	\$1,905,592	81.30%	54.14%
2019	0.014599%	\$1,903,296	\$2,118,828	89.83%	46.33%
2020	0.014402%	\$1,989,246	\$2,177,016	91.37%	47.80%

Note: Information prior to 2017 was unavailable.

Amounts presented as the Council's measurement date, which is the prior year.

*Change in assumptions.* In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16%, and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2028 to 10.5% initial, 3.5% ultimate in 2030.

LUCAS COUNTY

Required Supplementary Information on GASB 75 OPEB Liabilities  
Schedule of The Council's OPEB Contributions  
Ohio Public Employees Retirement System (OPERS)

LAST EIGHT YEARS

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Council's covered payroll	Contributions as a percentage of covered payroll
2013	\$17,639	(\$229,306)	\$ -	\$1,763,896	1.00%
2014	\$37,078	(\$37,078)	\$ -	\$1,853,879	2.00%
2015	\$38,808	(\$38,808)	\$ -	\$1,940,407	2.00%
2016	\$40,581	(\$40,581)	\$ -	\$2,029,038	2.00%
2017	\$23,646	(\$23,646)	\$ -	\$1,905,592	1.00%
2018	\$5,415	(\$5,415)	\$ -	\$2,118,828	0.26%
2019	\$5,567	(\$5,567)	\$ -	\$2,177,016	0.26%
2020	\$3,753	(\$3,753)	\$ -	\$2,082,713	0.18%

Note: Information prior to 2013 was unavailable.

LUCAS COUNTY

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<b>Passed through the Ohio Department of Youth Services</b>				
Juvenile Justice and Delinquency Prevention				
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	16-JJ-RPU-1095		\$ 39,406
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	18-JJ-RPU-1095		\$ 30,524
Juvenile Justice Delinquency Prevention - Admin	16.540	17-JJ-DMC-0288		\$ 1,483
Juvenile Justice Delinquency Prevention - Admin	16.540	19-JJ-DMC-0288		\$ 2,890
Total Juvenile Justice and Delinquency Prevention			69,930	<u>\$ 74,303</u>
<b>Passed through Ohio Office of Criminal Justice Services</b>				
Violence Against Women Formula Grants				
STOP Violence Against Women Block Grant	16.588	18-WF-1088		\$ 78,575
STOP Violence Against Women Block Grant	16.588	19-WF-1088		\$ 23,134
Violence Against Women Act - Admin	16.588	18-WF-ADM-8826		\$ 6,196
Violence Against Women Act - Admin	16.588	19-WF-ADM-8826		\$ 8,750
Total Violence Against Women Formula Grants			101,709	<u>\$ 116,655</u>
<b>Direct Awards</b>				
Edward Byrne Memorial Justice Assistance Grant				
Justice Assistance Grant Collaboration Project	16.738			\$ 17,726
Justice Assistance Grant Collaboration Project	16.738			\$ 160,976
Justice Assistance Grant Collaboration Project	16.738			\$ 234,589
Justice Assistance Grant Collaboration Project	16.738			\$ 153,266
Justice Assistance Grant - Admin	16.738			\$ 12,774
Total Edward Byrne Memorial Justice Assistance Grant			566,557	<u>\$ 579,331</u>
Second Chance Act Reentry Initiative				
Lucas County Reentry	16.812			\$ 50,717
Lucas County Reentry - Admin	16.812			\$ 2,341
Innovative Reentry Initiative	16.812			\$ 40,261
Innovative Reentry Initiative - Admin	16.812			\$ 42,895
Total Second Chance Act Reentry Initiative			90,978	<u>\$ 136,214</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program				
Lucas County Justice and Mental Health Collaboration (JMHC) Program	16.745			\$ 98,463
Total Criminal and Juvenile Justice and Mental Health Collaboration Program			98,463	<u>\$ 98,463</u>
Justice Reinvestment Initiative				
Justice Reinvestment Initiative - Admin	16.827			\$ 41,589
Total Justice Reinvestment Initiative			-	<u>\$ 41,589</u>
COVID-19 - Coronavirus Emergency Supplemental Funding Program				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034			\$ 529,462
Total COVID-19 - Coronavirus Emergency Supplemental Funding Program			529,462	<u>\$ 529,462</u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<u>\$ 1,457,099</u>	<u>\$ 1,576,017</u>

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Criminal Justice Coordinating Council (the “Council”) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Council.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Council has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT**

To the Council  
Criminal Justice Coordinating Council  
Toledo, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the remaining fund information of the Criminal Justice Coordinating Council (the "Council") as of and for the year ended December 31, 2020 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 11, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Toledo, Ohio  
June 11, 2021



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT**

To the Council  
Criminal Justice Coordinating Council  
Toledo, Ohio:

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

We have audited the Criminal Justice Coordinating Council's (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended December 31, 2020. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion on compliance for each major federal 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 Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2020.

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

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the business-type activities and the remaining fund information of the Council as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We issued our report thereon dated June 11, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Toledo, Ohio  
June 11, 2021

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued :	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

**Federal Awards**

Internal Control over major program:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major program:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	none
Identification of major program:	
<i>CFDA 16.034 – Coronavirus Emergency Supplemental Funding Program</i>	
<i>CFDA 16.738 – Edward Byrne Memorial Justice Assistance Grant Program</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

**Section II - Financial Statement Findings**

**None**

**Section III – Federal Award Findings and Questioned Costs**

**None**

**Section IV – Schedule of Prior Audit Findings**

**None**

# OHIO AUDITOR OF STATE KEITH FABER



**CRIMINAL JUSTICE COORDINATING COUNCIL**

**LUCAS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/8/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)