CRIMINAL JUSTICE COORDINATING COUNCIL LUCAS COUNTY

AUDIT REPORT

For the year ended December 31, 2008

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

Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Criminal Justice Coordinating Council, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 25, 2009

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CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
AUDIT REPORT
For the Year Ended December 31, 2008

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board:

We have audited the financial statements of the business-type activities and statement of net assets-agency fund of the Criminal Justice Coordinating Council (CJCC), Lucas County, Ohio as of and for the year ended December 31, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the CJCC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Criminal Justice Coordinating Council, Lucas County, Ohio, as of December 31, 2008 and 2007, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 28, 2009, on our consideration of the Criminal Justice Coordinating Council internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the Criminal Justice Coordinating Council taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the financial statements. The supplemental data on page 20, as listed in the table of contents, is presented for additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
May 28, 2009

Criminal Justice Coordinating Council
Lucas County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2008
Unaudited

The following Management's Discussion and Analysis (MD&A) section of the Criminal Justice Coordinating Council (CJCC's) financial report represents a discussion and analysis of the CJCC's financial performance during the fiscal year ended December 31, 2008. Please read it in conjunction with the CJCC's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, Net Assets decreased $90,078 or (7.7%) from 2007. Ending Net Assets amounted to $1,085,344 at December 31, 2008.

- Total Assets decreased $13,846 or (0.70%), including net capital asset additions of $134,146 during 2008.

- Total Liabilities increased by $76,232 or (9.6%) from 2007. This includes a $27,355 decrease or (6.6%) in deferred revenue that includes SAFETI and Court Imaging projects.

- The CJCC had $3,506,748 in operating expenses and $3,603,271 in operating revenues. Non-operating revenues and expenses totaled $2,106.

- Grants administered by CJCC decreased $59,757 or (7.9%) from 2007.

Using this Annual Financial Report

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

The Statement of Net Assets, similar to a traditional balance sheet, presents information regarding assets and liabilities. The net assets of CJCC as of December 31, 2008 represent the difference between the total assets and total liabilities.

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

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

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

Reporting CJCC as a Whole

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

While these documents contain the fund used by CJCC to provide its program, the view of CJCC as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets, CJCC is presented as one activity, business-type.

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

Reporting CJCC's Fund

Fund Financial Statements

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

CJCC as a Whole

Business-type activities

Table 1 shows net assets for fiscal years 2008, 2007 and 2006 for comparison purposes.

Table 1

	Business-Type Activities		
	2008	2007	2006
Assets			
Current	$ 1,614,641	$ 1,573,926	$ 1,652,535
Capital Assets	339,916	394,477	581,596
Total Assets	$ 1,954,557	$ 1,968,403	$ 2,234,131
Liabilities			
Current Liabilities	$ 869,213	$ 792,981	$ 969,162
Net Assets			
Invested in Property and Equipment	$ 339,916	$ 394,477	$ 581,596
Restricted for Carryover Grant Allocations	234,712	317,434	354,918
Unrestricted Net Assets	510,716	463,511	328,455
Total Net Assets	$ 1,085,344	$ 1,175,422	$ 1,264,969

Total assets decreased 0.70% in fiscal year 2008, which is a slight decrease from the previous year.

Current liabilities increased 9.6% in fiscal year 2007, due mainly to a decrease in accounts payable and in deferred revenue that includes SAFETI, and Pawnshop projects.

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

Table 2 shows the change in net assets for fiscal years 2008, 2007 and 2006 for comparison purposes.

Table 2

	Business-Type Activities		
	2008	2007	2006
OPERATING REVENUE:			
Contract Services	$ 3,074,056	$ 2,903,685	$ 2,669,957
Grants	106,223	279,696	260,596
Charges for Services	169,244	101,231	84,252
Computer Equipment and Software	204,787	173,061	52,691
Other	48,961	48,165	80,412
TOTAL OPERATING REVENUES	3,603,271	3,505,838	3,147,908
OPERATING EXPENSES:			
Personnel	2,308,523	2,207,634	2,120,298
Computer Services	713,257	823,264	573,150
Consultants	91,049	81,029	140,713
Support Costs	256,032	247,341	249,728
Other	120,100	57,738	58,484
Supplies	17,787	10,837	12,122
Depreciation	188,707	211,598	192,995
TOTAL OPERATING EXPENSES	3,695,455	3,639,441	3,347,490
Operating Income (Loss)	(92,184)	(133,603)	(199,582)
NON-OPERATING REVENUES AND EXPENSES:			
Grant Revenues	700,048	759,805	859,189
Less: Grant Allocations to Subrecipients	(710,211)	(760,877)	(876,793)
Interest Income	12,269	45,128	27,939
TOTAL NON-OPERATING REVENUES AND EXPENSES	2,106	44,056	10,335
Changes in Net Assets	(90,078)	(89,547)	(189,247)
Net Assets (Deficit) Beginning of Year	1,175,422	1,264,969	1,454,216
Net Assets (Deficit) End of Year	$ 1,085,344	$ 1,175,422	$ 1,264,969

In fiscal year 2008, operating revenues increased 2.78% due to an increase in contract services, while expenditures increased slightly from fiscal year 2007, as well.

