



**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002



**Auditor of State
Betty Montgomery**

**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Medina County Family First Council
Medina County
144 North Broadway
Medina, Ohio 44256

To the Council Membership:

We have audited the accompanying financial statement of the Medina County Family First Council, Medina County, Ohio, (the Council) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 provide a reasonable basis for our opinion.

As discussed in Note 1, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Council as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2004 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 grants. 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.

This report is intended solely for the information and use of management, the Council members, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 27, 2004

**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$121,088	\$550,226	\$671,314
Other	3,289	1,728	5,017
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	124,377	551,954	676,331
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries and Benefits	13,281		13,281
Contractual Services	58,176	117,941	176,117
Purchased Services	1,179	268,039	269,218
Supplies	1,377	7,058	8,435
Grant Contract		60,936	60,936
Utilities		12,773	12,773
Rent		18,259	18,259
Other	7,574	26,600	34,174
Capital Outlay		975	975
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	81,587	512,581	594,168
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	42,790	39,373	82,163
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Transfers In	37,690	14,300	51,990
Transfers Out	(14,300)	(37,690)	(51,990)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	23,390	(23,390)	0
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	66,180	15,983	82,163
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	127,110	(38,810)	88,300
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$193,290</u>	<u>(\$22,827)</u>	<u>\$170,463</u>

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

**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$80,500	\$600,286	\$680,786
Other	250	301	551
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	80,750	600,587	681,337
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries and Benefits	1,326		1,326
Contractual Services	55,216	115,456	170,672
Purchased Services		262,141	262,141
Supplies	372	8,484	8,856
Grant Contract		147,331	147,331
Utilities		16,410	16,410
Rent		18,129	18,129
Refunds		995	995
Other	6,776	6,674	13,450
Capital Outlay		6,588	6,588
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	63,690	582,208	645,898
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	17,060	18,379	35,439
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Transfers In	32,473	38,857	71,330
Transfers Out	(38,857)	(32,473)	(71,330)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(6,384)	6,384	(0)
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	10,676	24,763	35,439
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	116,434	(63,573)	52,861
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$127,110	(\$38,810)	\$88,300
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Medina County Family First Council (the Council) is an organization established by Ohio Rev. Code Section 121.37(B)(1) to coordinate social services programs in the community between existing agencies and individuals in need of those services. The Council consists of mandated members plus others who benefit the progress of the Council's goals. Council operations are vested in Council members through committees. The Medina County Board of Commissioners serves as administrative agent. The Council contracts with individuals to provide management and care-giver services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Equity in Pooled Cash and Investments

In accordance with Ohio Revised Code, the Council's cash is held and invested by the Medina County Treasurer, who acts as custodian for the Council monies. The Council's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying value.

D. Fund Accounting

The Council uses fund accounting to segregate resources that are restricted as to use. The Council classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific revenue sources, such as State and Federal Grants, that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

Wellness Grant Fund – This fund receives Federal and State monies to support teen pregnancy prevention programs.

Help Me Grow Grant Fund - This fund receives Federal grant money for the purpose of providing services to families with young children at greater risk.

**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay when paid. These items are not reflected as assets on the accompanying financial statement.

F. Fiscal Agent

The Medina County Treasurer and Auditor serve as the fiscal/administrative agent for the Council. Council funds are maintained in separate agency funds at the County.

2. RETIREMENT SYSTEM

The Council's employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 (the latest information available), members of OPERS contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries for 2002. The Council has paid all contributions required through December 31, 2002.

3. RISK MANAGEMENT

The Council is covered under the various insurance policies of Medina County, the fiscal/administrative agent.

4. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

5. FUND DEFICITS

At December 31, 2003, the Resource Center and Help Me Grow, Special Revenue Funds had fund deficits of \$4,620 and \$22,709, respectively. At December 31, 2002, the Help Me Grow and Wellness, Special Revenue Funds had fund deficits of \$53,936 and \$2,000, respectively. These deficits will be eliminated once grant expenditures are reimbursed by the State of Ohio.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Medina County Family First Council
Medina County
144 North Broadway
Medina, Ohio 44256

To the Council Members:

We have audited the accompanying financial statements of the Medina County Family First Council, Medina County, Ohio, (the Council) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 27, 2004. We conducted our audit in accordance with auditing standards generally accepted by 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.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*. However, we noted an immaterial instance of noncompliance that we have reported to the management of the Council in a separate letter dated February 27, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Council in a separate letter dated February 27, 2004.

Medina County Family First Council
Medina County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and the Council members, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 27, 2004



**Auditor of State
Betty Montgomery**

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MEDINA COUNTY FAMILY FIRST COUNCIL

MEDINA 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
APRIL 20, 2004**