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1035 Murdoch Ave.  
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St. Clairsville, OH 43950  
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Certified Public Accountants, A.C.

**LUCAS COUNTY FAMILY AND  
CHILDREN FIRST COUNCIL  
LUCAS COUNTY  
Single Audit  
For the Year Ended December 31, 2015**

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*...“bringing more to the table”*

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Lucas County Family and Children First Council, Lucas County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lucas County Family and Children First Council is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

July 20, 2016

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

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## INDEPENDENT AUDITOR'S REPORT

June 10, 2015

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

To the Council:

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

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Lucas County Family and Children First Council**, Lucas County, Ohio (the Council) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 1 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

...***"bringing more to the table"***

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lucas County Family and Children First Council, Lucas County, as of December 31, 2015, and the respective changes in cash financial position for the year then ended in accordance with the accounting basis described in Note 1.

**Accounting Basis**

We draw attention to Note 1 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Matters**

*Supplemental and Other Information*

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Federal Awards Expenditures presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3-7 of the report, and accordingly, we express no opinion or any other assurances on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Unaudited)

This discussion and analysis of the Lucas County Family and Children First Council's (Council) financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2015, within the limitations of the Council's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

### **Financial Highlights**

Key highlights for 2015 are as follows:

- An important change in 2015 included the Council assuming a five year delegate role in administering the Early Head Start Childcare Partnership program under WSOS Community Action Commission, Inc. based in Fremont Ohio, lead grantee. This program is and will provide high-quality child development services to eligible Early Head Start children, ages 6 weeks to 3 years old residing in Lucas County from low-income families and quality services to their families in accordance with the Head Start Act and other federal regulations. As a result of this additional funding, overall budget increased by \$1,205,555 for the year ended 12/31/2015.
- Overall, receipts increased from \$2,852,435 in 2014 to \$4,404,995 in 2015, an increase of 54%. The Early Head Start grant, which Toledo Public School is the lead grantee, had its first full year of operation in 2015
- Total expenditures increased from \$3,089,775 in 2014 to \$4,219,822 in 2015; an increase of 37%. The Council Early Head Start grant, which Toledo Public School is the lead grantee, had its first full year of operation in 2015. The Council also became a delegate of the Early Head Start Childcare Partnership program with WSOS being the grantee in 2015. Program expenditures for these two grants could be attributable to the increase of 37% in expenditures.
- Net position increased by 361.72%, from \$51,192 at the end of 2014 to \$236,364 at the end of 2015. This was an increase of \$185,172. Council's Help me Grow Early intervention program which is on an advance cost basis accounted for this. Outstanding commitments of the whole Council at the end of 2015 totaled \$631,659.
- The Council's general fund balance in 2015 had a zero net position. Council's administration charges are billed in arrears to other programs.
- There are multiple sources of Council's revenues. 29% Help Me Grow Part C Grant, 4% Bridges out of Poverty (TANF), 42% Early Head Start program, 21% Early Head Start Childcare Partnership program and 4% of the Intersystem care coordination, are accounted for as federal dollar receipts in 2015. State General Revenue receipts are 41%; and 60% are accounted for as local receipts to support the council and the Intersystem Care Coordination program (formerly called "Cluster").



Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Unaudited)

- The Ohio Department of Health provided \$537,839 in federal Part C and \$317,273 in State General funds for the Help Me Grow program for the calendar year 2015.

### **Overview of the Financial Statements**

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

### **Report Components**

The statement of net position and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements, and changes in cash basis fund balances report the Council's cash position and the changes in cash position by fund. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances highlight the cash position and the changes in the cash position by major fund. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### **Basis of Accounting**

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

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

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Unaudited)

**Reporting the Government as a Whole**

The statement of net position and the statement of activities reflect how the Council did financially during 2015, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2015.

Table 1 provides a summary of the Council's net position for 2015 compared to 2014 on a cash basis:

**Table 1  
Net Position**

	<b>December 31</b>	
	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Cash and cash equivalents	\$236,364	\$ 51,192
Total assets	<b>\$236,364</b>	<b>\$ 51,192</b>
 <b>Net position</b>		
Unassigned(deficit)	\$(170,483)	\$ 12,336
Restricted	406,847	38,856
Total net position	<b>\$236,364</b>	<b>\$ 51,192</b>

As mentioned previously, in 2015 net position increased by \$185,172 representing a 361.72% increase compared to 2014.

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Unaudited)

Table 2 reflects the changes in net position during 2015. This table also shows a comparison with changes in net position for 2014.

