

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

LUCAS COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2010

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



Dave Yost • Auditor of State

Lucas County Family and Children First Council
One Government Center, Suite 580
Toledo, Ohio 43604

We have reviewed the *Report of Independent Accountants* of the Lucas County Family and Children First 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 Lucas County Family and Children First Council is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 28, 2011

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**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY, OHIO
Audit Report
For the year ended December 31, 2010**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1-2
Management's Discussion and Analysis	3
Statement of Net Assets – Cash Basis	8
Statement of Activities – Cash Basis	9
Statement of Cash Basis Assets and Fund Balances – Governmental Funds	10
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Balances – Governmental Funds	11
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – General Fund	12
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Help Me Grow (HMG) Fund	13
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Intersystem Core Coordination Fund	14
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Children's Trust	15
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Teen Pregnancy Prevention Fund	16
Notes to the Financial Statements	17
Schedule of Federal Awards Expenditures	27
Notes to the Schedule of Federal Awards Expenditures	28
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	31

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY, OHIO
Audit Report
For the year ended December 31, 2010**

TABLE OF CONTENTS – (continued)

<u>TITLE</u>	<u>PAGE</u>
Schedule of Findings	33
Schedule of Prior Audit Findings	34

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

REPORT OF INDEPENDENT ACCOUNTANTS

Lucas County Family and Children First Council
Lucas County
2275 Collingwood Ave.
Toledo, Ohio 43620

To the Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lucas County Family and Children First Council, Lucas County, Ohio, (the Council), as of and for the year ended December 31, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Lucas County Family and Children First Council, Lucas County, Ohio, as of December 31, 2010, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund and each major Special Revenue Fund thereof for the year then ended in conformity with accounting basis Note 2 describes.

The 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2011 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 provided 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2010, is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all materials respects in relation to the basic financial statements taken as a whole.



Charles E. Harris & Associates, Inc.

July 28, 2011

Lucas County Family and Children First Council
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

This discussion and analysis of the Lucas County Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2010, within the limitations of the Council's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

Financial Highlights

Key highlights for 2010 are as follows:

- Overall financial activity decreased in FY 2010, with overall receipts decreasing from \$4,813,687 in FY 2009 to \$3,671,576, a decrease of 23.7%. Total expenditures decreased from \$4,526,531 in FY 2009 to \$3,897,672 in FY 2010, a decrease of 14%. This decrease in activity in SFY 2010 is the mostly due to the elimination of TANF funding for Help Me Grow as of June 30, 2009 and the elimination of United Way funding that was helping to support Help Me Grow Home Visits in 2009.
- Net assets decreased by 25%, from \$904,970 at the end of 2009 to \$678,874 by the end of 2010. This is a decrease of \$226,096. This change in net assets reflects a combination of funding decreases and not realizing revenue projected for 2010 until 2011. Outstanding commitments at the end of 2010 totaled \$457,329¹
- The Council's general fund net assets decreased by \$10,658 – from \$31,343 to \$20,685, a decrease 34%. The Administrative Agent Agreement fee of \$25,000 annually was recorded on a cash basis for both FY 2009 (paid on 1/27/10) and 2010 (paid on 11/29/10) during FY 2010.
- There are multiple sources of Council's revenues including the Federal government (Part C, Part C Stimulus, and Family Centered Service and Support Funds); State General Revenue Funds; and local revenues which are primarily the result of Pooled fund contributions to support Cluster; and United Way funding which supported Help Me Grow and the evaluation of Teen Pregnancy Prevention efforts in Lucas County and a nominal level of miscellaneous funding. These receipts are 100% of the Council's revenues.
- The Ohio Department of Health provided \$417,816 in federal Part C, \$350,699 in federal Part C Stimulus, and \$1,422,798 in state general funds for the Help Me Grow program in 2010.
- The United Way of Greater Toledo provided \$10,500 to support the provision of ongoing technical assistance and the evaluation of targeted teen pregnancy

¹ This amount reflects funds encumbered on Requisitions and Purchase Orders – not actual payables.

