



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CRIMINAL JUSTICE COORDINATING COUNCIL

LUCAS COUNTY

SINGLE AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Criminal Justice Coordinating Council
One Government Center
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Criminal Justice Coordinating Council, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 14, 2022

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INDEPENDENT AUDITORS' REPORT

To the Council
Criminal Justice Coordinating Council
Toledo, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Criminal Justice Coordinating Council (the "Council"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the Council as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedules of operating revenues and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedules of operating revenues and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2022 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 3, 2022

LUCAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED

The following Management's Discussion and Analysis (MD&A) section of the Criminal Justice Coordinating Council's (the Council) financial report represents a discussion and analysis of the Council's financial performance during the fiscal years ended December 31, 2021 and 2020. Please read it in conjunction with the Council's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, Net Position increased \$2,144,695 or (95.4%) from 2020 balance, resulting in ending net position of (\$102,885) at December 31, 2021.
- Total Assets and Deferred Outflows of Resources decreased \$16,758 or (0.3%).
- Total Liabilities and Deferred Inflows of Resources decreased by \$2,161,453 or (30.7%) from 2020. Current liabilities decreased by \$138,789 or (14.1%). The Council recorded a net pension liability of \$2,048,625 in 2021. Deferred inflows of resources increased \$774,473 or (63.5%). Deferred inflows of resources at December 31, 2021 included a decline in grant revenue while a pension and OPEB increased significantly.
- The Council had \$2,463,974 in operating expenses and \$4,691,425 in operating revenues in 2021. Non-operating revenues and expenses netted to \$4,321 in 2021.
- Grants administered by the Council increased \$59,888 or (3.3%) from 2020.

Using This Annual Financial Report

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

The Statements of Net Position, similar to a traditional balance sheet, presents information regarding assets, deferred outflows, liabilities and deferred inflows. The net position of the Council as of December 31, 2021 and 2020 represents the difference between the total assets and deferred outflows and total liabilities and deferred inflows.

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

The Statements of Cash Flows report changes in cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital financing activities, and investing activities. The net result of these activities added to the beginning of the year's cash and cash equivalents balance reconciles to the cash and cash equivalents balance on the Statements of Net Position at the end of the current fiscal year.

LUCAS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED**

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

Reporting the Council as a Whole

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

While this document contains the fund used by the Council to provide its program, the view of the Council as a whole encompasses all financial transactions and asks the question, "How did we do financially during 2021 and 2020?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position answer this question. These statements include *all assets, deferred outflows, liabilities, and deferred inflows* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the Council's Fund

Fund Financial Statements

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

LUCAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED

Statements of Net Position

The major components of the Statement of Net Position at December 31, 2021, 2020 and 2019 are reflected below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets and Deferred Outflows of Resources			
Current assets	\$ 3,801,633	\$ 3,826,133	\$ 3,192,738
Capital assets	323,658	212,792	215,947
Net OPEB assets	247,713	-	-
Deferred outflows of resources	412,911	763,748	1,363,372
Total assets and deferred outflows	<u>\$ 4,785,915</u>	<u>\$ 4,802,673</u>	<u>\$ 4,772,057</u>
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities	\$ 846,057	\$ 984,846	\$ 786,084
Long Term Liabilities	2,048,625	4,845,761	5,877,735
Deferred inflows of resources	1,994,118	1,219,646	429,081
Total liabilities and deferred inflows	<u>4,888,800</u>	<u>7,050,253</u>	<u>7,092,900</u>
Net Position			
Investment in capital assets	323,658	212,792	215,947
Unrestricted net position	(426,543)	(2,460,372)	(2,536,790)
Total Net Position	<u>(102,885)</u>	<u>(2,247,580)</u>	<u>(2,320,843)</u>
Total liabilities, deferred inflows, and net position	<u>\$ 4,785,915</u>	<u>\$ 4,802,673</u>	<u>\$ 4,772,057</u>

LUCAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED

Total assets and deferred outflows had an overall decrease of \$16,758 or (0.3%) in fiscal year 2021. The change in total assets and deferred outflows was primarily due to a decrease of \$350,837 or (45.9%) in deferred outflows related to pension and other post-employment benefits (OPEB) and a decrease of \$248,121 (55.2%) in grants receivable. Cash and cash equivalents had an overall increase of 11.4% or \$324,193.

In addition to GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" that was implemented in 2015, the Council implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" for the year ended December 31, 2018. These Statements significantly revise accounting for pension and OPEB costs and liabilities. As a result, the Council is reporting assets, liabilities and deferred inflows/outflows of resources related to pension and other postemployment benefits (OPEB) on the accrual basis of accounting. These additional assets, liabilities and deferred inflows/outflows of resources substantially impact the Council's unrestricted net position resulting in an increase of \$2,144,695 from 2020. The net pension liability recognized by the Council at December 31, 2021 was \$2,048,625.