**Table 2**  
**Statement of Activities**

	<b>2015</b>	<b>2014</b>
<b>Operating Grants and Contribution</b>		
General Government	\$189,431	\$114,878
Social Services	4,215,564	2,581,557
<b>General Receipt</b>		
Proceeds of County Advance		156,000
<b>Total Receipts</b>	<b>\$4,404,995</b>	<b>\$2,852,435</b>
<b>Disbursements</b>		
General Government	\$201,767	\$110,830
Social Services	3,862,055	2,978,945
<b>General disbursement</b>		
Repayment of County Advance	156,000	
<b>Total Disbursements</b>	<b>\$4,219,822</b>	<b>\$3,089,775</b>
Changes in Net Position	\$185,172	\$(237,340)
Net Position, beginning of year	51,192	288,532
Net Position, end of year	<b>\$236,364</b>	<b>\$51,192</b>

Intergovernmental revenue represented 99% of total receipts and is primarily comprised of federal, state, and county government receipts. The largest category of disbursements were for specific restricted grant services provided to support the Help Me Grow, Early Head Start, Early Head Start Childcare Partnership and the intersystem Care Coordination programs through contractors in the community.

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

Lucas County Family and Children First Council  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Unaudited)

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

**Capital Assets and Debt Administration**

The Council has no capital assets and no debt.

**Request for Information**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sam Olaniran, Fiscal Officer, Lucas County Office of Family and Children First, 2275 Collingwood Blvd, Room 101, Toledo, Ohio 43620.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
LUCAS COUNTY

STATEMENT OF NET POSITION - CASH BASIS

ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 236,365
Total Assets	<u>236,365</u>
<b>Net Position</b>	
Restricted	406,847
Unassigned (deficit)	<u>(170,482)</u>
<b>Total Net Position</b>	<b><u>\$ 236,365</u></b>

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF ACTIVITIES - CASH BASIS**

**ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

		<b>Program Cash Receipts</b>	<b>Net (Disbursements) Receipts and Changes in Net Position</b>
	<b>Cash Disbursements</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental activities</b>			
General government	\$ 201,767	\$ 189,431	\$ (12,336)
Social services	3,862,055	4,215,564	353,509
	<b>\$ 4,063,822</b>	<b>\$ 4,404,995</b>	<b>341,173</b>
 <b>Other Financing (Uses)</b>			
Repayment of county advance			(156,000)
 <b>Changes in net position</b>			185,173
Net position beginning of year			51,192
Net position end of year			<b>\$ 236,365</b>

The notes to the financial statements are an intergral part of this statement.

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

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**

**ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Help Me Grow (HMG)</u>	<u>Early Head Start</u>	<u>Early Head Start (CCP)</u>	<u>Intersystem Coordination</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ 170,026	\$ (131,435)	\$ (26,836)	\$ 236,821	\$ (12,211)	\$ 236,365
<b>Total Assets</b>	<u>-</u>	<u>170,026</u>	<u>(131,435)</u>	<u>(26,836)</u>	<u>236,821</u>	<u>(12,211)</u>	<u>236,365</u>
<b>Fund Balances</b>							
Restricted		170,026	-	-	236,821	-	406,847
Unassigned (deficit)	-	-	(131,435)	(26,836)	-	(12,211)	(170,482)
<b>Total fund balances</b>	<u>\$ -</u>	<u>\$ 170,026</u>	<u>\$ (131,435)</u>	<u>\$ (26,836)</u>	<u>\$ 236,821</u>	<u>\$ (12,211)</u>	<u>\$ 236,365</u>