Lucas County Family and Children First Council
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

prevention efforts in Lucas County. An additional \$5,000 was provided by the Mental Health and Recovery Services Board of Lucas County to support the Lucas County Youth Survey – this \$5,000 was a pass through to the Hospital Council of Northwest Ohio, which is acting as project manager for the Lucas County Youth Survey.

Overview of the Financial Statements

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

Report Components

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

Basis of Accounting

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

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

Lucas County Family and Children First Council
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Council did financially during 2010, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2010.

Table 1 provides a summary of the Council's net assets for 2010 compared to 2009 on a cash basis:

**Table 1
Net Assets**

	December 31	
	2010	2009
Assets		
Cash and cash equivalents	\$ 678,874	\$ 904,970
Total assets	\$ 678,874	\$ 904,970
 Net assets		
Unrestricted	\$ 20,685	\$ 31,343
Restricted	658,189	873,627
Total Net Assets	\$ 678,874	\$ 904,970

As mentioned previously, net assets decreased by \$226,096 or 25% during 2010. This is primarily a reflection of the loss of TANF funds for Help Me Grow and the discontinuation of United Way funding for Help Me Grow Newborn Home Visits – both of which were eliminated 6/30/2009. In 2009, TANF receipts totaled \$1,757,887. Part of this loss was offset by an increase in State General Funds for Help Me Grow, which had increased from \$928,944 in 2009, to \$1,422,798 in 2010.

Lucas County Family and Children First Council
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Table 2 reflects the changes in net assets during 2010. This table also shows a comparison with changes in net fund balances for 2009.

Table 2
Change in Net Assets

	2010	2009
Receipts		
Intergovernmental	\$3,572,796	\$4,717,246
Non-governmental grants	12,491	-
Donations & miscellaneous revenues	-	96,441
Total receipts	3,585,287	4,813,687
Disbursements		
Salary and benefits	544,442	558,205
Supplies	23,483	13,044
Equipment	4,494	14,631
Contract services	2,986,049	3,230,734
Training	7,252	5,900
Telephones	3,286	3,146
Administrative charges	227,580	246,728
Other	14,797	454,143
Total disbursements	3,811,383	4,526,531
Excess receipts over/(under) disbursements	(226,096)	287,156
Fund balances beginning of year	904,970	617,814
Fund balances end of year	\$678,874	\$904,970

Intergovernmental revenue represented 97% of total receipts and is primarily comprised of federal, state, and county government receipts. The largest category of disbursements were for specific restricted grant services provided to support the Help Me Grow and Cluster programs through contractors in the community.

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

Lucas County Family and Children First Council
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

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

Capital Assets and Debt Administration

The Council has no capital assets and no debt.

Budgetary Highlights

The Council's 2010 financial statements include budgetary statements for the General, Help Me Grow (HMG), Teen Pregnancy and Intersystem Core Coordination. The Council made revisions to the General Fund Budget and various other Restricted Fund Budgets during the course of the year. The variances between the budget and actual results were spread over numerous line items in the funds.

Request for Information

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

Lucas County Family and Children First Council
Statement of Net Assets – Cash Basis
December 31, 2010

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 678,874
Total Assets	678,874
 Net assets	
Restricted for grant services	658,189
Unrestricted	20,685
Total Net Assets	\$ 678,874

See accompanying notes.

Lucas County Family and Children First Council
Statement of Activities – Cash Basis
December 31, 2010

	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets	
Cash Disbursements	Operating Grants and Contributions	Governmental Activities	
Governmental activities			
General government	\$ 237,527	\$ 226,869	\$ (10,658)
Social services	3,573,856	3,358,418	(215,438)
Total governmental activities	<u>\$ 3,811,383</u>	<u>\$ 3,585,287</u>	<u>(226,096)</u>
Changes in net assets			(226,096)
Net assets beginning of year			904,970
Net assets end of year			<u><u>\$ 678,874</u></u>

