

**CRIMINAL JUSTICE COORDINATING COUNCIL
LUCAS COUNTY**

AUDIT REPORT

For the year ended December 31, 2010

Charles E. Harris & Associates, Inc.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Criminal Justice Coordinating Council
One Government Center
Suite 1720
Toledo, Ohio 43604

We have reviewed the *Report of Independent Accountants* of the Criminal Justice Coordinating Council, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. 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.

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

Dave Yost
Auditor of State

May 19, 2011

This Page is Intentionally Left Blank.

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
AUDIT REPORT
For the Year Ended December 31, 2010

TABLE OF CONTENTS

	<u>PAGE</u>
Report of Independent Accountants	1 - 2
Management’s Discussion and Analysis	3 - 7
Basic Financial Statements:	
Statement of Net Assets.....	8
Statement of Revenues, Expenses and Changes in Net Assets	9
Statement of Cash Flows	10
Statement of Net Assets – Agency Fund.....	11
Notes to the Financial Statements	12 – 18
Supplemental Information:	
Schedule of Operating Revenues.....	19
Schedules of Expenditures of Federal Awards.....	20
Notes to the Schedule of Expenditures of Federal Awards	21
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	22 - 23
Independent Accountants’ Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	24 - 25
Schedule of Findings	26 - 27
Schedule of Prior Audit Findings	28

This Page is Intentionally Left Blank.

REPORT OF INDEPENDENT ACCOUNTANTS

**Criminal Justice Coordinating Council
Lucas County
One Government Center, Suite 1720
Toledo, Ohio 43604**

To Council:

We have audited the financial statements of the business-type activities and statement of net assets-agency fund of the Criminal Justice Coordinating Council (CJCC), Lucas County, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the CJCC's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative information has been derived from the 2009 financial statements and, in our report dated April 30, 2010, we have an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Criminal Justice Coordinating Council as of December 31, 2010, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 6, 2011, on our consideration of the Criminal Justice Coordinating Council internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the Criminal Justice Coordinating Council taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The supplemental data on page 19, as listed in the table of contents, is presented for additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
April 6, 2011

Criminal Justice Coordinating Council
Lucas County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

The following Management's Discussion and Analysis (MD&A) section of the Criminal Justice Coordinating Council (CJCC's) financial report represents a discussion and analysis of the CJCC's financial performance during the fiscal year ended December 31, 2010. Please read it in conjunction with the CJCC's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, Net Assets decreased \$78,600 or (7.4%) from 2009. Ending Net Assets amounted to \$976,460 at December 31, 2010.
- Total Assets decreased \$1,255,882 or (-36.7%), including net capital asset additions of \$261,007 during 2010.
- Total Liabilities decreased by \$1,177,283 or (-49.7%) from 2009. This includes a \$328,485 decrease or (-36.4%) in deferred revenue that includes SAFETI, LETPP, Ohio Court Network (OCN), UASI, and Kiosk projects.
- The CJCC had \$4,117,325 in operating expenses and \$4,183,784 in operating revenues. Non-operating revenues and expenses totaled \$2,707.
- Grants administered by CJCC decreased \$1,988,359 or (-66.2%) from 2009.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the CJCC as a financial whole or as an entire operating entity. The statements then proceed to provide and increasingly detailed look at our specific financial conditions.

The Statement of Net Assets, similar to a traditional balance sheet, presents information regarding assets and liabilities. The net assets of CJCC as of December 31, 2010 represent the difference between the total assets and total liabilities.

The Statement of Revenues, Expenses, and Changes in Net Assets, 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 assets for the current year.

Criminal Justice Coordinating Council
Lucas County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

The Statement of Cash Flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing, and investing activities. The net result of these activities added to the beginning of the year's cash and cash equivalents balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year.

The Statement of Net Assets – Agency Fund is used to account for resources held for the benefit of parties outside CJCC. This statement is not reflected in the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets or the Statement of Cash Flows as the resources of the fund are not available to support the CJCC's own programs.

Reporting CJCC as a Whole

Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets

While this document contains the fund used by CJCC to provide its program, the view of CJCC as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answers this question. These statements include *all assets* and *liabilities* 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 CJCC's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for CJCC as a whole, the *financial position* of CJCC 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 grants, at the federal, state and local levels.

In the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets, CJCC 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.