Current liabilities decreased \$138,789 or (14.1%) in fiscal year 2021 due mainly to decreased grants payable at December 31. Total liabilities decreased \$2,935,925 or (50.4%) resulting from a decrease in net pension liability and no net OPEB liability.

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

LUCAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED

Statements of Revenues, Expenses and Changes in Net Position

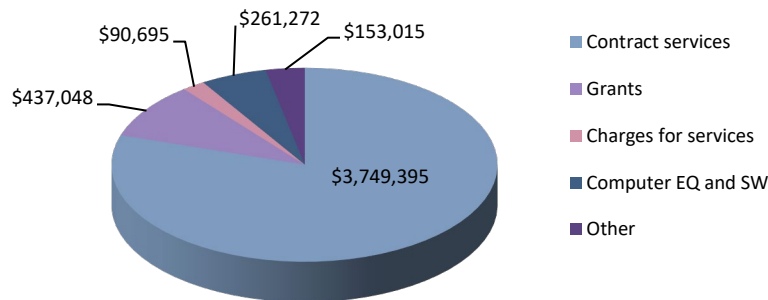
The major components of the Statements of Revenues, Expenses and Changes in Net Position for fiscal years ended December 31, 2021, 2020 and 2019 are reflected below:

	2021	2020	2019
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues	\$ 4,691,425	\$ 4,743,775	\$ 4,804,490
Operating Expenses	<u>2,463,974</u>	<u>4,608,565</u>	<u>5,006,142</u>
Operating income (loss) before depreciation	<u>2,227,451</u>	<u>135,210</u>	<u>(201,652)</u>
Depreciation	<u>87,077</u>	<u>64,115</u>	<u>62,815</u>
Operating income (loss)	2,140,374	71,095	(264,467)
Grant revenues	1,857,386	1,797,498	755,152
Less: grant allocations to subrecipients	(1,857,386)	(1,798,183)	(755,152)
Interest income	<u>4,321</u>	<u>2,853</u>	<u>3,408</u>
Total non-operating revenues and expenses	<u>4,321</u>	<u>2,168</u>	<u>3,408</u>
Changes in net position	2,144,695	73,263	(261,059)
Net position at beginning of year	<u>(2,247,580)</u>	<u>(2,320,843)</u>	<u>(2,059,784)</u>
Net position at end of the year	<u>\$ (102,885)</u>	<u>\$ (2,247,580)</u>	<u>\$ (2,320,843)</u>

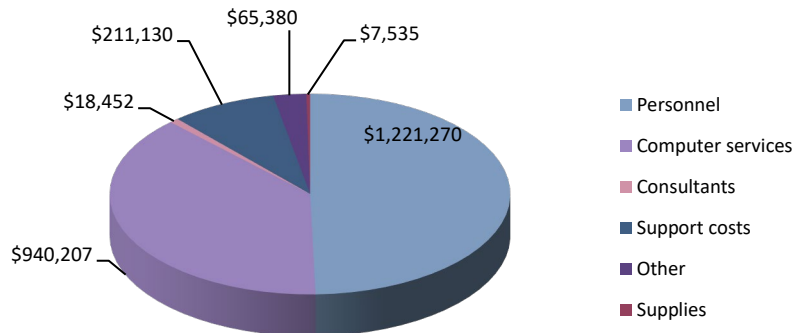
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED**

In fiscal year 2021, operating revenues had a slight decrease of 1.1% which included an increase in grant revenues offset by a decrease in computer equipment and software and other revenues. Operating expenses decreased (46.5%) predominantly from a decrease in personnel costs. Some of the reduction in operating expenses can still be attributed to the COVID-19 pandemic.

2021 Operating Revenue



2021 Operating Expenses



LUCAS COUNTY

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
UNAUDITED

Statements of Cash Flows

In fiscal year 2021, cash and cash equivalents increased \$324,193. Net cash provided by operating activities increased \$343,062 primarily due to an increase in cash received for services and a decrease in cash paid to others. Net cash used in non-capital financing activities increased \$25,179. Net cash used in capital and related financing activities increased \$176,951 and net cash from investing activities increased \$1,468 in fiscal year 2021.

Cash flows for fiscal years ended December 31, 2021, 2020 and 2019 are reflected below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities	\$ 678,568	\$ 335,506	\$ 569,999
Cash flows from non-capital financing activities	(120,785)	(95,606)	162,526
Cash flows from capital and related financing activities	(237,911)	(60,960)	(136,092)
Cash flows from investing activities	4,321	2,853	3,408
Net increase in cash	<u>\$ 324,193</u>	<u>\$ 181,793</u>	<u>\$ 599,841</u>

Capital Assets and Debt Administration

At the end of fiscal year 2021, the Council had \$323,658 investment in capital assets as compared to \$212,792 at December 31, 2020. The Council had no debt during 2021.