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Help Me Grow (HMG)	Intersystem Core Coordination	Childrens's Trust Fund	Teen Pregnancy Prevention	Other Restricted	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 20,685	\$ 92,600	\$ 544,317	\$ (3,515)	\$ 9,075	\$ 15,712	\$ 678,874
Total assets	<u>\$ 20,685</u>	<u>\$ 92,600</u>	<u>\$ 544,317</u>	<u>\$ (3,515)</u>	<u>\$ 9,075</u>	<u>\$ 15,712</u>	<u>\$ 678,874</u>
Fund balances							
Unreserved:							
General fund	\$ 20,685	-	-	-	-	-	\$ 20,685
Special revenue	-	\$ 92,600	\$ 544,317	\$ (3,515)	\$ 9,075	\$ 15,712	658,189
Total fund balances	<u>\$ 20,685</u>	<u>\$ 92,600</u>	<u>\$ 544,317</u>	<u>\$ (3,515)</u>	<u>\$ 9,075</u>	<u>\$ 15,712</u>	<u>\$ 678,874</u>

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Receipts, Disbursements,
and Changes in Cash Basis Fund Balances
Governmental Funds
Year Ended December 31, 2010

	General	Help Me Grow (HMG)	Intersystem Core Coordination	Children's Trust Fund	Teen Pregnancy Prevention	Other Restricted	Total Governmental Funds
Receipts							
Intergovernmental	\$ 225,699	\$ 2,191,313	\$ 1,000,059	\$ 150,725	\$ 5,000	\$ -	\$ 3,572,796
Miscellaneous	1,170	485	336	-	10,500	-	12,491
Total receipts	226,869	2,191,798	1,000,395	150,725	15,500	-	3,585,287
Disbursements							
Salary and benefits	148,756	189,416	161,464	25,552	19,254	-	544,442
Supplies	624	16,026	1,801	4,179	853	-	23,483
Equipment	226	3,377	404	441	46	-	4,494
Contract services	78,824	1,946,976	802,652	110,857	46,740	-	2,986,049
Training	1,464	1,280	1,944	2,337	227	-	7,252
Telephones	690	1,100	788	348	360	-	3,286
Administrative charges	6,943	171,514	20,000	29,123	-	-	227,580
Other	-	2,742	2,158	7,883	2,014	-	14,797
Total disbursements	237,527	2,332,431	991,211	180,720	69,494	-	3,811,383
Excess Revenue Over(Under) Disbursements	(10,658)	(140,633)	9,184	(29,995)	(53,994)	-	(226,096)
Other Financing Sources(Uses)							
Transfer In	-	5,926	-	75,363	-	-	81,289
Transfer Out	-	(5,926)	-	(75,363)	-	-	(81,289)
Total Other Financing Sources(Uses)	-	-	-	-	-	-	-
Change in fund balances	(10,658)	(140,633)	9,184	(29,995)	(53,994)	-	(226,096)
Fund balances beginning of year	31,343	233,233	535,133	26,480	63,069	15,712	904,970
Fund balances end of year	\$ 20,685	\$ 92,600	\$ 544,317	\$ (3,515)	\$ 9,075	\$ 15,712	\$ 678,874

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Receipts, Disbursements, and Changes in
Fund Balances – Budget and Actual – Budget Basis
General Fund
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 217,044	\$ 217,044	\$ 225,699	\$ 8,655
Miscellaneous	-	-	1,170	1,170
Total receipts	217,044	217,044	226,869	9,825
Disbursements				
Salary and benefits	158,905	158,905	148,757	10,148
Supplies	900	900	624	276
Equipment	500	500	226	274
Contract Services & Professional Services	58,500	58,500	78,824	(20,324)
Training	1,748	1,748	1,464	284
Telephones	1,000	1,000	690	310
Other	2,500	2,500	6,942	(4,442)
Total disbursements	224,053	224,053	237,527	(13,474)
Excess Receipts over disbursements	(7,009)	(7,009)	(10,658)	(3,649)
Fund balances beginning of year	31,343	31,343	31,343	-
Fund balances end of year	\$ 24,334	\$ 24,334	\$ 20,685	\$ (3,649)

