



**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Emergency Management Agency
Auglaize County
201 Willipie Street, Suite G-8
Wapakoneta, OH 45895

To the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Auglaize County, (the Agency) as of and for the years ended December 31, 2000 and 1999. 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 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 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Agency 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 and reserves for encumbrances of the Agency, as of December 31, 2000 and 1999, 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 12, 2001, 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 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 audit.

This report is intended solely for the information and use of management, the Executive Committee and other officials authorized to receive this report under § 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

April 12, 2001

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Fees Charged to Subdivisions	\$35,668	\$12,810	\$48,478
Intergovernmental Revenue	41,210		41,210
Local Sources	12,500		12,500
Other Receipts	2,106		2,106
	<u>91,484</u>	<u>12,810</u>	<u>104,294</u>
Cash Disbursements:			
Salaries	33,083		33,083
Hospitalization	3,004		3,004
Supplies	3,184		3,184
Equipment	2,488		2,488
Contracts - Services	8,084		8,084
Travel	401		401
Public Employee's Retirement	3,685		3,685
Worker's Compensation	200		200
Medicare	474		474
Other	4,328		4,328
	<u>58,931</u>	<u>0</u>	<u>58,931</u>
Total Receipts Over Disbursements	32,553	12,810	45,363
Fund Cash Balances, January 1	<u>12,655</u>	<u>0</u>	<u>12,655</u>
Fund Cash Balances, December 31	<u><u>\$45,208</u></u>	<u><u>\$12,810</u></u>	<u><u>\$58,018</u></u>
Reserve for Encumbrances, December 31	<u><u>\$457</u></u>	<u><u>\$0</u></u>	<u><u>\$457</u></u>

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

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCE - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General
Cash Receipts:	
Fees Charged to Subdivisions	\$22,292
Intergovernmental Revenue	19,221
Local Sources	12,200
Other Receipts	2,854
Total Cash Receipts	56,567
Cash Disbursements:	
Salaries	27,326
Hospitalization	2,836
Supplies	1,705
Equipment	13,737
Contracts - Services	7,823
Travel	380
Public Employee's Retirement	3,678
Worker's Compensation	664
Medicare	391
Other	4,453
Total Disbursements	62,993
Total Receipts (Under) Disbursements	(6,426)
Fund Cash Balances, January 1	19,081
Fund Cash Balances, December 31	\$12,655
Reserve for Encumbrances, December 31	\$1,527

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

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Emergency Management Agency of Auglaize County, (the Agency) is a body corporate and politic established to exercise the rights and privileges conveyed to it by Ohio Revised Code Section 5502.26, and the constitution and laws of the State of Ohio. The Agency operates under the direction of twenty-four member Advisory Committee and is responsible for the development of a county-wide emergency operation plan, and the appointment of a Coordinator who is responsible for coordinating, organizing, administering, and operating emergency management 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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made 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 and Investments

The Auglaize County Auditor acts as fiscal agent for the Agency, and as required by Ohio Revised Code, the Agency's cash is held and invested by the Auglaize County Treasurer, who is the custodian for Agency monies. 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 and 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 by law or contract to be restricted.

2. Special Revenue:

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. During the year 2000, the Agency established a Hazardous Material Response Team, and the funding was derived through subdivision assessments.

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. 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.

B. Budgetary Process

Although there is no legal requirement to prepare a budget, the Agency prepares an annual budget.

1. Appropriations

The Agency annually approves an appropriation measure and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash balances 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 2000 and 1999 budgetary activity appears in Note 3.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments.

The Auglaize County Auditor acts as fiscal agent and 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 on the records of the County Auditor, as of December 31, 2000 and 1999, was as follows:

	2000	1999
County Treasury	<u>\$58,018</u>	<u>\$12,655</u>

Deposits - Deposits held by the Auglaize 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.

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$66,974	\$91,484	\$24,510
Special Revenue	<u>12,810</u>	<u>12,810</u>	<u>0</u>
Total	<u>\$79,784</u>	<u>\$104,294</u>	<u>\$24,510</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$60,300</u>	<u>\$56,567</u>	<u>(\$3,733)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$61,055</u>	<u>\$59,388</u>	<u>\$1,667</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$66,726</u>	<u>\$64,520</u>	<u>\$2,206</u>

4. SUBDIVISION ASSESSMENTS

The Agency receives general operating revenue from assessments levied upon member subdivisions. The assessments are based upon the per capita data of the last census. During the years 2000 and 1999, the Agency levied per capita assessments in amounts equal to \$0.40 and \$0.25, respectively.

During 2000, the Agency also approved a three-year assessment, equivalent to \$0.15 per capita annually, to fund a Hazardous Material Response Team.

5. RETIREMENT SYSTEMS

The employee of the Agency belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Agency contributed an amount equal to 13.55% of participants' gross salaries from January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The Agency has paid all contributions required through December 31, 2000.

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 and dental and vision coverage to the employee through the County 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, 2000.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Emergency Management Agency
Auglaize County
201 Willipie Street, Suite G-8
Wapakoneta, OH 45895

To the Executive Committee:

We have audited the financial statements of the Emergency Management Agency, Auglaize County, (the Agency), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 12, 2001. We conducted our audit 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 Agency'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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Agency in a separate letter dated April 12, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency'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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the Agency in a separate letter dated April 12, 2001.

Emergency Management Agency
Auglaize 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 and the Executive Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 12, 2001



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EMERGENCY MANAGEMENT AGENCY

AUGLAIZE 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 5, 2001**