Enterprise Fund Budgeting Highlights

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

Capital Assets and Debt Administration

At the end of fiscal year 2008, CJCC had $339,916 (net) invested in property and equipment as compared to $394,477 at December 31, 2007. CJCC had no debt during 2008.

Contacting the Criminal Justice Coordinating Council's Financial Management

This financial report is designed to provide our citizens, taxpayers, patrons and creditors with a general overview of the CJCC's finances and to show the CJCC's accountability for the funds it receives or spends. If you have any questions about this report or need financial information, contact the Director of Administrative Services, Criminal Justice Coordinating Council, One Government Center, Suite 1720, Toledo, OH 43604 or call (419) 213-3800.

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF NET ASSETS
December 31, 2008 and 2007

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,164,327	$ 1,320,709
Accounts receivable	169,765	88,840
Grants receivable	51,407	0
Prepaid expenses	229,142	164,377
Total current assets	1,614,641	1,573,926
Non-current assets		
Property and equipment	1,302,040	1,187,464
Accumulated depreciation	(962,124)	(792,987)
Net property and equipment	339,916	394,477
Total assets	$ 1,954,557	$ 1,968,403
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 70,963	$ 19,082
Grants payable	45,859	27,147
Accrued payroll and related expenses	124,653	113,157
Accrued vacation and sick	238,004	216,506
Deferred revenue	389,734	417,089
Total current liabilities	869,213	792,981
Net assets		
Invested in property and equipment	339,916	394,477
Restricted for:		
Carryover grant allocations	234,712	317,434
Unrestricted net assets	510,716	463,511
Total net assets	$ 1,085,344	$ 1,175,422
Total Liabilities and Net Assets	$ 1,954,557	$ 1,968,403

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

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
For the Years Ended December 31, 2008 and 2007

	2008	2007
Operating revenues		
Contract services	$ 3,074,056	$ 2,903,685
Grants	106,223	279,696
Charges for services	169,244	101,231
Computer equipment and software	204,787	173,061
Other	48,961	48,165
Total operating revenues	3,603,271	3,505,838
Operating expenses		
Personnel	2,308,523	2,207,634
Computer services	713,257	823,264
Consultants	91,049	81,029
Support costs	256,032	247,341
Other	120,100	57,738
Supplies	17,787	10,837
Total operating expenses	3,506,748	3,427,843
Operating income (loss) before depreciation	96,523	77,995
Depreciation	188,707	211,598
Operating income (loss)	(92,184)	(133,603)
Non-operating revenue and expense		
Grant revenues	700,048	759,805
Less: Grant allocations to subrecipients	(710,211)	(760,877)
Interest income	12,269	45,128
Total non-operating revenue, net	2,106	44,056
Change in net assets	(90,078)	(89,547)
Net assets at beginning of the year	1,175,422	1,264,969
Net assets at end of the year	$ 1,085,344	$ 1,175,422

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

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008 and 2007

		2008		2007
Cash flows from operating activities				
Cash received for services	$	3,534,854	$	3,788,374
Cash paid to employees		(2,275,530)		(2,164,785)
Cash paid to others		(1,211,108)		(1,325,287)
Net cash provided by operating activities		48,216		298,303
Cash flows from non-capital financing activities				
Cash received from grants		608,778		744,795
Cash paid for grant allocations		(691,499)		(782,278)
Net cash provided by (used in) non-capital financing activities		(82,721)		(37,483)
Cash flows from capital and related financing activities				
Purchase of property and equipment		(134,146)		(24,935)
Net cash used in financing activities		(134,146)		(24,935)
Cash flows from investing activities				
Interest received on cash and cash equivalents		12,269		45,128
Net cash provided by investing activities		12,269		45,128
Net increase in cash		(156,382)		281,010
Cash at beginning of year		1,320,709		1,039,699
Cash at end of year	$	1,164,327	$	1,320,709
Reconciliation of operating income (loss) to net cash used in operating activities				
Operating income (loss)	$	(92,184)	$	(133,603)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation		188,707		211,598
Loss on disposal of property and equipment		0		456
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable		(80,925)		315,166
Prepaid expenses		(64,765)		9,531
Increase (decrease) in:				
Accounts payable		51,882		(115,067)
Accrued payroll and related expenses		11,496		6,074
Accrued vacation and sick		21,498		36,775
Deferred revenue		12,508		(32,628)
Net cash provided by operating activities	$	48,216	$	298,303