Criminal Justice Coordinating Council
Lucas County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

Reporting CJCC's Fund

Fund Financial Statements

CJCC has only one fund, therefore, additional fund level statements are not presented.

CJCC as a Whole

Business-type activities

Table 1 shows net assets for fiscal years 2010, 2009 and 2008 for comparison purposes.

Table 1

	Business-Type Activities		
	2010	2009	2008
Assets			
Current	\$ 1,805,233	\$ 3,173,232	\$ 1,614,641
Capital Assets	363,996	251,880	339,916
Total Assets	<u>\$ 2,169,229</u>	<u>\$ 3,425,112</u>	<u>\$ 1,954,557</u>
Liabilities			
Current Liabilities	\$ 1,192,769	\$ 2,370,052	\$ 869,213
Net Assets			
Invested in Property and Equipment	\$ 363,996	\$ 251,880	\$ 339,916
Unrestricted Net Assets	612,464	803,180	745,428
Total Net Assets	<u>\$ 976,460</u>	<u>\$ 1,055,060</u>	<u>\$ 1,085,344</u>

Total assets decreased 36.7% in fiscal year 2010, which is a decrease from the previous year.

Current liabilities decreased 49.7% in fiscal year 2010, due mainly to a decrease in accounts payable, grants payable and in deferred revenue that includes SAFETI, LETPP, Ohio Court Network (OCN), UASI, and Kiosk projects.

What are CJCC's Revenue Sources? CJCC 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. CJCC has multiple functions, with the major being

Criminal Justice Coordinating Council
Lucas County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

improving the justice system in the Toledo/Lucas County area, and all revenue is used to support its mission.

Table 2 shows the change in net assets for fiscal years 2010, 2009 and 2008 for comparison purposes.

Table 2

	Business-Type Activities		
	2010	2009	2008
<u>OPERATING REVENUE:</u>			
Contract Services	\$ 3,479,879	\$ 3,906,104	\$ 3,074,056
Grants	115,460	56,972	106,223
Charges for Services	167,513	164,407	169,244
Computer Equipment and Software	191,729	245,613	204,787
Other	229,203	45,444	48,961
TOTAL OPERATING REVENUES	4,183,784	4,418,540	3,603,271
<u>OPERATING EXPENSES:</u>			
Personnel	2,602,891	2,469,165	2,308,523
Computer Services	956,965	1,118,260	713,257
Consultants	159,997	337,703	91,049
Support Costs	273,005	253,119	256,032
Other	112,467	111,556	120,100
Supplies	12,000	13,768	17,787
Depreciation	147,766	148,777	188,707
TOTAL OPERATING EXPENSES	4,265,091	4,452,348	3,695,455
Operating Income (Loss)	(81,307)	(33,808)	(92,184)
<u>NON-OPERATING REVENUES AND EXPENSES:</u>			
Grant Revenues	1,016,580	3,004,939	700,048
Less: Grant Allocations to Subrecipients	(1,016,580)	(3,004,938)	(710,211)
Interest Income	2,707	3,523	12,269
TOTAL NON-OPERATING REVENUES AND EXPENSES	2,707	3,524	2,106
Changes in Net Assets	(78,600)	(30,284)	(90,078)
Net Assets (Deficit) Beginning of Year	1,055,060	1,085,344	1,175,422
Net Assets (Deficit) End of Year	\$ 976,460	\$ 1,055,060	\$ 1,085,344

Criminal Justice Coordinating Council
Lucas County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

In fiscal year 2010, operating revenues decreased 5.3% due primarily from a reduction of revenue from the City of Toledo and Lucas County, while expenditures also decreased 4.3% from fiscal year 2009.

Enterprise Fund Budgeting Highlights

CJCC is not required to establish a budget per Ohio Revised Code.

Capital Assets and Debt Administration

At the end of fiscal year 2010, CJCC had \$363,996 (net) invested in property and equipment as compared to \$251,880 at December 31, 2009. CJCC had no debt during 2010.

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 CJCC's finances and to show the CJCC'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 (419) 213-3800.