Contacting the Criminal Justice Coordinating Council’s Financial Management

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

LUCAS COUNTY

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 3,136,652	\$ 2,692,359
Cash and cash equivalents - restricted	37,312	157,412
Accounts receivable	59,574	130,527
Grants receivable	201,346	449,467
Prepaid expenses	366,749	396,368
Total current assets	<u>3,801,633</u>	<u>3,826,133</u>
Non-current assets		
Property and equipment	1,850,957	1,653,691
Accumulated depreciation	(1,527,299)	(1,440,899)
Net property and equipment	<u>323,658</u>	<u>212,792</u>
Net OPEB asset	247,713	-
Total non-current assets	<u>571,371</u>	<u>212,792</u>
Deferred outflows of resources		
Pension	286,240	432,787
OPEB	126,671	330,961
Deferred outflows of resources	<u>412,911</u>	<u>763,748</u>
Total Assets and Deferred Outflows	<u>\$ 4,785,915</u>	<u>\$ 4,802,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Accounts payable	\$ 128,697	\$ 105,240
Grants payable	219,169	446,142
Accrued payroll and related expenses	48,356	55,420
Matured compensated absences payable	449,835	378,044
Total current liabilities	<u>846,057</u>	<u>984,846</u>
Long term liabilities		
Net pension liability	2,048,625	2,856,515
Net OPEB liability	-	1,989,246
Total long term liabilities	<u>2,048,625</u>	<u>4,845,761</u>
Total liabilities	<u>2,894,682</u>	<u>5,830,607</u>
Deferred inflows of resources		
Grants	201,802	305,974
Pension	972,715	615,345
OPEB	819,601	298,327
Total deferred inflows of resources	<u>1,994,118</u>	<u>1,219,646</u>
Net Position		
Investment in capital assets	323,658	212,792
Unrestricted net position	(426,543)	(2,460,372)
Total net position	<u>\$ (102,885)</u>	<u>\$ (2,247,580)</u>
Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 4,785,915</u>	<u>\$ 4,802,673</u>

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

LUCAS COUNTY

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Contract services	\$ 3,749,395	\$ 3,827,847
Grants	437,048	118,918
Charges for services	90,695	89,137
Computer equipment and software	261,272	447,445
Other	153,015	260,428
	<u>4,691,425</u>	<u>4,743,775</u>
Total operating revenues	4,691,425	4,743,775
Operating expenses		
Personnel	1,221,270	3,272,056
Computer services	940,207	1,003,130
Consultants	18,452	54,808
Support costs	211,130	204,275
Other	65,380	65,811
Supplies	7,535	8,485
	<u>2,463,974</u>	<u>4,608,565</u>
Total operating expenses	2,463,974	4,608,565
Operating Income before depreciation	2,227,451	135,210
Depreciation	87,077	64,115
	<u>2,140,374</u>	<u>71,095</u>
Operating Income	2,140,374	71,095
Non-operating revenue and expense		
Grant revenues	1,857,386	1,797,498
Less: Grant allocations to subrecipients & vendors	(1,857,386)	(1,798,183)
Interest income	4,321	2,853
	<u>4,321</u>	<u>2,168</u>
Total non-operating revenue , net	4,321	2,168
Change in net position	2,144,695	73,263
Net position (deficit) at beginning of the year	<u>(2,247,580)</u>	<u>(2,320,843)</u>
Net position (deficit) at end of the year	<u>\$ (102,885)</u>	<u>\$ (2,247,580)</u>

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

LUCAS COUNTY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received for services	\$ 4,800,138	\$ 4,670,885
Cash paid to employees	(2,971,910)	(2,930,770)
Cash paid to others	(1,149,660)	(1,404,609)
Net cash provided by operating activities	<u>678,568</u>	<u>335,506</u>
Cash flows from non-capital financing activities		
Cash received from grants	1,963,574	1,481,095
Cash paid for grant allocations	(2,084,359)	(1,576,701)
Net cash used in non-capital financing activities	<u>(120,785)</u>	<u>(95,606)</u>
Cash flows from capital and related financing activities		
Purchase of property and equipment	(237,911)	(60,960)
Cash flows from investing activities	<u>4,321</u>	<u>2,853</u>
Net increase in cash	324,193	181,793
Cash and cash equivalents at beginning of year	<u>2,849,771</u>	<u>2,667,978</u>
Cash and cash equivalents at end of year	<u>\$ 3,173,964</u>	<u>\$ 2,849,771</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,140,374	\$ 71,095
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	87,077	64,115
Loss on disposal of assets	39,968	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	70,953	(111,826)
Prepaid expenses	29,619	(69,801)
Net OPEB asset	(247,713)	-
Deferred outflows - pension	146,547	751,560
Deferred outflows - OPEB	204,290	(151,936)
Increase (decrease) in:		
Accounts payable	23,457	1,701
Accrued payroll and related expenses	(7,064)	(53,355)
Accrued vacation and sick	71,791	28,934
Deferred inflows	37,761	38,936
Net pension liability	(807,890)	(1,117,924)
Net OPEB liability	(1,989,246)	85,950
Deferred inflows - pension	357,370	519,800
Deferred inflows - OPEB	521,274	278,257
Net cash provided by operating activities	<u>\$ 678,568</u>	<u>\$ 335,506</u>