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

CRIMINAL JUSTICE COORDINATING COUNCIL
STATEMENTS OF NET ASSETS - AGENCY FUND
December 31, 2008 and 2007

	2008	2007
ASSETS		
Restricted cash	$ 7,761	$ 24,637
Total assets	$ 7,761	$ 24,637
LIABILITIES AND NET ASSETS		
Liabilities - amounts held for others	$ 7,761	$ 24,637
Total liabilities and net assets	$ 7,761	$ 24,637

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

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 1−Reporting entity

Description of the entity

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

The Agency fund type is used to account for and maintain assets held in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. Activity of the Metro Drug Task Force and the Toledo Police Department (TPD) Vice Unit accounts is included in this fund. Agency funds are custodial in nature and do not involve measurement of results of operations.

Note 2−Summary of significant accounting policies

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

Basis of accounting

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

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

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

Note 2−Summary of significant accounting policies - continued

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

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

Accounts receivable
Accounts receivable are comprised of contracts, and other receivables primarily from governmental entities. Receivables are considered fully collectible at December 31, 2008, 2007 and 2006, and reflect market value. Accordingly, no allowance for doubtful accounts is deemed necessary. When amounts are deemed to be uncollectible, they are expensed in the year in which that determination is made.

Prepaid expenses
Prepaid expenses represent computer maintenance and other agreements paid in or prior to December 31, 2008, 2007 and 2006 and expire in subsequent years.

Property and equipment
Property and equipment are stated at cost (or estimated historical cost) and updated for the costs of additions and retirements during the year. The Council capitalizes assets with a cost over $1,000. Depreciation of property and equipment is based upon the estimated useful lives, ranging from three to forty years, of the various assets and is computed using the straight-line method.

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

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

Note 2−Summary of significant accounting policies - continued

Economic dependency

The Council provides services to the City of Toledo and Lucas County. For the years ended December 31, 2008 and 2007, 44% and 45% of total operating revenues were received from City of Toledo and 17%, 17% and 17% of total operating revenues were received from Lucas County, respectively. At December 31, 2008 and 2007, accounts receivable from the City of Toledo totaled $0.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, reduced by accumulated depreciation. Restricted net assets consist of monies and other resources which are restricted by specific agreements. At December 31, 2008 and 2007, restricted net assets for grant allocations represent net assets restricted for payment of future grant funding requests by sub recipients.

Note 3−Cash and investments

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

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

At December 31, 2008, the carrying value of the Council's deposits is as follows:

	Carrying Amount	Bank Balance
Demand Deposits	$ 1,172,088	$ 1,186,287
	$ 1,172,088	$ 1,186,287

Of the bank balance, $250,000 was covered by the Federal Depository Insurance Corporation and $936,287 was uninsured and collateralized by securities held by the pledging institution's trust department, not in the Council's name.

At December 31, 2008, the Council had no investments.

Note 4−Property and equipment

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

	Balance 1/1/2008	Additions	Disposals	Balance 12/31/2008
Property and equipment:				
Leasehold improvements	$ 161,047	-	-	$ 161,047
Furniture and fixtures	41,124	-	-	41,124
Computer equipment	954,658	$ 116,815	(2,020)	1,069,453
Office equipment	13,085	-	-	13,085
Vehicles	17,550	17,331	(17,550)	17,331
Total property and equipment	1,187,464	134,146	(19,570)	1,302,040
Accumulated Depreciation	(792,987)	(188,707)	19,570	(962,124)
Net property and equipment	$ 394,477	$ (54,561)	$ -	$ 339,916

	Balance 1/1/2007	Additions	Disposals	Balance 12/31/2007
Property and equipment:				
Leasehold improvements	$ 161,047	-	-	$ 161,047
Furniture and fixtures	41,124	-	-	41,124
Computer equipment	949,379	$ 23,589	(18,310)	954,658
Office equipment	11,739	1,346	-	13,085
Vehicles	17,550	-	-	17,550
Total property and equipment	1,180,839	24,935	(18,310)	1,187,464
Accumulated Depreciation	(599,243)	(211,598)	17,854	(792,987)
Net property and equipment	$ 581,596	$ (186,663)	$ (456)	$ 394,477

Note 5−Lease commitments

Operating leases

In April, 2003, the Council entered into an operating lease for a new office facility under a subleasing agreement with the City of Toledo which expired April 2008. The current arrangement is a month to month lease with monthly rent payments of $11,250. This amount includes operating expenses such as electricity and maintenance. Total rent expense under this building lease for the years ended December 31, 2008 and 2007 was $135,000.