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF NET ASSETS
December 31, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,153,426	\$ 1,602,569
Cash and cash equivalents - Restricted	197,915	976,831
Accounts receivable	164,559	174,457
Grants receivable	68,480	172,275
Prepaid expenses	220,853	247,100
Total current assets	1,805,233	3,173,232
Non-current assets		
Property and equipment	1,603,088	1,362,781
Accumulated depreciation	(1,239,092)	(1,110,901)
Net property and equipment	363,996	251,880
Total assets	\$ 2,169,229	\$ 3,425,112
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 107,941	\$ 355,396
Grants payable	71,531	753,619
Accrued payroll and related expenses	110,498	74,691
Accrued vacation and sick	329,392	284,454
Deferred revenue	573,407	901,892
Total current liabilities	1,192,769	2,370,052
Net assets		
Invested in property and equipment	363,996	251,880
Unrestricted net assets	612,464	803,180
Total net assets	\$ 976,460	\$ 1,055,060
Total Liabilities and Net Assets	\$ 2,169,229	\$ 3,425,112

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

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating revenues		
Contract services	\$ 3,479,879	\$ 3,906,104
Grants	115,460	56,972
Charges for services	167,513	164,407
Computer equipment and software	191,729	245,613
Other	229,203	45,444
	<hr/>	<hr/>
Total operating revenues	4,183,784	4,418,540
Operating expenses		
Personnel	2,602,891	2,469,165
Computer services	956,965	1,118,260
Consultants	159,997	337,703
Support costs	273,005	253,119
Other	112,467	111,556
Supplies	12,000	13,768
	<hr/>	<hr/>
Total operating expenses	4,117,325	4,303,571
Operating income (loss) before depreciation	66,459	114,969
Depreciation	147,766	148,777
	<hr/>	<hr/>
Operating income (loss)	(81,307)	(33,808)
Non-operating revenue and expense		
Grant revenues	1,016,580	3,004,939
Less: Grant allocations to subrecipients & vendors	(1,016,580)	(3,004,938)
Interest income	2,707	3,523
	<hr/>	<hr/>
Total non-operating revenue, net	2,707	3,524
Change in net assets	(78,600)	(30,284)
Net assets at beginning of the year	1,055,060	1,085,344
	<hr/>	<hr/>
Net assets at end of the year	<u>\$ 976,460</u>	<u>\$ 1,055,060</u>

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

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Cash received for services	\$ 4,065,819	\$ 4,770,780
Cash paid to employees	(2,522,146)	(2,472,678)
Cash paid to others	(1,735,642)	(1,567,931)
Net cash provided by operating activities	(191,969)	730,171
Cash flows from non-capital financing activities		
Cash received from grants	919,752	3,039,296
Cash paid for grant allocations	(1,698,668)	(2,297,178)
Net cash provided by (used in) non-capital financing activities	(778,916)	742,118
Cash flows from capital and related financing activities		
Purchase of property and equipment	(259,874)	(60,741)
Net cash used in financing activities	(259,874)	(60,741)
Cash flows from investing activities		
Interest received on cash and cash equivalents	2,707	3,523
Net cash provided by investing activities	2,707	3,523
Net increase in cash	(1,228,059)	1,415,073
Cash at beginning of year	2,579,400	1,164,327
Cash at end of year	\$ 1,351,341	\$ 2,579,400
Reconciliation of operating income (loss) to net cash used in operating activities		
Operating income (loss)	\$ (81,307)	\$ (33,808)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation	147,766	148,777
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	9,898	(4,692)
Prepaid expenses	26,247	(17,958)
Increase (decrease) in:		
Accounts payable	(247,455)	284,433
Accrued payroll and related expenses	35,807	(49,963)
Accrued vacation and sick	44,938	46,450
Deferred revenue	(127,863)	356,932
Net cash provided by operating activities	\$ (191,969)	\$ 730,171

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

**CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF NET ASSETS - AGENCY FUND
December 31, 2010 and 2009**

	2010	2009
ASSETS		
Restricted cash	\$ 9,649	\$ 15,789
Total assets	\$ 9,649	\$ 15,789
LIABILITIES AND NET ASSETS		
Liabilities - amounts held for others	\$ 9,649	\$ 15,789
Total liabilities	\$ 9,649	\$ 15,789

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

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 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 providing planning, grants management, and coordination 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 Agency 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 Metro Drug Task Force and the Toledo Police Department (TPD) Vice Unit accounts is included in this fund. Agency funds are custodial in nature and do not involve measurement of results of operations.

Note 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 sub recipients are reported as non-operating expenses.

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2—Summary of significant accounting policies - continued

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Council follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles, Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict or contradict GASB pronouncements. It is the Council's policy not to apply FASB pronouncements issued after November 30, 1989.