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

LUCAS COUNTY

**STATEMENTS OF FIDUCIARY NET
POSITION CUSTODIAL FUNDS**
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Restricted cash	\$ 7,188	\$ 1,350
Total assets	<u>\$ 7,188</u>	<u>\$ 1,350</u>
NET POSITION		
Restricted for individuals, organizations, and other governments	\$ 7,188	\$ 1,350
Total net position	<u>\$ 7,188</u>	<u>\$ 1,350</u>

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

LUCAS COUNTY

**STATEMENTS OF CHANGE IN FIDUCIARY NET
POSITION CUSTODIAL FUNDS**
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS		
Other custodial fund collections	\$ 26,179	\$ 25,009
Total Additions	<u>\$ 26,179</u>	<u>\$ 25,009</u>
DEDUCTIONS		
Other custodial fund disbursements	\$ 20,341	\$ 27,655
Total Deductions	<u>\$ 20,341</u>	<u>\$ 27,655</u>
Net change in fiduciary net position	5,838	(2,646)
Net position beginning of year	<u>\$ 1,350</u>	<u>\$ 3,996</u>
Net position end of year	<u><u>\$ 7,188</u></u>	<u><u>\$ 1,350</u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

1. REPORTING ENTITY

Description of the Entity

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of accounting

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020. 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, 2021 and 2020, and expire in subsequent years.

Property and equipment

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

Compensated absences

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

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

Economic dependency

The Council provides services to the City of Toledo and Lucas County. For the years ended December 31, 2021 and 2020, 42% and 41% of total operating revenues were received from City of Toledo and 14% and 14% of total operating revenues were received from Lucas County, respectively. At December 31, 2021 and 2020, accounts receivable related to allocated revenue from the City of Toledo and Lucas County totaled \$0.

Net position

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

Restricted assets

Restricted assets consist of monies and other resources which are restricted by specific agreements. At December 31, 2021 and 2020, restricted cash and cash equivalents for grant allocations represent restricted assets for payment of future grant funding requests by subrecipients.

Pension and other postemployment benefits (OPEB)

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

Deferred outsources and deferred inflows of resources

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

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

3. CASH AND INVESTMENTS

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

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

At December 31, 2021 and 2020, the carrying value of the Council's deposits is as follows:

LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

	Demand Deposits	
	2021	2020
Carrying Amount	\$ 3,181,152	\$ 2,851,121
Bank Balance	\$ 3,284,098	\$ 2,976,189

Of the bank balance, \$250,000 was insured by the Federal Depository Insurance Corporation as of December 31, 2021 and 2020. Also, at December 31, 2021 and 2020, \$7,188 and \$1,350 was insured by the National Credit Union Association (NCUA). Finally, \$3,026,910 and \$2,724,839 as of December 31, 2021 and 2020, respectively, was uninsured and collateralized by securities held by the pledging institution's trust department, not in the Council's name.

At December 31, 2021 and 2020, the Council had no investments.

4. PROPERTY AND EQUIPMENT

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

	Balance 1/1/2021	Additions	Disposals	Balance 12/31/2021
Property and equipment:				
Leasehold improvements	\$ 161,047	\$ -	\$ -	\$ 161,047
Furniture and fixtures	36,493	-	-	36,493
Computer equipment	1,423,682	237,911	39,968	1,621,625
Office equipment	12,885	-	-	12,885
Vehicles	19,584	-	-	19,584
Total property and equipment	<u>1,653,691</u>	<u>237,911</u>	<u>39,968</u>	<u>1,851,634</u>
Accumulated Depreciation:				
Furniture and fixtures	(35,818)	(137)	-	(35,955)
Computer equipment	(1,230,823)	(83,023)	-	(1,313,846)
Office equipment	(12,885)	-	-	(12,885)
Vehicles	(326)	(3,917)	-	(4,243)
Leasehold improvements	(161,047)	-	-	(161,047)
	<u>(1,440,899)</u>	<u>(87,077)</u>	<u>-</u>	<u>(1,527,976)</u>
Net property and equipment	<u>\$ 212,792</u>	<u>\$ 150,834</u>	<u>\$ 39,968</u>	<u>\$ 323,658</u>

LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

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, 2021 and 2020 was \$135,000 and \$135,000, respectively.

The Council entered into a sixty month operating lease for a copier in January 2019. Total payments which include copier supplies and the lease expense amounted to \$1,771 and \$2,344, respectively, for the years ended December 31, 2021 and 2020.

The minimum future annual rental commitment under all the Council leases at December 31, 2021 is as follows:

Year	
2022	1,684
2023	<u>1,682</u>
	<u>\$3,366</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

6. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

In accordance with GASB Statement No. 68, employers participating in the cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension liabilities of the plan. Although changes in the net pension liability generally are recognized as pension expense in the current period, GASB 68 requires certain items to be deferred and recognized as expense in the future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 10 years).

