



Dave Yost • Auditor of State



**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY  
MEDINA COUNTY**

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# Dave Yost • 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.

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**Dave Yost**  
Auditor of State

June 30, 2011

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# Dave Yost • 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, 2010 and 2009. These financial statements are the responsibility of the Academy'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, 2010 and 2009 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, 2010 and 2009, 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 of the Medina County Emergency Management Agency, Medina County, Ohio, as of December 31, 2010 and 2009, 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 June 30, 2011, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

June 30, 2011



**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, 2010**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$168,483	\$146,337	\$28,206	\$343,026
Fees Charged to Subdivisions	53,312	47,056		100,368
Other Fees	324	21,407	18,000	39,731
<b>Total Cash Receipts</b>	<b>222,119</b>	<b>214,800</b>	<b>46,206</b>	<b>483,125</b>
<b>Cash Disbursements:</b>				
Salary Employees	167,319	12,287		179,606
Workers' Compensation	2,510	184		2,694
Retirement	23,425	1,720		25,145
Medicare	2,343	178		2,521
Hospitalization	21,870			21,870
Supplies	5,931			5,931
Contract Repairs	2,098	229		2,327
Training	2,724	760		3,484
Travel	2,499			2,499
Contract Services	21,687	16,136		37,823
Other Expenses	9,508	125,273	299	135,080
Equipment	479	34,764	35,026	70,269
<b>Total Cash Disbursements</b>	<b>262,393</b>	<b>191,531</b>	<b>35,325</b>	<b>489,249</b>
Total Cash Receipts Over/(Under) Cash Disbursemer	(40,274)	23,269	10,881	(6,124)
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	49,042	32,382	8,500	89,924
Transfers-Out	(35,403)	(5,480)	(49,041)	(89,924)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>13,639</b>	<b>26,902</b>	<b>(40,541)</b>	
Excess Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,635)	50,171	(29,660)	(6,124)
Fund Cash Balances, January 1	75,946	80,439	156,387	312,772
<b>Fund Cash Balances, December 31</b>	<b>\$49,311</b>	<b>\$130,610</b>	<b>\$126,727</b>	<b>\$306,648</b>
Reserve for Encumbrances, December 31	\$4,499	\$93,951	\$33	\$98,483

*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, 2009**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$224,918	\$589,541	\$78,819	\$893,278
Fees Charged to Subdivisions	71,527	44,469		115,996
Other Receipts	13,149	40,228		53,377
<b>Total Cash Receipts</b>	<b>309,594</b>	<b>674,238</b>	<b>78,819</b>	<b>1,062,651</b>
<b>Cash Disbursements:</b>				
Salary Employees	158,154	12,098		170,252
Workers' Compensation	2,797	216		3,013
Retirement	22,141	1,693		23,834
Medicare	2,219	175		2,394
Hospitalization	17,868			17,868
Supplies	6,161			6,161
Contract Repairs	7,387			7,387
Training	2,791	2,890		5,681
Travel	1,960			1,960
Contract Services	34,451	590,191	407	625,049
Other Expenses	6,996	15,223	500	22,719
Equipment	858	40,797	40,828	82,483
<b>Total Cash Disbursements</b>	<b>263,783</b>	<b>663,283</b>	<b>41,735</b>	<b>968,801</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>45,811</b>	<b>10,955</b>	<b>37,084</b>	<b>93,850</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	62,687		2,393	65,080
Transfers-Out		(36,795)	(28,285)	(65,080)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>62,687</b>	<b>(36,795)</b>	<b>(25,892)</b>	
<b>Excess Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>108,498</b>	<b>(25,840)</b>	<b>11,192</b>	<b>93,850</b>
<b>Fund Cash Balances, January 1</b>	<b>(32,552)</b>	<b>106,279</b>	<b>145,195</b>	<b>218,922</b>
<b>Fund Cash Balances, December 31</b>	<b>\$75,946</b>	<b>\$80,439</b>	<b>\$156,387</b>	<b>\$312,772</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$9,011</b>	<b>\$73,188</b>	<b>\$9,443</b>	<b>\$91,642</b>

*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, 2010 AND 2009**

**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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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 it 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 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:

**Gloria Glens Restoration Fund** – This fund receives federal grants for the purchase of property located in Chippewa Lake Village related to flood damage mitigation.

**Homeland Security Fund II** – This fund receives federal grants for the purchase of emergency response equipment.

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(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:

**Homeland Security Fund** – This fund receives federal grants for the purchase of emergency response equipment.

**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 2010 and 2009 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, 2010 AND 2009  
(Continued)**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**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, 2010 and 2009 was \$306,648 and \$312,772 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, 2010 and 2009 is as follows:

**2010 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$350,205	\$271,161	(\$79,044)
Special Revenue	568,444	247,182	(321,262)
Capital Projects	1,808,800	54,706	(1,754,094)
Total	<u>\$2,727,449</u>	<u>\$573,049</u>	<u>(\$2,154,400)</u>

**2010 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$391,646	\$302,295	\$89,351
Special Revenue	711,475	290,962	420,513
Capital Projects	138,058	84,399	53,659
Total	<u>1,241,179</u>	<u>\$677,656</u>	<u>\$563,523</u>

**2009 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$416,204	\$372,281	(\$43,923)
Special Revenue	1,031,405	674,238	(357,167)
Capital Projects	1,678,274	81,212	(1,597,062)
Total	<u>\$3,125,883</u>	<u>\$1,127,731</u>	<u>(\$1,998,152)</u>

**MEDINA COUNTY EMERGENCY MANAGEMENT AGENCY  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2009 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$365,847	\$272,794	\$93,053
Special Revenue	874,620	773,266	101,354
Capital Projects	1,696,119	79,463	1,616,656
Total	\$2,936,586	\$1,125,523	\$1,811,063

**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 2010 and 2009, OPERS members contributed 10 percent of their gross salaries and the Board contributed an amount equaling 14 percent of participants' gross salaries. The Board has paid all contributions required through December 31, 2010.

**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, 2010.



# Dave Yost • 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, 2010 and 2009, and have issued our report thereon dated June 30, 2011, wherein we noted the Agency follows accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *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 more than a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

### **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, the Executive Committee and others within the Agency. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

June 30, 2011





# Dave Yost • 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  
JULY 19, 2011**