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Receipts, Disbursements, and Changes in
Fund Balances – Budget and Actual – Budget Basis
Help Me Grow (HMG)
Year ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 2,177,155	\$ 2,177,155	\$ 2,191,313	\$ 14,158
Miscellaneous	-	-	485	485
Total receipts	2,177,155	2,177,155	2,191,798	14,643
Disbursements				
Salary and benefits	193,862	193,862	189,416	4,446
Administrative Charges	173,287	173,287	171,514	1,773
Supplies	1,500	1,500	16,026	(14,526)
Equipment	2,700	2,700	3,377	(677)
Contract Services	1,753,451	1,753,451	1,946,976	(193,525)
Training	7,000	7,000	1,280	5,720
Telephones	2,500	2,500	1,100	1,400
Other	5,700	5,700	2,742	2,958
Total disbursements	2,140,000	2,140,000	2,332,431	(192,431)
Receipts over/(under) disbursements	37,155	37,155	(140,633)	(177,788)
Other Financing Sources/(Uses)				
Transfer In	-	-	5,926	5,926
Transfer Out	-	-	(5,926)	(5,926)
Total Other Financing Sources/(Uses)	-	-	-	-
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	37,155	37,155	(140,633)	(177,788)
Fund balances beginning of year	233,233	233,233	233,233	-
Fund balances end of year	\$ 270,388	\$ 270,388	\$ 92,600	\$ (177,788)

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Receipts, Disbursements, and Changes in
Fund Balances – Budget and Actual – Budget Basis
Intersystem Core Coordination Fund
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 1,014,100	\$ 1,014,100	\$ 1,000,059	\$ (14,041)
Miscellaneous	1,500	1,500	336	(1,164)
Total receipts	1,015,600	1,015,600	1,000,395	(15,205)
Disbursements				
Salary and benefits	180,157	180,157	161,464	18,693
Administrative Charges	20,000	20,000	20,000	0
Supplies	1,300	1,300	1,801	(501)
Equipment	600	600	404	196
Contract Services	779,000	779,000	802,652	(23,652)
Training	1,000	1,000	1,944	(944)
Telephones	950	950	788	162
Other	1,750	1,750	2,158	(408)
Total disbursements	984,757	984,757	991,211	(6,454)
Excess Receipts over disbursements	30,843	30,843	9,184	(21,659)
Fund balances beginning of year	535,133	535,133	535,133	-
Fund balances end of year	\$ 565,976	\$ 565,976	\$ 544,317	\$ (21,659)

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Receipts, Disbursements, and Changes in
Fund Balances – Budget and Actual – Budget Basis
Children's Trust Fund
Year ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 150,752	\$ 150,752	\$ 150,725	\$ (27)
Total receipts	150,752	150,752	150,725	(27)
Disbursements				
Salary and benefits	24,433	24,433	25,552	(1,119)
Administrative Charges	7,500	7,500	7,883	(383)
Supplies	558	558	4,179	(3,621)
Equipment	-	-	441	(441)
Contract Services	115,206	115,206	110,857	4,349
Training	6,761	6,761	2,337	4,424
Telephones	-	-	348	(348)
Other	19,050	19,050	29,123	(10,073)
Total disbursements	173,508	173,508	180,720	(7,212)
Receipts over/(under) disbursements	(22,756)	(22,756)	(29,995)	(7,239)
Other Financing Sources/(Uses)				
Transfer In	-	-	75,363	75,363
Transfer Out	-	-	(75,363)	(75,363)
Total Other Financing Sources/(Uses)	-	-	-	-
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	(22,756)	(22,756)	(29,995)	(7,239)
Fund balances beginning of year	26,480	26,480	26,480	-
Fund balances end of year	\$ 3,724	\$ 3,724	\$ (3,515)	\$ (7,239)

See accompanying notes.