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Help Me Grow (HMG)</u>	<u>Early Head Start</u>	<u>Early Head Start (CCP)</u>	<u>Intersystem Coordination</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>							
Intergovernmental	\$ 179,169	\$ 1,157,254	\$ 1,073,175	\$ 547,100	\$ 1,122,396	\$ 300,667	\$ 4,379,761
Miscellaneous	10,262	4,258	73	-	1,672	8,969	25,234
Total Receipts	<u>189,431</u>	<u>1,161,512</u>	<u>1,073,248</u>	<u>547,100</u>	<u>1,124,068</u>	<u>309,636</u>	<u>4,404,995</u>
<b>Disbursements</b>							
Salary and benefits	180,952	149,161	337,737	245,995	320,900	174,451	1,409,196
Supplies	648	6,261	27,167	100,426	5,568	13,333	153,403
Contract services	1,189	945,019	659,737	151,776	315,844	43,266	2,116,831
Training	3,767	197	5,303	25,504	11,348	46,012	92,131
Telephone	-	87	5,952	3,578	3,028	683	13,328
Rent	4,806	9,532	14,907	19,484	15,331	6,093	70,153
Administrative charges	-	11,019	17,785	22,569	93,557	18,489	163,419
Other	10,405	95	8,960	4,604	11,644	9,653	45,361
Total Disbursements	<u>201,767</u>	<u>1,121,371</u>	<u>1,077,548</u>	<u>573,936</u>	<u>777,220</u>	<u>311,980</u>	<u>4,063,822</u>
Receipts Over (Under) Disbursements	(12,336)	40,141	(4,300)	(26,836)	346,848	(2,344)	341,173
Other Financing Sources (Uses)							
Repayment of county advance	-	-	(14,615)	-	(119,000)	(22,385)	(156,000)
Total Other Financing Sources (Uses)	-	-	(14,615)	-	(119,000)	(22,385)	(156,000)
Change in Fund Balances	(12,336)	40,141	(18,915)	(26,836)	227,848	(24,729)	185,173
Fund Balances beginning of year	12,336	129,885	(112,520)	-	8,973	12,518	51,192
Fund Balances end of year	<u>\$ -</u>	<u>\$ 170,026</u>	<u>\$ (131,435)</u>	<u>\$ (26,836)</u>	<u>\$ 236,821</u>	<u>\$ (12,211)</u>	<u>\$ 236,365</u>

The notes to the financial statements are an integral part of this statement.



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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

Ohio Rev. Code Section 121.37 created the Ohio Family and Children First Cabinet Council and permitted counties to establish County Family and Children First Councils. Statutory membership of a county council consists of the following individuals:

- a. The director of the council of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to Ohio Rev. Code Section 5153.15;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county’s juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioner, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county’s head start agencies, as defined in Ohio Rev. Code Section 3301.31;
- m. A representative of the county’s early intervention collaborative established pursuant to the federal early intervention program operated under the “Individuals with Disabilities Education Act of 2004”; and

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Description of the Entity (Continued)**

- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's membership;

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

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countrywide, comprehensive, coordinated, multi-disciplinary, inter-agency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

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

Develop and implement the following:

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

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Description of the Entity (Continued)**

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides for Intersystem Care Coordination, General Administration, Help me Grow services, Head Start/Early Start program, Early Head Start – Childcare Partnership program, Strengthen Families and Bridges out of Poverty, that all seek to promote the wellbeing of children and families in Lucas County. The Council, the Executive Committee, and the Executive Director have direct responsibility for these activities.

**B. Administrative Council**

The Administrative Council is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. This committee is responsible for the creation of all standing committees and task groups of the Council.

**C. Basis of Accounting**

These financial statements follow the cash basis of accounting.

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

**Government-Wide Financial Statements**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting**

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council utilizes the governmental category of funds. With exception of our Help Me Grow program, all the Council's programs are on a cost reimbursement basis. As a result, a number of our programs ended with deficit fund balances at year end. Because of the size of the Council's General Fund, it is impossible covering the deficits with "Advances" from the General Fund.

**Governmental Funds**

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

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

**Help Me Grow (HMG) Fund** – The Help Me Grow (HMG) Fund is used to account for revenue received from Federal, State, and local funding and expended to support family-centered services for infants and toddlers to age 3 with developmental delay, disability, or a medical condition likely to result in a delay or disability. It also provides first time expectant or new parents the information and support they need to be prepared for the birth of their child and provides ongoing education and support for families to maximize their child's health and development to age 3.

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

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

- Special Assistance Funding
- Wraparound
- Funding for Intersystem Placements

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

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

**Head Start/Early Head Start** – This fund is used to provide high-quality child development services to eligible Pregnant Women, and Early Head Start children, ages 0 to 3 years old residing in the county from low-income families and quality services to their families in accordance with the Head Start Act, as amended by other regulations.

**Early Head Start Child Care Partnership** – In 2015, the council became a delegate for the Early Head Start Child Care Partnership grant for WSOS Community Action Commission, Inc., as a grantee. This fund is used to provide high-quality child development services to eligible Early Head Start children, ages 6 months to 3 years old residing in the county from low-income families and quality services to their families in accordance with the Head Start Act, as amended by other regulations.

**Other** – Programs grouped under "Other" in our financial statements includes Bridges Out of Poverty, Children's Trust Fund, Promise Neighborhood, Fatherhood Initiative and Getting Connected. While they are grouped under the category of "Other" because of not passing the major fund test, they are still tracked separately in our financial system.

