



**MEDINA COUNTY FAMILY FIRST COUNCIL
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

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, 1999 and 1998. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 audits provide a reasonable basis for our opinion.

As described 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 Medina County Family First Council, Medina County, as of December 31, 1999 and 1998, 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 March 17, 2000 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.

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

Jim Petro
Auditor of State

March 17, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$177,792	\$179,898	\$357,690
Other	2,458		2,458
Total Cash Receipts	<u>180,250</u>	<u>179,898</u>	<u>360,148</u>
Cash Disbursements:			
Current:			
Contractual Services	63,514	16,450	79,964
Purchased Services	30	32,935	32,965
Supplies	646		646
Grant Contract	77,990	22,376	100,366
Refunds	8,342	12,401	20,743
Other	14,375	1,106	15,481
Equipment		<u>1,785</u>	<u>1,785</u>
Total Cash Disbursements	<u>164,897</u>	<u>87,053</u>	<u>251,950</u>
Total Cash Receipts Over Cash Disbursements	<u>15,353</u>	<u>92,845</u>	<u>108,198</u>
Fund Cash Balances, January 1	<u>79,196</u>	<u>35,000</u>	<u>114,196</u>
Fund Cash Balances, December 31	<u>\$94,549</u>	<u>\$127,845</u>	<u>\$222,394</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$169,494	\$35,000	\$204,494
Other	1,190		1,190
	<u>170,684</u>	<u>35,000</u>	<u>205,684</u>
Total Cash Receipts			
	<u>170,684</u>	<u>35,000</u>	<u>205,684</u>
Cash Disbursements:			
Current:			
Contractual Services	54,075		54,075
Purchased Services	964		964
Grant Contract	94,970		94,970
Refunds	1,241		1,241
Other	8,621		8,621
	<u>159,871</u>	<u>0</u>	<u>159,871</u>
Total Cash Disbursements			
	<u>159,871</u>	<u>0</u>	<u>159,871</u>
Total Cash Receipts Over Cash Disbursements			
	<u>10,813</u>	<u>35,000</u>	<u>45,813</u>
Fund Cash Balances, January 1 (as restated, see Note 4)			
	<u>68,383</u>	<u>0</u>	<u>68,383</u>
Fund Cash Balances, December 31			
	<u>\$79,196</u>	<u>\$35,000</u>	<u>\$114,196</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

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 consist of mandated members plus others that benefit the progress of the Council's goals. The Council is governed by a Board of Trustees who are of representatives of permanent member agencies. 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. Cash

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 amount.

D. Fund Accounting

The Council uses fund accounting to segregate cash that is 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 by law or contract to be restricted.

Special Revenue Funds

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

Early Start Grant Fund - Receives Federal and State monies to provide family support and community-based services that promote the well-being of children and families.

Welcome Home Grant Fund - Receives Federal and State monies to provide home visitation services to parents of newborns, to answer questions about the health of the new mother and baby, as well as to provide referral services for additional support and services.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Wellness Grant Fund - Receives Federal and State monies to support teen pregnancy prevention programs.

E. Property, Plant and Equipment

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

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. RISK MANAGEMENT

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

3. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to 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.

4. CORRECTION OF AN ERROR

The General Fund beginning fund cash balance was restated at January 1, 1998 to \$68,383 as the result of the omission the Family First Pooled Fund. This fund was previously incorrectly reported as a Medina County Special Revenue Fund.

General Fund fund cash balance at the beginning of the year as previously reported	\$18,383
Unreported fund balance	<u>50,000</u>
Fund balance at beginning of year as restated	<u>\$68,383</u>



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Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
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Facsimile 330-471-0001
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS 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 Board of Trustees:

We have audited the financial statements of the Medina County Family First Council, Medina County, Ohio, (the Council) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 17, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 March 17, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 the management of the Council in a separate letter dated March 17, 2000.

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

Jim Petro
Auditor of State

March 17, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 11, 2000**