Lucas County Family and Children First Council
Statement of Cash Receipts, Disbursements, and Changes in
Fund Balances – Budget and Actual – Budget Basis
Teen Pregnancy Prevention
Year ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ -	\$ -	\$ 5,000	\$ 5,000
Miscellaneous	52,500	52,500	10,500	(42,000)
Total receipts	52,500	52,500	15,500	(37,000)
Disbursements				
Salary and benefits	23,709	23,709	19,254	4,455
Supplies	500	500	853	(353)
Equipment	1,500	1,500	46	1,454
Contract Services	33,482	33,483	46,740	(13,257)
Training	2,500	2,500	227	2,273
Telephones	500	500	360	140
Other	4,500	4,500	2,014	2,486
Total disbursements	66,691	66,692	69,494	(2,802)
Receipts over (under) disbursements	(14,191)	(14,192)	(53,994)	(39,802)
Fund balances beginning of year	63,069	63,069	63,069	-
Fund balances end of year	\$ 48,878	\$ 48,877	\$ 9,075	\$ (39,802)

See accompanying notes.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

1. Description of the Council and Reporting Entity

Description of the Entity

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

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

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

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

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

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

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

The Council's statutory responsibilities include the following:

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

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

Develop and implement the following:

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

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

Intersystem Care Coordination (Formerly called “Cluster”)

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

- Special Assistance Funding
- Wraparound
- Funding for Intersystem Placements

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

Reporting Entity

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

2. Summary of Significant Accounting Policies

Basis of Presentation

These financial statements follow the cash basis of accounting.

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

2. Summary of Significant Accounting Policies - (continued)

Basis of Presentation - (continued)

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

Basis of Presentation - (continued)

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

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

Teen Pregnancy Prevention [formerly called Wellness Program] – The Teen Pregnancy Prevention Fund is used to account for revenue received and expended local grant monies for the specific purpose of providing technical assistance, data collection & management, and analysis of data related to the Reducing the Risk and Teen Outreach Programs – both directed at reducing teen pregnancy prevention.

Other – Smaller programs/projects that are more time limited and receive lower levels of funding are grouped under OTHER in our Financial Statements. While they are grouped under the category of OTHER they are still tracked separately in Peachtree, our accounting system. This has included past programs/projects such as “Bridges out of Poverty”, which was reported as a separate category in the previous year audit [this ended in 2007 and had received federal funds], Maternal Health Project, Matrix, etc.

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

Administrative and Fiscal Agent

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

Measurement Focus

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

Basis of Accounting

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

Cash

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

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

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

The Council does not have investment policies relating to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Capital Assets

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

Long-Term Debt Obligations

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

Net Assets

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

Budgetary Process

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

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

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

Accumulated Leave

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

3. Cash and Cash Equivalents

The Lucas County Commissioners maintain a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. At year end, the carrying amount of the Council's deposits with the Lucas County Commissioners was \$678,874 (Family Council Account) and -\$3,514 (Children's Trust Fund Account). The Lucas County Board of Commissioners is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

4. Contractual Commitments

At December 31, 2010, the Council had \$457,331 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants, whose funding follows the State fiscal year of July 1 through June 30 rather than a calendar fiscal year. While all of itemized commitments in the following list were outstanding encumbrances as of December 31, 2010, this does not mean that we actually owe this amount, but rather what is encumbered by Lucas County and may be used by the provider.