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, 2010 and 2009, and reflect market value. 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, 2010 and 2009, 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 Council capitalizes assets with a cost over \$1,000. 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 up 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 of 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 accrual per calendar year. Any unused leave is paid out upon termination or retirement.

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2–Summary of significant accounting policies - continued

Economic dependency

The Council provides services to the City of Toledo and Lucas County. For the years ended December 31, 2010 and 2009, 40% and 42% of total operating revenues were received from City of Toledo and 13% and 14% of total operating revenues were received from Lucas County, respectively. At December 31, 2010 and 2009, accounts receivable from the City of Toledo totaled \$0.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, reduced by accumulated depreciation.

Restricted Assets

Restricted Assets consist of monies and other resources which are restricted by specific agreements. At December 31, 2010 and 2009, restricted cash and cash equivalents for grant allocations represent restricted assets for payment of future grant funding requests by sub recipients.

It was determined by management that reserves for carryover grant allocations is not necessary and the amount is no longer reported as a reserve of net assets.

Note 3–Cash and investments

The Council has designated Fifth Third Bank for the deposit of 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 moneys.

At December 31, 2010, the carrying value of the Council’s deposits is as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand Deposits	\$ 1,360,990	\$ 1,429,680
	<u>\$ 1,360,990</u>	<u>\$ 1,429,680</u>

Of the bank balance, \$250,000 was covered by the Federal Depository Insurance Corporation and \$1,179,680 was uninsured and collateralized by securities held by the pledging institution’s trust department, not in the Council’s name.

At December 31, 2010, the Council had no investments.

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 4—Property and equipment

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

	<u>Balance 1/1/2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2010</u>
Property and equipment:				
Leasehold improvements	\$ 161,047	-	-	\$ 161,047
Furniture and fixtures	41,124	-	\$ (9,700)	31,424
Computer equipment	1,130,194	\$ 261,007	(7,500)	1,383,701
Office equipment	13,085	-	(3,500)	9,585
Vehicles	17,331	-	-	17,331
Total property and equipment	<u>1,362,781</u>	<u>261,007</u>	<u>(20,700)</u>	<u>1,603,089</u>
Accumulated Depreciation:				
Furniture and Fixtures	\$ (41,124)	-	\$ 9,700	(31,424)
Computer Equipment	(891,857)	\$ (143,742)	6,375	(1,029,224)
Office Equipment	(11,962)	(558)	3,500	(9,020)
Vehicles	(4,910)	(3,466)	-	(8,376)
Other	(161,048)	-	-	(161,048)
Total accumulated depreciation	<u>(1,110,901)</u>	<u>(147,766)</u>	<u>19,575</u>	<u>(1,239,092)</u>
Net property and equipment	<u>\$ 251,880</u>	<u>\$ 113,241</u>	<u>\$ (1,125)</u>	<u>\$ 363,997</u>

	<u>Balance 1/1/2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2009</u>
Property and equipment:				
Leasehold improvements	\$ 161,047	-	-	\$ 161,047
Furniture and fixtures	41,124	-	-	41,124
Computer equipment	1,069,453	\$ 60,741	-	1,130,194
Office equipment	13,085	-	-	13,085
Vehicles	17,331	-	-	17,331
Total property and equipment	<u>1,302,040</u>	<u>60,741</u>	<u>-</u>	<u>1,362,781</u>
Accumulated Depreciation:				
Furniture and Fixtures	(41,124)	-	-	(41,124)
Computer Equipment	(747,104)	(144,753)	-	(891,857)
Office Equipment	(11,404)	(558)	-	(11,962)
Vehicles	(1,444)	(3,466)	-	(4,910)
Other	(161,048)	-	-	(161,048)
Total accumulated depreciation	<u>(962,124)</u>	<u>(148,777)</u>	<u>-</u>	<u>(1,110,901)</u>
Net property and equipment	<u>\$ 339,916</u>	<u>\$ (88,036)</u>	<u>\$ -</u>	<u>\$ 251,880</u>

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 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, 2010 and 2009 was \$135,000.

The Council entered into a sixty month operating lease for a copier in September 2009. Total payments which include copier supplies and the lease expense amounted to \$2,971 and \$4,023, respectively, for the years ended December 31, 2010 and 2009.

