



**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008-2007



Mary Taylor, CPA
Auditor of State

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
MEDINA COUNTY**

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Mary Taylor, CPA

Auditor of State

Medina County Emergency Management Agency
Medina County
555 Independence Drive
Medina, Ohio 44256

To the Executive Committee:

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 Agency 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.

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

Mary Taylor, CPA
Auditor of State

May 4, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Medina County Emergency Management Agency
Medina County
555 Independence Drive
Medina, Ohio 44256

To the Executive Committee:

We have audited the accompanying financial statements of the Medina County Emergency Management Agency, Medina County, Ohio, (the Agency) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Agency'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 Agency 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 Agency's larger (i.e. major) funds separately. While the Agency 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 emergency management agencies to reformat their statements. The Agency 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 years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Agency as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Medina County Emergency Management Agency, Medina County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Agency 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 May 4, 2009, on our consideration of the Agency'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

May 4, 2009

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
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>	<u>Capital Projects</u>	
Cash Receipts:				
Intergovernmental	\$44,826	\$16,156	\$50,400	\$111,382
Fees Charged to Subdivisions	128,001	47,057	2,633	177,691
Other Receipts	23,519	5,321	5,000	33,840
Total Cash Receipts	196,346	68,534	58,033	322,913
Cash Disbursements:				
Salary Employees	158,155	12,109		170,264
Workers' Compensation	2,786	212		2,998
Retirement	22,134	1,695		23,829
Medicare	2,224	176		2,400
Hospitalization	15,033			15,033
Supplies	8,423	10,737		19,160
Contract Repairs	2,873			2,873
Training	11,643			11,643
Travel	921			921
Contract Services	24,151	4,513	456	29,120
Other Expenses	9,424	21,126	17,024	47,574
Equipment	1,000	10,272	68,263	79,535
Total Cash Disbursements	258,767	60,840	85,743	405,350
Total Cash Receipts Over/(Under) Cash Disbursements	(62,421)	7,694	(27,710)	(82,437)
Other Financing Receipts/(Disbursements):				
Transfers-In			4,058	4,058
Transfers-Out	(3,500)	(558)		(4,058)
Total Other Financing Receipts/(Disbursements)	(3,500)	(558)	4,058	
Excess Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(65,921)	7,136	(23,652)	(82,437)
Fund Cash Balances, January 1	33,369	99,143	168,847	301,359
Fund Cash Balances (Deficit), December 31	<u>(\$32,552)</u>	<u>\$106,279</u>	<u>\$145,195</u>	<u>\$218,922</u>
Reserve for Encumbrances, December 31	<u>\$5,750</u>	<u>\$39,321</u>	<u>\$7,619</u>	<u>\$52,690</u>

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

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
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, 2007**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Intergovernmental	\$84,715	\$634,197		\$718,912
Fees Charged to Subdivisions	123,970	46,291	\$5,000	175,261
Other Receipts	4,817	13,693	924	19,434
Total Cash Receipts	213,502	694,181	5,924	913,607
Cash Disbursements:				
Salary Employees	143,040	10,964		154,004
Workers' Compensation	1,835	141		1,976
Retirement	19,804	1,518		21,322
Medicare	2,021	159		2,180
Hospitalization	14,031			14,031
Supplies	6,380	389		6,769
Contract Repairs	1,079			1,079
Training	5,350	19,542		24,892
Travel	1,994			1,994
Contract Services	34,970	559,304		594,274
Other Expenses	9,749		6,025	15,774
Equipment	1,116	58,753	9,517	69,386
Total Cash Disbursements	241,369	650,770	15,542	907,681
Total Cash Receipts Over/(Under) Cash Disbursements	(27,867)	43,411	(9,618)	5,926
Other Financing Receipts/(Disbursements):				
Transfers-In			3,500	3,500
Transfers-Out	(3,500)			(3,500)
Total Other Financing Receipts/(Disbursements)	(3,500)		3,500	
Excess Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(31,367)	43,411	(6,118)	5,926
Fund Cash Balances, January 1	64,736	55,732	174,965	295,433
Fund Cash Balances, December 31	<u>\$33,369</u>	<u>\$99,143</u>	<u>\$168,847</u>	<u>\$301,359</u>
Reserve for Encumbrances, December 31	<u>\$14,958</u>	<u>\$45,770</u>	<u>\$3,577</u>	<u>\$64,305</u>