Ohio Teaching Family Assoc	\$1,945
East Toledo Family Center	45,710
Family and Child Abuse Prevention Center	4,988
Lucas County Board of DD	19,264
MT Business Technologies	277
National Alliance for the Mentally III	39,920
Sunshine, Inc., of NOW	4,819
Nakisha Bell	1,770
Melissa Stoll	949
David Putano	320
Cory Osborn	397
Charlie R. Bolden III	1,395
Ann Grady Center	2,700
MT Business Technologies Inc.	2,077
Toledo Lucas County Health Department	5,074
Coleen Mulvaney	7,949
LHS Family and Youth Services	27,693
The Firm	3,300
Cassandra Y Quinn	727
Family and Child Abuse	42,619
East Toledo Family Center	21,310
NWOH Center	206
Toledo Children's Hospital	43,220
East Toledo Family Center	42,074
United Way of Greater Toledo	5,000
University of Toledo	20,220
Kwik Parking	240
SONIT Systems, Inc	10,000
NAMI of Greater Toledo	78,539
Collingwood Water	16
Office Max	791
Collingwood Water	59
University of Toledo - ARRA	570
Family and Child Abuse - ARRA	21,193
Total	<u><u>\$457,331</u></u>

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

5. Risk Management

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

6. Pension Obligations

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The 2010 member contribution rates were 10.0% for members in state and local classifications. The 2010 employer contribution rate for state and local employers was 14.00% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Council's required contributions for pension obligations to the traditional plan for the years ended December 31, 2010, 2009, and 2008 were \$54,509, \$57,771, and \$55,871, respectively. The full amount has been contributed for all years.

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, 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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2010

6. Pension Obligations – (continued)

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.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Council's contributions for post-employment benefits were \$20,246, \$22,696 and \$21,949 for the years ended December 31, 2010, 2009 and 2008, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

7. Contingencies/Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2010.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY, OHIO
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2010

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Receipts Recognized</u>	<u>Program Disbursements</u>
U.S. Department of Education			
Passed Through Ohio Department of Health:			
Early Intervention Services Cluster			
ARRA -Grants for Infants and Families, Recovery Act	84.393	\$ 350,699	\$ 417,558
Special Education - Grants for Infants and Families	84.181	417,816	486,467
Total Early Intervention Services Cluster		<u>768,515</u>	<u>904,025</u>
Total U.S. Department of Education		768,515	904,025
U.S. Department of Health and Human Services			
Passed Through Ohio Department of Health and Human Services:			
Promoting Safe and Stable Families	93.556	<u>26,706</u>	<u>35,572</u>
Total U.S. Department of Health and Human Services		<u>26,706</u>	<u>35,572</u>
Total Federal Awards		<u>\$ 795,221</u>	<u>\$ 939,597</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2010

1. Significant Accounting Policies

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

2. Subrecipients

The Council passed-through \$939,597 of Federal assistance received from the Ohio Department of Health and the Lucas County Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the Council records expenditures of Federal awards to subrecipients when paid in cash.

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

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

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

To the Council:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lucas County Family and Children First Council, Lucas County, Ohio (the Council) as of and for the year ended December 31, 2010, and have issued our report thereon dated July 28, 2011, wherein we noted the Council followed the cash basis of accounting. 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 Council'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 Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council'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 Council's financial statements will not be prevented or detected and timely corrected.

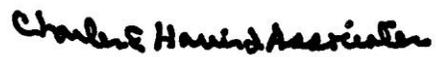
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 noted certain matters that we reported to management in a separate letter dated July 28, 2011.

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

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

Charles E. Harris and Associates, Inc.

July 28, 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 PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Council:

Compliance

We have audited the compliance of Lucas County Family and Children First Council, Lucas County (the Council) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Council's major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Council's major federal program. The Council'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 the Council'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 the Council'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 the Council's compliance with those requirements.

In our opinion, the Lucas County Family and Children First Council, Lucas County complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

The Council'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 the Council's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over 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 the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program 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.

This report is intended solely for the information and use of the audit committee, the Council, management of the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Charles E. Harris & Associates, Inc.

July 28, 2011

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

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Lucas County, Ohio
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>	Early Intervention Services Cluster: ARRA Grants for Infants and Families #84.390 Grants for Infants and Children #84.181
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2010**

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

None

FINDINGS FOR FEDERAL AWARDS

None

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken or Finding No Longer Valid; Explain
2009-LCFCFC-01	Proper recording of financial transactions and preparation of annual report	Yes	Finding No Longer Valid

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Dave Yost • Auditor of State

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 11, 2011**