The minimum future annual rental commitment under all the Council leases at December 31, 2010 is as follows:

<u>Year</u>		
2011	\$	1,892
2012		1,892
2013		1,892
2014		1,261
	<u>\$</u>	<u>6,937</u>

Note 6—Pension and other post-employment benefits

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The employees of the Council are covered by the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to members and beneficiaries. Chapter 145 of the Ohio Revised Code (ORC) provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4262, calling (614) 222-5601 or 800-222-7377 or accessing the OPERS web site at www.opers.org.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 10.0% for 2010, 10.0% for 2009, and 10.0% for 2008. During 2010, 2009, and 2008, the employer contribution rate was 14.00%, 14.00% and 14.00% of covered payroll. The Council's contributions to OPERS for the years ending December 31, 2010, 2009, and 2008 were \$267,510, \$254,209, and \$235,072, respectively, and were equal to the required contribution for those years. The accrued portion related to OPERS expense as of December 31, 2010, 2009, and 2008 is \$24,110, \$20,193, and \$17,995, respectively.

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 6–Pension and other post-employment benefits-continued

All benefits are established by legislature pursuant to Ohio Revised Code Chapter 145. Members are eligible for retirement benefits at age 60 with 5 years or 60 contributing months of service credit, at age 55 with 25 or more years of service credit, or at any age with 30 or more years of service credit. The annual benefit is based on final average salary, multiplied by a specific percentage based on service and type of plan. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Upon reaching minimum retirement age, benefits are vested at the time of eligibility for monthly benefits.

Other post-employment benefits

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pensions plan; the Member Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple employer defined benefit pension plan.

OPERS provides retirement, disability, survivor and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plan must have 10 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 is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the Council's contribution rate was 14.00% of covered payroll for 2010. The employer contribution included 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010 to fund health care for the year. The Ohio Revised Code provides the statutory authority to require public employers to fund post retirement health care through their contributions to OPERS.

On September 9, 2004 the OPERS Retirement board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures the OPEBS's health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Under the HCPP, retirees for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care option that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 7—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.

Note 8—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% coinsured. 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. The 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.

Note 9—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 2010, the Council received four payments totaling \$14,000. In 2009, the Council received two quarterly payments of \$7,500, totaling \$15,000, and in 2008, the Council received four quarterly payments of \$7,500, totaling \$30,000, which were paid to the County of Lucas and the City of Toledo to reimburse the County and the City 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.

Note 10—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 the Council management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2010 and 2009.

**CRIMINAL JUSTICE COORDINATING COUNCIL
SCHEDULES OF OPERATING REVENUES
For the Years Ended December 31, 2010 and 2009**

	2010	2009
Operating revenues		
Contract services		
City of Toledo	\$ 1,669,287	\$ 1,854,763
Lucas County	548,906	609,895
CCNO	319,368	-
Other	942,318	1,441,446
Total contract services	3,479,879	3,906,104
Grants	115,460	56,972
Charges for services	167,513	164,407
Computer equipment and software		
Computer supply reimbursement	191,729	170,613
Software licenses	0	75,000
Total computer equipment and software	191,729	245,613
Other		
Agency equipment	212,399	16,861
Solitaire settlement	14,000	15,000
Miscellaneous	2,804	13,583
Total other	229,203	45,444
Total operating revenues	\$ 4,183,784	\$ 4,418,540

CRIMINAL JUSTICE COORDINATING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

Federal Grantor/ Pas-through Grantor/ Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed through the Department of Youth Services:			
Juvenile Accountability			
Incentive Block	16.523	07-JB-1000A	\$ 10,000
Incentive Block	16.523	08-JB-1000	378
Incentive Block	16.523	09-JB-1000	77,831
Total Juvenile Accountability			<u>88,209</u>
Juvenile Justice Delinquency			
Prevention Block (Title II)	16.540	08-JJ-1095	45,774
Prevention Block (Title II)	16.540	09-JJ-1095	7,122
Juvenile Justice Delinquency			
Prevention Block (Title II)			
Administration	16.540	08-JJ-ADM-0287	5,455
Administration	16.540	09-JJ-ADM-0287	4,692
Total Juvenile Justice Delinquency			<u>63,043</u>
Passed through Department of Justice, Bureau of Justice Assistance:			
Justice Assistance Grant	16.738	07-DJ-BX-0225	14,802
Justice Assistance Grant	16.738	08-DJ-BX-0156	5,903
Justice Assistance Grant	16.738	09-DJ-BX-0140	171,966
Justice Assistance Grant			
American Recovery & Reinvestment Act (ARRA)	16.804	09-SB-B9-1332	853,778
Justice Assistance Grant			
Administration	16.804	09-RA-ADM-7575	39,910
Total Justice Assistance Grant			<u>1,086,359</u>
Passed through Office of Criminal Justice Services:			
Violence Against Women Block Grant	16.588	08-WF-1078	18,112
Violence Against Women Block Grant	16.588	09-WF-1088	174,874
Violence Against Women Block Grant			
American Recovery & Reinvestment Act (ARRA)	16.588	09-AR-1088	238,582
Violence Against Women Act			
Administration	16.588	08-WF-ADM-8826	11
Administration	16.588	09-WF-ADM-8826	16,369
Administration	16.588	10-WF-ADM-8826	13,109
Total Violence Against Women Block Grant			<u>461,057</u>
Total U.S. Department of Justice			<u>1,698,668</u>
Total Expenditures of Federal Awards			<u>\$ 1,698,668</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

