



**MEDINA COUNTY FAMILY FIRST COUNCIL  
MEDINA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**MEDINA COUNTY FAMILY FIRST COUNCIL  
MEDINA COUNTY**

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## 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, 2001 and 2000. 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 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 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, 2001 and 2000, 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 April 4, 2002 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 audits.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

April 4, 2002

**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, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$54,250	\$353,946	\$408,196
Other		400	400
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	54,250	354,346	408,596
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Contractual Services	42,876	92,775	135,651
Purchased Services		216,584	216,584
Supplies	50	6,465	6,515
Grant Contract		111,588	111,588
Refunds		6,817	6,817
Other	1,912	16,988	18,900
Capital Oulay		8,027	8,027
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	44,838	459,244	504,082
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	9,412	(104,898)	(95,486)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	107,021	41,326	148,347
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances (Deficits), December 31</b>	<b><u>\$116,433</u></b>	<b><u>(\$63,572)</u></b>	<b><u>\$52,861</u></b>

*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, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$73,750	\$210,460	\$284,210
Other	7,567		7,567
<b>Total Cash Receipts</b>	<u>81,317</u>	<u>210,460</u>	<u>291,777</u>
<b>Cash Disbursements:</b>			
Current:			
Contractual Services	63,991	21,280	85,271
Purchased Services		102,625	102,625
Supplies	317	2,009	2,326
Grant Contract		153,088	153,088
Refunds		466	466
Other	5,255	13,068	18,323
Capital Outlay	130	3,595	3,725
<b>Total Cash Disbursements</b>	<u>69,693</u>	<u>296,131</u>	<u>365,824</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>11,624</u>	<u>(85,671)</u>	<u>(74,047)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	848		848
Transfers-Out		(848)	(848)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>848</u>	<u>(848)</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>12,472</u>	<u>(86,519)</u>	<u>(74,047)</u>
<b>Fund Cash Balances, January 1</b>	<u>94,549</u>	<u>127,845</u>	<u>222,394</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$107,021</b></u>	<u><b>\$41,326</b></u>	<u><b>\$148,347</b></u>

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

**MEDINA COUNTY FAMILY FIRST COUNCIL  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**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. The Council is governed by a Board of Trustees who are 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* - This fund receives Federal and State monies to provide family support and community-based services that promote the well-being of children and families.

**MEDINA COUNTY FAMILY FIRST COUNCIL  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

*Wellness Grant Fund* - This 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 capital outlay 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. 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. FUND DEFICITS**

At December 31 2001, the Resource Center, Help Me Grow, and Wellness Grant, Special Revenue Funds had fund deficits of \$23,569, \$10,964, and \$39,410, respectively. At December 31, 2000, the Early Start and Resource Center, Special Revenue Funds had fund deficits of \$1,288 and \$5,139, respectively. These deficits will be eliminated once grant expenditures are reimbursed by the State of Ohio.



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**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, 2001 and 2000, and have issued our report thereon dated April 4, 2002. We conducted our audits 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.

**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 April 4, 2002.

**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 April 4, 2002.

Medina County Family First Council  
Medina County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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**Jim Petro**  
Auditor of State

April 4, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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  
MAY 9, 2002**