The net pension liability of the traditional pension plan and the Council's proportionate share of this net pension liability as of December 31, 2021 and 2020 are as follows:

	2021	2020
Net pension liability – all employers	\$ 14,807,822,857	\$ 19,765,678,367
Proportion of the net pension liability	0.013835%	0.014452%
Proportion share of net pension liability	\$ 2,048,625	\$ 2,856,515
Change in proportion of the net pension liability	(0.0000617%)	(0.000060%)

LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of December 31, 2021 and 2020:

	2021	2020
Deferred Outflows of Resources		
Change in assumptions	\$ -	\$ 152,571
Change in Council's proportionate share and difference in employer contributions	-	7,722
Council contributions subsequent to the measurement date	286,240	272,494
Total	<u>\$ 286,240</u>	<u>\$ 432,787</u>
	2021	2020
Deferred Inflows of Resources		
Difference between expected and actual experience	\$ 85,696	\$ 36,116
Change in Council's proportionate share and difference in employer contributions	88,525	9,419
Net difference between projected and actual earnings on pension plan investments	798,494	569,810
Total	<u>\$ 972,715</u>	<u>\$ 615,345</u>

\$286,240 reported as deferred outflows of resources related to pension resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
2022	\$ (396,930)
2023	(141,389)
2024	(325,493)
2025	(108,903)
	<u>\$ (972,715)</u>

Summary of Employer Pension Expense

Total pension expense, including employer contributions and accruals associated with the recognition of the change in net pension liability and related deferrals was \$17,733 in negative pension expense in 2021 and \$426,021 in pension expense in 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

OPERS	
Benefit Formula	<p>Benefits are calculated on the basis of age, final average salary (FAS) and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 or more years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.</p> <p>The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.</p>
Cost-of-Living Adjustments	<p>Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple</p>
Contribution Rates	Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2020 and 2021, employer rates for the State and Local Divisions were 14% of covered payroll. Member rates for the State and Local Divisions were 10% of covered payroll.
Measurement Date	December 31, 2020
Actuarial Assumptions	<p>Valuation Date: December 31, 2020 Actuarial Cost Method: Individual entry age Investment Rate of Return: 7.20% Wage Inflation: 3.25% Projected Salary Increases: 3.25% - 10.75%, including wage inflation</p>
Mortality Rates	RP-2014 health annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. The mortality tables used in evaluating disability allowances were based on the RP-2014 disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvement scale to the above described tables.
Date of Last Experience Study	5 Year Period Ended December 31, 2015

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

OPERS																											
Investment Return Assumptions	<p>The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">1.32%</td> </tr> <tr> <td>Domestic Equities</td> <td style="text-align: center;">21.0%</td> <td style="text-align: center;">5.64%</td> </tr> <tr> <td>Real Estate</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">5.39%</td> </tr> <tr> <td>Private Equity</td> <td style="text-align: center;">12.0%</td> <td style="text-align: center;">10.42%</td> </tr> <tr> <td>International Equities</td> <td style="text-align: center;">23.0%</td> <td style="text-align: center;">7.36%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">9.0%</td> <td style="text-align: center;">4.75%</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">100.0%</td> <td style="text-align: center;">5.43%</td> </tr> </tbody> </table> <p>* Returns presented as arithmetic means. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Defined Benefit portfolio was 11.7% for 2020.</p>			Asset Class	Target Allocation	Long Term Expected Return*	Fixed Income	25.0%	1.32%	Domestic Equities	21.0%	5.64%	Real Estate	10.0%	5.39%	Private Equity	12.0%	10.42%	International Equities	23.0%	7.36%	Other Investments	9.0%	4.75%	Total	100.0%	5.43%
Asset Class	Target Allocation	Long Term Expected Return*																									
Fixed Income	25.0%	1.32%																									
Domestic Equities	21.0%	5.64%																									
Real Estate	10.0%	5.39%																									
Private Equity	12.0%	10.42%																									
International Equities	23.0%	7.36%																									
Other Investments	9.0%	4.75%																									
Total	100.0%	5.43%																									
Discount Rate	<p>The discount rate used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.</p>																										
Sensitivity of Council's Proportionate Share of Net Pension Liabilities to Change in Discount Rate	<p>1% Decrease (6.20%)</p> <p>\$3,907,716</p>	<p>Current Discount Rate (7.20%)</p> <p>\$2,048,625</p>	<p>1% Increase (8.20%)</p> <p>\$502,749</p>																								

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

Defined Contribution Plans

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

Combined Plans

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

Funding Policy

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

The Council's contributions, which represent 100% of required employer contributions, for the year ended December 31, 2021 and for each of the two preceding years were \$286,240, \$272,494 and \$282,124.

Changes Subsequent to the Measurement Date

In September 2021, the Board approved several changes to the pension plan based on the completed five-year experience study covering the period 2016-2020. In addition to other changes, the Board approved to decrease the assumed pension investment rate of return from 7.20% to 6.90%. These changes are not reflected in the current measurement period, but are expected to increase the associate pension liability.

7. DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health

LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

care coverage provided by OPERS meets the definition of an other post employment benefit (OPEB) as described in GASB Statement No. 75. See OPERS' ACFR referenced below for additional information.

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

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

In accordance with GASB Statement No. 75, employers participating in the cost-sharing, multiple-employer plans are required to recognize a proportionate share of the collective net OPEB liabilities/assets of the plan. Although changes in the net OPEB liability/assets generally are recognized as OPEB expense in the current period, GASB 75 requires certain items to be deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to OPEB expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees of 2.6345 years.

The net OPEB liability/(asset) of OPERS and the Council's proportionate share of this net OPEB liability/(asset) as of December 31, 2021 and 2020 are as follows:

	2021	2020
Net OPEB liability/(asset) – all employers	\$ (1,781,579,865)	\$ 13,812,597,868
Proportion of the net OPEB liability/(asset)	0.013904%	0.014402%
Proportionate share of the net OPEB liability/(asset)	\$ (247,713)	\$ 1,989,246
Change in proportion of the net OPEB liability/(asset)	(0.000498%)	(0.000197%)

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of December 31, 2021 and 2020:

	2021	2020
Deferred Outflows of Resources		
Difference between expected and actual experience	\$ -	\$ 53
Change in assumptions	121,779	314,876
Change in Council's proportionate share and difference in employer contributions	364	12,279
Council contributions subsequent to the measurement date	4,528	3,753
Total	<u>\$ 126,671</u>	<u>\$ 330,961</u>

LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

	2021	2020
Deferred Inflows of Resources		
Difference between expected and actual experience	\$ 223,560	\$ 181,926
Change in assumptions	401,370	-
Change in Council's proportionate share and difference in employer contributions	62,736	15,109
Net difference between projected and actual earnings on OPEB plan investments	131,935	101,292
Total	<u>\$ 819,601</u>	<u>\$ 298,327</u>

\$4,528 reported as deferred outflows of resources related to pension resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB (asset)/liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

	OPERS
2022	\$ (371,790)
2023	(252,788)
2024	(57,334)
2025	(15,546)
Total	<u>\$ (697,458)</u>

Summary of Employer OPEB Expense

Total OPEB expense, including employer contributions and accruals associated with the recognition of the change in net OPEB asset/liability and related deferrals was \$1,506,867 in negative OPEB expense in 2021 and \$216,024 in OPEB expense in 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

OPERS	
Contribution Rates	Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension and Combined plans was 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0%.
Measurement Date	December 31, 2020
Actuarial Assumptions	<p>Valuation Date: December 31, 2019 Rolled-Forward Measurement Date: December 31, 2020 Actuarial Cost Method: Individual entry age Investment Rate of Return: 6.00% Single Discount Rate: Current Measurement Date: 6.00% Prior Measurement Date: 3.16% Municipal Bond Rate: Current Measurement Date: 2.00% Prior Measurement Date: 2.75% Wage Inflation: 3.25% Projected Salary Increases: 3.25% - 10.75%, including wage inflation Health Care Cost Trend Rate: Current Measurement Date: 8.5% initial, 3.50% ultimate in 2035 Prior Measurement Date: 10.5% initial, 3.50% ultimate in 2030</p>
Mortality Rates	RP-2014 health annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. The mortality tables used in evaluating disability allowances were based on the RP-2014 disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvement scale to the above described tables.
Date of Last Experience Study	5 Year Period Ended December 31, 2015

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

OPERS																						
Investment Return Assumptions	<p>The long term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">34.0%</td> <td style="text-align: center;">1.07%</td> </tr> <tr> <td>Domestic Equities</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">5.64%</td> </tr> <tr> <td>REITs</td> <td style="text-align: center;">7.0%</td> <td style="text-align: center;">6.48%</td> </tr> <tr> <td>International Equities</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">7.36%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">9.0%</td> <td style="text-align: center;">4.02%</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">100.0%</td> <td style="text-align: center;">4.43%</td> </tr> </tbody> </table> <p>* Returns presented as arithmetic means. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was 10.5% for 2020.</p>	Asset Class	Target Allocation	Long Term Expected Return*	Fixed Income	34.0%	1.07%	Domestic Equities	25.0%	5.64%	REITs	7.0%	6.48%	International Equities	25.0%	7.36%	Other Investments	9.0%	4.02%	Total	100.0%	4.43%
Asset Class	Target Allocation	Long Term Expected Return*																				
Fixed Income	34.0%	1.07%																				
Domestic Equities	25.0%	5.64%																				
REITs	7.0%	6.48%																				
International Equities	25.0%	7.36%																				
Other Investments	9.0%	4.02%																				
Total	100.0%	4.43%																				
Discount Rate	<p>A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.</p>																					

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

OPERS			
Sensitivity of Council's Proportionate Share of Net OPEB Assets to Changes in Discount Rate	1% Decrease (5.0%) \$61,615	Current Discount Rate (6.0%) \$247,713	1% Increase (7.0%) \$400,847
Sensitivity of Council's Proportionate Share of Net OPEB Assets to Change in Health Care Cost Trend Rate	1% Decrease \$253,833	Current Health Care Cost Trend Rate Assumption \$247,713	1% Increase \$241,037
	Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.5%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5% in the most recent valuation.		