Note 1–Basis of presentation

The federal grant operations are included in the scope of the Office of Management and Budget’s (OMB) Circular A-133 audit (Single Audit). The Single Audit was performed in accordance with the provisions of the OMB *Compliance Supplement for Single Audits of States, Local Government, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

The accompanying schedule of expenditures of federal awards includes all federal grants to the Council which had activity during the year ended December 31, 2010. This schedule has been prepared on the cash basis of accounting. Grant revenues are recorded for financial reporting purposes when the Council has met the qualifications for the respective grants. Certain funds are passed on to subrecipients upon receipt.

Note 2–Subrecipient grants

The Council provided cash basis disbursements under federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided To Subrecipients</u>
Juvenile Accountability Incentive Block	16.523	\$ 88,209
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	52,896
Violence Against Women Block Grant	16.588	192,986
American Recovery & Reinvestment Act (ARRA): Violence Against Women Block Grant	16.588	238,582
Justice Assistance Block Grant	16.738	192,671
American Recovery & Reinvestment Act (ARRA): Justice Assistance Block Grant	16.804	<u>853,778</u>
		<u>\$ 1,619,122</u>

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

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

Criminal Justice Coordinating Council
Lucas County
One Government Center, Suite 1720
Toledo, Ohio 43604

To the Council:

We have audited the financial statements of the business-type activities and statement of net assets-agency fund of the Criminal Justice Coordinating Council (CJCC), Lucas County, as of and for the year ended December 31, 2010, and have issued our report thereon dated April 6, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the CJCC's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the audit committee, Council, federal awarding agencies and pass-through entities, and others within the CJCC. We intend it for no one other than these specified parties.

Charles E. Harris and Associates

Charles E. Harris and Associates, Inc.

April 6, 2011

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

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

Criminal Justice Coordinating Council
Lucas County
One Government Center, Suite 1720
Toledo, OH 43604

To the Council:

Compliance

We have audited the compliance of the Criminal Justice Coordinating Council, Lucas County (CJCC) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the CJCC's major federal programs. CJCC's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on CJCC's compliance based on our audit.

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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about CJCC's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on CJCC's compliance with those requirements.

In our opinion, CJCC complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2010.

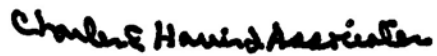
Internal Control Over Compliance

CJCC's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered CJCC's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of CJCC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the audit committee, management, Council, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Charles Harris Associates". The signature is written in a cursive, slightly slanted style.

CHARLES E. HARRIS & ASSOCIATES, INC.

April 6, 2011

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

**CRIMINAL JUSTICE COORDINATING COUNCIL
LUCAS COUNTY
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Justice Assistance Grant CFDA #16.738 Justice Assistance Grant-ARRA CFDA #16.804 STOP Violence Against Women Block Grant CFDA #16.588 STOP Violence Against Women Block Grant-ARRA CFDA #16.588
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

CRIMINAL JUSTICE COORDINATING COUNCIL
LUCAS COUNTY
DECEMBER 31, 2010

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CRIMINAL JUSTICE COORDINATING COUNCIL
LUCAS COUNTY**

**Schedule of Prior Audit Findings
December 31, 2010**

The prior audit, for the year ended December 31, 2009, reported no material citations or recommendations.



Dave Yost • Auditor of State

CRIMINAL JUSTICE COORDINATING COUNCIL

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 31, 2011