**E. Administrative and Fiscal Agent**

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

**F. Measurement Focus**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Basis of Accounting**

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

**H. Cash**

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

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

1. Obligations of, or backed by the faith of, the United States Government;
2. Obligations issued by Federal agency;
3. Deposits in institutions eligible under Ohio law. All deposits are collateralized with eligible securities, as described by state statutes, which are pledged to a collateral pool for each individual financial institution, in amounts equal to at least 105% of the carrying value of all public deposits held by each institution.
4. Obligations of the State
5. Repurchase agreements with institutions eligible under Ohio law not to exceed 30 days, where the institution agrees unconditionally to repurchase any of the securities listed in (1) or (2).
6. Commercial paper issued by any corporation incorporated under the laws of the United States or a state if both of the following conditions apply. Two nationally recognized rating agencies rank the commercial paper in either of their two highest categories; the total amount invested in commercial paper at any time does not exceed five percent of the county's total average portfolio, as determined and calculated by the investing authority.
7. Bankers acceptances, if the following conditions are met: the acceptances mature in two hundred seventy days or fewer from the date of settlement; the acceptances are eligible for purchase by the federal reserve system; the total amount invested in bankers acceptances at any time does not exceed ten percent of the county's total average portfolio, as determined and calculated by the investing authority.
8. The State Treasurer's Investment pool (STAR Ohio). Investment authority for the State Treasurer's Investment pool is established by the State Legislature and reflected in the Ohio Revised Code.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Cash (Continued)**

9. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

The Council does not have investment policies relating to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. The County handles all aspects regarding investments.

**I. Capital Assets**

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

**J. Long-Term Debt Obligations**

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

**K. Net Position**

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

**L. Budgetary Process**

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. All funds are required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The Council must annually file a budget with its administrative agent. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreased in revenue are identified by the Executive Director.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Accumulated Leave**

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

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Council classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

**3. Committed**

The *committed* fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those *committed* amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**4. Assigned**

Amounts in the *assigned* fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**5. Unassigned**

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.



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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Fund Balance (Continued)**

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**2. CASH AND CASH EQUIVALENTS**

The Lucas County Commissioners maintain a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. At year end, the carrying amount of the Council's deposits with the Lucas County Commissioners was \$236,365. The Lucas County Board of Commissioners is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

**3. CONTRACTUAL COMMITMENTS**

At December 31, 2015, the Council had \$631,659 in contractual commitments for services provided to children and families. These contracts will be funded by federal, state and local program grants, whose funding follows June 30 and September 30 fiscal years rather than the Council's calendar fiscal year. While all of itemized commitments in the following list were outstanding encumbrances as of December 31, 2015, it does not mean they will translate into actual liability, but rather what is encumbered and may be used by the provider after December 31, 2015.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**3. CONTRACTUAL COMMITMENTS (Continued)**

<b>VENDOR</b>	<b>AMOUNT</b>
Mercy St. Vincent Medical Center	\$ 42,711
Asset Protection Corp	726
Bellefaire JCB	5,257
Stanley Smith	13,043
Foundation For Families	23,221
Thomas Day Care, Inc.	96,129
Young Services, Inc.	225,433
Catholic Club	109,565
Donna Marie Craig	233
Melissa Rodkey	121
Tamara C. Branche	165
Atol L. King	127
Samantha L. Stevens	167
Maykel Moreno Abreu	244
Lucas County Board of DD	18,300
Family & Child Abuse	42,482
East Toledo Family Center	37,209
Lydia Anita Robinson	16,065
Black & White Cab Co.	461
<b>Total</b>	<b>\$ 631,659</b>

**4. RISK MANAGEMENT**

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

**5. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as follows: The Traditional Pension Plan – a cost sharing, multiple-employer defined pension plan. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invest employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**5. DEFINED BENEFIT PENSION PLAN (Continued)**

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2015, member and employer contribution rates were consistent across all three plans. While members in state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2015 member contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2015 employer contribution rate for state and local employers was 14.0% for covered payroll. The Council's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2015, 2014 and 2013, were \$142,522, \$89,430 and \$74,362, respectively; 93% has been contributed for 2015 and 100% has been contributed for 2014 and 2013.

**6. POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

Plan Description – Ohio Plan Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both Traditional Pension and the Combined plans. Members of the Member-Directed do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health coverage, age-and-service retirees under the Traditional Pension and Combined plans must have ten years or more of qualifying Ohio service credit. Health coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, OH 43216-4642, or by calling 614-222-5601 or 800-222-7377.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**6. POSTEMPLOYMENT BENEFITS (Continued)**

**Ohio Public Employees Retirement System (Continued)**

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed at a rate of 14.0% of covered payroll. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS’ Post Employment Health Care plan was established under, and administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.00% during calendar year 2015. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post employment healthcare plan.