The Council entered into a sixty month operating lease for a copier in November 2004. Total payments which include copier supplies and the lease expense amounted to $4,509 and $4,509, respectively, for the years ended December 31, 2008 and 2007.

Note 5−Lease commitments - continued

The minimum future annual rental commitment under all the Council leases at December 31, 2008 is as follows:

Year	Amount
2009	$ 4,133
	$ 4,133

Note 6−Pension and other post-employment benefits

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The employees of the Council are covered by the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code (ORC) provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4262, calling (614) 222-6701 or 800-222-7377 or accessing the OPERS web site at www.opers.org.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 10.0% for 2008, 9.5% for 2007 and 9.0% for 2006. During 2008, 2007 and 2006, the employer contribution rate was 14.00%, 13.85% and 13.70% of covered payroll. The Council's contributions to OPERS for the years ending December 31, 2008, 2007, and 2006 were $216,780, $220,927, and $210,940 respectively, and were equal to the required contribution for those years. The accrued portion related to OPERS expense as of December 31, 2008, 2007 and 2006 is $17,995, $25,920 and $42,252, respectively.

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

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

Other post-employment benefits

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

OPERS provides retirement, disability, survivor and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety with separate employee contribution rates and benefits. For local government employer units, the Council's contribution rate was 14.00% of covered payroll for 2008. The employer contribution included 7.00% to fund health care for the year. The Ohio Revised Code provides the statutory authority to require public employers to fund post retirement health care through their contributions to OPERS.

OPEB's are advance-funded on an actuarially determined basis. An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2007 (the latest information available) was 6.5 percent. An annual increase of 4 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4 percent base increase, were assumed to range from 0.5 to 6.3 percent. Health care costs were assumed to increase at the projected wages inflation rate plus an additional factor ranging from 0.5 to 4.0 percent for the next seven years. In subsequent years (eight and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation).

At year end 2008, the number of active contributing participants in the Traditional and Combined Plans totaled 363,503. The rates stated above are the actuarially determined contribution requirements for OPERS. The portion of employer contributions that were used to fund post employment benefits was $108,390. $12.8 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2007 (the latest information available). The actuarially accrued liability and the unfunded actuarially accrued liability, based on the actuarial cost method used, were approximately $29.8 billion and $17.0 billion, respectively.

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

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

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

Note 7−Ohio public employees deferred compensation program

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

Note 8−Risk management

The Council maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Property and equipment are 90% coinsured. A liability policy covers all employees, elected and appointed officials, board members, and volunteers. None of the Council's settlements have exceeded the insurance coverage for any of the past three fiscal years nor has the coverage decreased from last year.

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

Note 9−Settlement

On October 17, 1997, the Council entered into a settlement agreement with a computer consultant it sued for breach of contract. Under the terms of the agreement, the Council received a settlement of $800,000. The settlement is to be received in quarterly installments of $7,500 plus the proceeds from an escrow account and any proceeds received from the settling defendant's bankruptcy trustee. Amounts related to the settlement are recorded as revenue when they are received. In 2008, 2007 and 2006, the Council received four quarterly payments of $7,500, totaling $30,000, respectively, which were paid to the County of Lucas and the City of Toledo to reimburse the County and the City for funds they paid to the Council for the consultant. The amount of proceeds, if any that will be received when the bankruptcy is settled is undeterminable.

Note 10−Commitments and contingencies

Grants

The Council received financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Council. However, in the opinion of the Council management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2008, 2007 and 2006.