Funding Policy

The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed plan for 2021 was 4.0%.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0% of earnable. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

The Council's contributions, which represent 100% of required employer contributions, for the year ended December 31, 2021 and for each of the two preceding years were \$4,528, \$3,753 and \$5,567.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

8. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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

9. RISK MANAGEMENT

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

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

10. SETTLEMENT

On October 17, 1997, the Council entered into a settlement agreement with a computer consultant it sued for breach of contract. Under the terms of the agreement, the Council received a settlement of \$800,000. The settlement is to be received in quarterly installments of \$7,500 plus the proceeds from an escrow account and any proceeds received from the settling defendant's bankruptcy trustee. Amounts related to the settlement are recorded as revenue when they are received. In 2021, 2020, and 2019, the Council did not receive any payments. Payments received are to be reimbursed to the County of Lucas and the City of Toledo for funds they paid to the Council for the consultant. The amount of proceeds, if any that will be received when the bankruptcy is settled is undeterminable.

11. COMMITMENTS AND CONTINGENCIES

Grants

The Council received financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Council. However, in the opinion of Council management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2021 and 2020.

LUCAS COUNTY

Schedules of Operating Revenues
For the Years Ending December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Contract services		
City of Toledo	\$ 1,961,085	\$ 1,961,145
Lucas County	673,826	673,876
CCNO	313,958	313,957
Other	800,526	878,869
Total contract services	<u>3,749,395</u>	<u>3,827,847</u>
Grants	437,048	118,918
Charges for services	90,695	89,137
Computer equipment and software	261,272	447,445
Other	153,015	260,428
	<u>\$ 4,691,425</u>	<u>\$ 4,743,775</u>

REQUIRED SUPPLEMENTARY INFORMATION

LUCAS COUNTY

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

LAST EIGHT YEARS

	Council's proportion of the net pension liability	Council's proportionate share of the net pension liability	Council's covered payroll	Council's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.014909%	\$1,757,577	\$1,763,893	99.64%	86.36%
2015	0.014909%	\$1,798,192	\$1,853,879	96.99%	86.45%
2016	0.015049%	\$2,606,678	\$1,940,407	134.34%	81.08%
2017	0.015185%	\$3,448,241	\$2,029,038	169.94%	77.25%
2018	0.014420%	\$2,262,262	\$1,905,592	118.72%	84.66%
2019	0.014512%	\$3,974,439	\$2,118,828	187.58%	74.70%
2020	0.014452%	\$2,856,515	\$2,177,016	131.21%	82.17%
2021	0.013835%	\$2,048,625	\$2,082,713	98.36%	86.88%

Note: Information prior to 2014 was unavailable.

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

Notes to Schedule

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

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

LUCAS COUNTY

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

LAST NINE YEARS

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Council's covered payroll	Contributions as a percentage of covered payroll
2013	\$229,306	(\$229,306)	\$ -	\$1,763,896	13.00%
2014	\$222,465	(\$222,465)	\$ -	\$1,853,879	12.00%
2015	\$232,849	(\$232,849)	\$ -	\$1,940,407	12.00%
2016	\$243,517	(\$243,517)	\$ -	\$2,029,038	12.00%
2017	\$247,727	(\$247,727)	\$ -	\$1,905,592	13.00%
2018	\$283,443	(\$283,443)	\$ -	\$2,118,828	13.38%
2019	\$282,124	(\$282,124)	\$ -	\$2,177,016	12.96%
2020	\$272,494	(\$272,494)	\$ -	\$2,082,713	13.08%
2021	\$286,240	(\$286,240)	\$ -	\$2,206,416	12.97%

Note: Information prior to 2013 was unavailable.

LUCAS COUNTY

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

LAST FIVE YEARS

	Council's proportion of the net OPEB liability/(asset)	Council's proportionate share of the net OPEB liability/(asset)	Council's covered payroll	Council's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2017	0.014684%	\$1,483,158	\$2,029,038	73.10%	54.05%
2018	0.014266%	\$1,549,210	\$1,905,592	81.30%	54.14%
2019	0.014599%	\$1,903,296	\$2,118,828	89.83%	46.33%
2020	0.014402%	\$1,989,246	\$2,177,016	91.37%	47.80%
2021	0.013904%	(\$247,713)	\$2,082,713	(11.89%)	115.57%

Note: Information prior to 2017 was unavailable.