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

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Emergency Management Agency, Medina County, Ohio, (the Agency) as a body corporate and politic. The Agency is directed by a nine member Executive Committee pursuant to Ohio Revised Code Section 5502.26, and is responsible for the development of a county-wide emergency operation plan and the appointment of a Director who is responsible for the coordinating, organizing, administering, and operating of emergency management activities in accordance with the Agency's plan.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis 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

The Medina County Auditor acts as fiscal agent for the Agency as required by Ohio Revised Code. The Medina County Treasurer is the custodian of the Agency's cash. The Agency's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Agency uses fund accounting to segregate cash that is restricted as to use. The Agency classifies its funds into the following types:

1. 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.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Agency had the following significant Special Revenue Fund:

Clayton Heights Restoration Fund – This fund receives federal grants for the purchase of property located in Westfield Township related to flood damage mitigation.

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects. The District had the following significant Capital Project Fund:

Emergency Management Capital Improvement – This fund receives federal grants primarily for equipment, and training exercises and other County projects required by the grant to support Homeland Security.

E. Budgetary Process

Although there is no legal requirement to prepare a budget, the Agency budgets each fund annually. The County Auditor acts as fiscal agent, and the Agency follows the budgetary procedures required by the County.

1. Appropriations

The Executive Committee annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Agency reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. EQUITY IN CASH AND INVESTMENTS

The County Treasurer maintains a cash and investment pool used by all County funds. The carrying amount for the Agency's portion of cash and investments as of December 31, 2008 and 2007 was \$218,922 and \$301,359 respectively.

Deposits: Deposits held by the Medina County Treasurer are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the County or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2008 and 2007 is as follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$313,000	\$196,346	(\$116,654)
Special Revenue	298,000	68,534	(229,466)
Capital Projects	1,458,500	62,091	(1,396,409)
Total	<u>\$2,069,500</u>	<u>\$326,971</u>	<u>(\$1,742,529)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$302,044	\$268,017	\$34,027
Special Revenue	268,206	100,719	167,487
Capital Projects	1,453,975	93,362	1,360,613
Total	<u>2,024,225</u>	<u>\$462,098</u>	<u>\$1,562,127</u>

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$298,704	\$213,502	(\$85,202)
Special Revenue	2,619,063	694,181	(1,924,882)
Capital Projects	1,323,500	9,424	(1,314,076)
Total	<u>\$4,241,267</u>	<u>\$917,107</u>	<u>(\$3,324,160)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$313,619	\$259,827	\$53,792
Special Revenue	2,601,966	696,540	1,905,426
Capital Projects	1,329,325	19,119	1,310,206
Total	<u>\$4,244,910</u>	<u>\$975,486</u>	<u>\$3,269,424</u>

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. SUBDIVISION ASSESSMENTS

The subdivision fees are fees assessed to the subdivisions of the County that have elected to enter into a county-wide agreement to statutorily create the Agency. These fees are apportioned in accordance with the county budget commission's calculation of subdivision shares of the undivided local government fund as apportioned pursuant to Ohio Revised Code Sections 5747.51 and 5747.52.

5. RETIREMENT SYSTEM

The Agency's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 percent and 9.5 percent, respectively, of their gross salaries and the Board contributed an amount equaling 14 percent and 13.85 percent, respectively, of participants' gross salaries. The Board has paid all contributions required through December 31, 2008.

6. RISK MANAGEMENT

The Agency is insured by the County through a cost allocation plan for the following risks:

- Comprehensive property and general liability
- Vehicle liability
- Errors and omissions

The Agency provides health insurance to the employees through the County's plan.

7. GRANTS

The Agency received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions 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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Agency at December 31, 2008.



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 Emergency Management Agency
Medina County
555 Independence Drive
Medina, Ohio 44256

To the Executive Committee:

We have audited the financial statements of the Medina County Emergency Management Agency, Medina County, Ohio, (the Agency) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 4, 2009, wherein we noted the Agency followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 Agency'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 Agency's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Agency'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 Agency'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 that the Agency'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 that the Agency'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 Agency's management in a separate letter dated May 4, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Agency'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 intend this report solely for the information and use of management and the Executive Committee. 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

May 4, 2009



Mary Taylor, CPA
Auditor of State

MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY

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
JUNE 11, 2009**