



**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

REGULAR AUDIT

**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2009 AND
FOR THE YEAR ENDED DECEMBER 31, 2008**



Mary Taylor, CPA
Auditor of State

**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

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Mary Taylor, CPA
Auditor of State

Medina County Family First Council
Medina County
232 Northland Drive
Medina, Ohio 44256

To the Council Members:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Council to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 22, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Medina County Family First Council
Medina County
232 Northland Drive
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 six month period ended June 30, 2009 and the year ended December 31, 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the six month period ended June 30, 2009 and year ended December 31, 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2009 and December 31, 2008, or its changes in financial position for the six month period/year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Medina County Family First Council, Medina County, Ohio as of June 30, 2009 and December 31, 2008, and its combined cash receipts and disbursements for the six month period/year then ended on the accounting basis Note 1 describes.

As further described in Note 3, the Council revised its fiscal year end from December 31st to June 30th.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

September 22, 2009

**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 SIX MONTH PERIOD ENDED JUNE 30, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$19,750	\$488,402	\$508,152
Other	25	795	820
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	19,775	489,197	508,972
Cash Disbursements:			
Salaries and Benefits	25,005		25,005
Supplies	496	3,328	3,824
Travel	181		181
Contract Services	28,841	58,802	87,643
Purchased Services	8,750	289,002	297,752
Utilities		4,109	4,109
Rent	3,600	3,729	7,329
Other	2,503	3,771	6,274
Refunds		110	110
Equipment	126		126
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	69,502	362,851	432,353
Total Cash Receipts Over/(Under) Cash Disbursements	(49,727)	126,346	76,619
Other Financing Cash Receipts/(Cash Disbursements):			
Transfers In	14,117		14,117
Transfers Out		(14,117)	(14,117)
	<hr/>	<hr/>	<hr/>
Total Other Cash Financing Receipts/(Cash Disbursements)	14,117	(14,117)	
Excess of Cash Receipts and Other Financing Cash Receipts Over/(Under) Cash Disbursements and Other Financing Cash Disbursements	<hr/>	<hr/>	<hr/>
	(35,610)	112,229	76,619
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	189,208	82,031	271,239
Fund Cash Balances, June 30	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$153,598	\$194,260	\$347,858

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, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$107,124	\$925,137	\$1,032,261
Other	654	27,035	27,689
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	107,778	952,172	1,059,950
 Cash Disbursements:			
Salaries and Benefits	45,874	11,978	57,852
Supplies	1,141	6,045	7,186
Contract Services	57,958	168,757	226,715
Purchased Services	38,551	639,194	677,745
Utilities		7,891	7,891
Rent	1,200	7,458	8,658
Other	8,912	23,226	32,138
Refunds			
Equipment	350	2,267	2,617
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	153,986	866,816	1,020,802
Total Cash Receipts Over/(Under) Cash Disbursements	(46,208)	85,356	39,148
 Other Financing Cash Receipts/(Cash Disbursements):			
Transfers In	85,367		85,367
Transfers Out		(85,367)	(85,367)
	<hr/>	<hr/>	<hr/>
Total Other Financing Cash Receipts/(Cash Disbursements)	85,367	(85,367)	
 Excess of Cash Receipts and Other Financing Cash Receipts Over/(Under) Cash Disbursements and Other Financing Cash Disbursements	39,159	(11)	39,148
Fund Cash Balances, January 1	150,049	82,042	232,091
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$189,208</u>	<u>\$82,031</u>	<u>\$271,239</u>

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

**MEDINA FAMILY FIRST COUNCIL
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND DECEMBER 31, 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Medina County Family First Council, Medina County, Ohio, (the Council) as a body corporate and politic. The Council consists of statutory members pursuant to Ohio Rev. Code Section 121.37 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. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. 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 fiscal and administrative agents for the Council's monies. The Council's assets are held in the County's cash and investment pool. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County Treasurer at June 30, 2009 and December 31, 2008 were \$347,858 and \$271,239, respectively. The Medina County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of Medina County.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

**MEDINA FAMILY FIRST COUNCIL
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND DECEMBER 31, 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

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.

FFC Pooled Funds - This fund receives monies from various other social service agencies and county divisions (i.e., Juvenile Court) for the purpose of providing various types of services, as designated by the funding sources, to families.

Wellness Fund – This fund receives monies from the Medina County Jobs and Family Services to provide services to families through contract with various social service organizations.

E. Property, Plant, and Equipment

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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

Employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through June 30, 2009.

3. Change in Fiscal Year End

On January 20, 2009, the Council was granted approval from the Auditor of State to revise its fiscal year end from December 31 to June 30 to correspond with the Council's grant's fiscal years. As such, the Council's financial statements present a statement for the calendar year end December 31, 2008 as well as a statement for the six month period ended June 30, 2009. Future financial statements will report a July 1 through June 30 fiscal year.

4. Risk Management

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

**MEDINA FAMILY FIRST COUNCIL
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND DECEMBER 31, 2008
(Continued)**

5. Contingent Liabilities

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

6. Fund Deficits

At December 31, 2008, the Help Me Grow and Children's Trust Fund Special Revenue Funds had fund deficit balances of \$20,124 and \$604 respectively. These deficits were eliminated when the grant expenditures were reimbursed by the State of Ohio.

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Mary Taylor, CPA

Auditor of State

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

Medina County Family First Council
Medina County
232 Northland Drive
Medina, Ohio 44256

To the Council Members:

We have audited the financial statements of the Medina County Family First Council, Medina County, Ohio, (the Council) as of and for the six month period ended June 30, 2009 and for the year ended December 31, 2008, and have issued our report thereon dated September 22, 2009, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and wherein we noted the Council revised its fiscal year end from December 31 to June 30. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood the Council's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Council's management in a separate letter dated September 22, 2009.

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Compliance and Other Matters

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

We did note a certain noncompliance or other matter that we reported to the Council's management in a separate letter dated September 22, 2009.

We intend this report solely for the information and use of management and Council Members. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 22, 2009



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 5, 2009**