**7. CONTINGENT LIABILITIES/GRANTS**

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of fund received under these programs generally required compliance with terms and condition specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2015.

**8. INTERGOVERNMENTAL ADVANCE**

In 2015, the Council paid back the \$156,000 advanced from Lucas County in 2014 to ensure continuity of its operations.

**Lucas County Family and Children First Council  
Lucas County  
Schedule of Federal Awards Expenditures**

Year Ended December 31, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Disbursements
<b>United States Department of Education</b>		
<i>Passed Through Ohio Department of Health:</i>		
Special Education – Grants for Infants and Families With Disabilities <b>(Help Me Grow – Part C)* - PT</b>	84.181	\$ 381,341
Special Education – Grants for Infants and Families With Disabilities <b>(Help Me Grow – Part C)*- KS016</b>	84.181	217,414
<b>Total United States Department of Education</b>		<u>598,755</u>
<b>United States Department of Health and Human Services</b>		
<i>Passed through the Ohio Department of Job and Family Services:</i>		
<b>CAPTA Funding - PT</b>	93.590	71,983
<b>CAPTA Funding - KT016</b>	93.590	60,760
<b>Total CAPTA Funding</b>		<u>132,743</u>
<i>Passed through WSOS Community Action Commission:</i>		
<b>Early Head Start - Childcare Partnership</b>	93.600	574,230
<i>Passed through Ohio Mental Health and Addiction Services:</i>		
<b>System of Care Expansion Implementation Grant (Engage) -PT</b>	93.243	31,509
<b>System of Care Expansion Implementation Grant (Engage)-KO016</b>	93.243	97
<b>Total System of Care Expansion Implementation Grant</b>		<u>31,606</u>
<i>Passed Through Lucas County Department of Job and Family Services</i>		
Temporary Assistance to Needy Families (TANF) <b>Bridges out of Poverty- PT</b>	93.558	119,950
<b>Bridges out of Poverty- KB016</b>	93.558	34,048
<b>Total Bridges out of Poverty</b>		<u>153,998</u>
<b>Family Centered Services and Support**- PT</b>	93.556	84,464
<b>Family Centered Services and Support**- KO016</b>	93.556	1,391
<b>Total Family Centered Services Support</b>		<u>85,855</u>
<b>Title XX - PT</b>	93.667	17,100
<b>Total United States Department of Health and Human Services</b>		<u>1,399,733</u>
<b>Total Federal Assistance</b>		<u>\$ 1,998,488</u>

\* This is a blended funding grant - in SFY 2015 and SFY 2016; 62% of grant were federal. Only the federal portion of total grant is reported on the SEFA

\*\* The Family Centered Services and Supports grant is blended funding. 75% is federal/ 25% is non-federal. Only federal portion reported on SEFA.

The accompanying notes to this schedule are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
2 CFR 200.510(B)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note A – Significant Accounting Policies**

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

**Note B – Subrecipients**

The Council passed-through \$728,001 of Federal assistance received from the Ohio Department of Health and the Lucas County Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the Council records expenditures of Federal awards to subrecipients when paid in cash.

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

**Note C – Matching Requirements**

Certain Federal programs require the Council to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Council has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



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1035 Murdoch Ave.  
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104 South Sugar St.  
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740.695.1569

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

June 10, 2016

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

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Lucas County Family and Children First Council**, Lucas County, (the Council), as of and for the year ended December 31, 2015, 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 10, 2016, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, unidentified material weaknesses may exist.



**...“bringing more to the table”**

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •

• Association of Certified Anti - Money Laundering Specialists •



### **Compliance and Other Matters**

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

### **Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

June 10, 2016

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

To the Council:

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

We have audited **Lucas County Family and Children First Council's**, (the Council) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Council's major federal program for the year ended December 31, 2015. The *Summary of Audit Results* in the accompanying schedule of audit findings and questioned costs identifies the Council's major federal program.

**Management's Responsibility**

The Council's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to opine on the Council's compliance for the Council's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Council's compliance.



**... "bringing more to the table"**

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



### **Opinion on the Major Federal Program**

In our opinion, the Council complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2015.

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

The Council's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Council's internal control over compliance with applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Council's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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

**SCHEDULE OF AUDIT FINDINGS  
UNIFORM GUIDANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>1. SUMMARY OF AUDIT RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR§200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Early Head Start – Childcare Partnership – CFDA# 93.600
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all other
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee Under 2CFR§200.520?</b>	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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None

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# Dave Yost • Auditor of State

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 2, 2016**