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

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

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

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

In 2021, the single discount rate changed from 3.16% to 6.0% and the health care cost trend rate changed from 10.5% initial, 3.5% ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

LUCAS COUNTY

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

LAST NINE YEARS

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Council's covered payroll	Contributions as a percentage of covered payroll
2013	\$17,639	(\$229,306)	\$ -	\$1,763,896	1.00%
2014	\$37,078	(\$37,078)	\$ -	\$1,853,879	2.00%
2015	\$38,808	(\$38,808)	\$ -	\$1,940,407	2.00%
2016	\$40,581	(\$40,581)	\$ -	\$2,029,038	2.00%
2017	\$23,646	(\$23,646)	\$ -	\$1,905,592	1.00%
2018	\$5,415	(\$5,415)	\$ -	\$2,118,828	0.26%
2019	\$5,567	(\$5,567)	\$ -	\$2,177,016	0.26%
2020	\$3,753	(\$3,753)	\$ -	\$2,082,713	0.18%
2021	\$4,528	(\$4,528)	\$ -	\$2,206,416	0.21%

Note: Information prior to 2013 was unavailable.

LUCAS COUNTY

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE				
<i>Passed through the Ohio Department of Youth Services</i>				
Juvenile Justice and Delinquency Prevention				
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	16-JJ-RPU-1095		\$ 594
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	18-JJ-RPU-1095		54,476
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	19-JJ-RPU-1095		70,000
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	20-JJ-RPU-1095		26,777
Juvenile Justice Delinquency Prevention - Admin	16.540	19-JJ-DMC-0288		7,110
Juvenile Justice Delinquency Prevention - Admin	16.540	20-JJ-DMC-0288		8,564
Total Juvenile Justice and Delinquency Prevention			\$ 151,847	167,521
<i>Passed through Ohio Office of Criminal Justice Services</i>				
Violence Against Women Formula Grants				
STOP Violence Against Women Block Grant	16.588	19-WF-1088		202,318
STOP Violence Against Women Block Grant	16.588	20-WF-1088		144,262
Violence Against Women Act - Admin	16.588	19-WF-ADM-8826		8,467
Violence Against Women Act - Admin	16.588	20-WF-ADM-8826		8,274
Total Violence Against Women Formula Grants			346,580	363,321
<i>United States Department of Justice, Bureau of Justice Assistance</i>				
Edward Byrne Memorial Justice Assistance Grant				
Justice Assistance Grant Collaboration Project	16.738	18-DJ-BX-0343		46,638
Justice Assistance Grant Collaboration Project	16.738	19-DJ-BX-0583		108,541
Justice Assistance Grant Collaboration Project	16.738	20-DJ-BX-0653		125,844
Justice Assistance Grant - Admin	16.738	20-JG-ADM-7575		12,213
Total Edward Byrne Memorial Justice Assistance Grant			281,023	293,236
Second Chance Act Reentry Initiative				
Lucas County Reentry	16.812	2016-RW-BX-0004		48,480
Innovative Reentry Initiative	16.812	2019-CZ-BX-0028		306,694
Innovative Reentry Initiative - Admin	16.812	2019-CZ-ADM-0028		84,638
Innovative Reentry Initiative - Admin	16.812	2020-IRI-ADM-0002		2,408
Total Second Chance Act Reentry Initiative			355,174	442,220
Criminal and Juvenile Justice and Mental Health Collaboration Program				
Lucas County Justice and Mental Health Collaboration (JMHC) Program	16.745	2018-MO-BX-0035		160,439
Total Criminal and Juvenile Justice and Mental Health Collaboration Program			160,439	160,439
Justice Reinvestment Initiative				
Justice Reinvestment Initiative	16.827	2019-ZB-BX-0016		7,427
Justice Reinvestment Initiative - Admin	16.827	2019-ZB-BX-0016		301,193
Total Justice Reinvestment Initiative			7,427	308,620
COVID-19 - Coronavirus Emergency Supplemental Funding Program				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1424		343,666
Total COVID-19 - Coronavirus Emergency Supplemental Funding Program			343,666	343,666
TOTAL FEDERAL AWARDS EXPENDITURES			\$ 1,646,156	\$ 2,079,023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Criminal Justice Coordinating Council (the “Council”) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Council.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

To the Council
Criminal Justice Coordinating Council
Toledo, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of the Criminal Justice Coordinating Council (the "Council"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated June 3, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 3, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Council
Criminal Justice Coordinating Council
Toledo, Ohio:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Criminal Justice Coordinating Council's (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended December 31, 2021. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 3, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued :	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major program:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major program:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	no
Identification of major program:	
<i>ALN 16.034 – COVID-19 Coronavirus Emergency Supplemental Funding Program</i>	
<i>ALN 16.738 – Edward Byrne Memorial Justice Assistance Grant Program</i>	
<i>ALN 16.812 – Second Chance Act Reentry Initiative</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Audit Findings

None

OHIO AUDITOR OF STATE KEITH FABER



CRIMINAL JUSTICE COORDINATING COUNCIL

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/28/2022

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

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www.ohioauditor.gov