CRIMINAL JUSTICE COORDINATING COUNCIL
SCHEDULES OF OPERATING REVENUES
For the Years Ended December 31, 2008 and 2007

	2008	2007
Operating revenues		
Contract services		
City of Toledo	$ 1,584,558	$ 1,584,588
Lucas County	609,895	581,841
Other	879,603	737,256
Total contract services	3,074,056	2,903,685
Grants	106,223	279,696
Charges for services	169,244	101,231
Computer equipment and software		
Computer supply reimbursement	203,737	172,686
Software licenses	1,050	375
Total computer equipment and software	204,787	173,061
Other		
Agency equipment	16,059	16,349
Solitaire settlement	30,000	30,000
Miscellaneous	2,902	1,816
Total other	48,961	48,165
Total operating revenues	$ 3,603,271	$ 3,505,838

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2008

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Passed through the Department of Youth Services:			
Juvenile Accountability			
Incentive Block	16.523	06-JB-RPU-1000	$ 17,335
Incentive Block	16.523	07-JB-RPU-1000	49,274
Total Juvenile Accountability			66,609
Juvenile Justice Delinquency			
Prevention Block (Title II)	16.540	06-JJ-1095	262
Prevention Block (Title II)	16.540	07-JJ-1095	79,818
Juvenile Justice Delinquency			
Lucas County DMC Iniative	16.540	05-JJ-SI1-0021D	47,576
Juvenile Justice Delinquency			
Prevention Block (Title II)			
Administration	16.540	07-JJ-ADM-0287	15,154
Total Juvenile Justice Delinquency			142,810
Passed through Lucas County:			
Justice Assistance Grant	16.738	05-DJ-BX-1415	517
Passed through Department of Justice, Bureau of Justice Assistance:			
Justice Assistance Grant	16.738	06-DJ-BX-0734	27,123
Justice Assistance Grant	16.738	07-DJ-BX-0225	108,260
Justice Assistance Grant	16.738	08-DJ-BX-0156	95,176
Justice Assistance Grant			
Administration	16.738	07-JG-ADM-7575	45,638
Total Justice Assistance Grant			276,714
Violence Against Women Block Grant	16.588	06-WF-1048	23,100
Violence Against Women Block Grant	16.588	07-WF-1048	168,399
Violence Against Women Act			
Administration	16.588	07-WF-ADM-8826	12,030
Total Violence Against Women Block Grant			203,529
Total U. S. Department of Justice			689,662
Total Expenditures of Federal Awards			$ 689,662

See accompanying Notes to the Schedule of Federal Awards Expenditures

CRIMINAL JUSTICE COORDINATING COUNCIL, LUCAS COUNTY
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Note 1−Basis of presentation

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

The accompanying schedule of expenditures of federal awards includes all federal grants to the Council which had activity during the year ended December 31, 2008. This schedule has been prepared on the cash basis of accounting. Grant revenues are recorded for financial reporting purposes when the Council has met the qualifications for the respective grants. Certain funds are passed on to subrecipients upon receipt.

Note 2−Subrecipient grants

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

Program Title	Federal CFDA Number	Amount Provided To Subrecipients
Juvenile Accountability Incentive Block	16.523	$ 66,609
Juvenile Justice Delinquency Prevention Block (Title II)	16.540	127,656
Violence Against Women Block Grant	16.588	191,499
Justice Assistance Block Grant	16.738	231,076
		$ 616,840

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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*

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

To the Board:

We have audited the financial statements of the Criminal Justice Coordinating Council, Lucas County, Ohio (CJCC) as of and for the year ended December 31, 2008, and have issued our report thereon dated May 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the CJCC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the CJCC's financial statements that is more than inconsequential will not be prevented or detected by the CJCC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the CJCC's internal control.

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

Compliance and Other Matters

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

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

Charles E. Harris & Associates, Inc.
May 28, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH _OMB CIRCULAR A-133_

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

To the Board:

Compliance

We have audited the compliance of the Criminal Justice Coordinating Council (CJCC), Lucas County, Ohio with the types of compliance requirements described in _U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement_ that are applicable to its major federal program for the year ended December 31, 2008. CJCC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of CJCC's management. Our responsibility is to express an opinion on CJCC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in _Government Auditing Standards_, issued by the Comptroller General of the United States; and OMB Circular A-133, _Audits of States, Local Governments, and Non-Profit Organizations_. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the CJCC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on CJCC's compliance with those requirements.

In our opinion, CJCC complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the CJCC is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the CJCC's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the CJCC's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the CJCC's ability to administer a federal program such that there is more than a remote likelihood that the CJCC's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the CJCC's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

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

Charles E. Harris & Associates, Inc.
May 28, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505

CRIMINAL JUSTICE COORDINATING COUNCIL
LUCAS COUNTY
DECEMBER 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

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

CRIMINAL JUSTICE COORDINATING COUNCIL
LUCAS COUNTY
DECEMBER 31, 2008

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2007, reported no material citations or recommendations.

Mary Taylor, CPA
Auditor of State

CRIMINAL JUSTICE COORDINATING COUNCIL

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 7, 2009

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