



Mary Taylor, CPA
Auditor of State

**AUGLAIZE COUNTY EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Government Fund Types - For the Year Ended December 31, 2008.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Government Fund Types - For the Year Ended December 31, 2007	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Prior Audit Findings.....	13

This page intentionally left blank.



Mary Taylor, CPA
Auditor of State

Auglaize County Emergency Management Agency
Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

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 government 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 12, 2009

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Auglaize County Emergency Management Agency
Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Executive Committee:

We have audited the accompanying financial statements of the Auglaize County Emergency Management Agency, Auglaize County, (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 requires 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 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 Auglaize County Emergency Management Agency, Auglaize County, 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 12, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 12, 2009

**AUGLAIZE COUNTY 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, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$136,993	\$136,993
Fees Charged to Subdivisions	\$38,949		38,949
Local Sources	22,500		22,500
Donations	276	1,479	1,755
Other Receipts	17,001	8,078	25,079
Total Cash Receipts	<u>78,726</u>	<u>146,550</u>	<u>225,276</u>
Cash Disbursements:			
Salaries	68,479	43,557	112,036
Supplies	6,842	2,527	9,369
Equipment	3,095	91,321	94,416
Contracts - Services	3,754	2,846	6,600
Other		368	368
Total Cash Disbursements	<u>82,170</u>	<u>140,619</u>	<u>222,789</u>
Total Receipts Over/(Under) Disbursements	(3,444)	5,931	2,487
Fund Cash Balances, January 1	<u>26,036</u>	<u>7,313</u>	<u>33,349</u>
Fund Cash Balances, December 31	<u>\$22,592</u>	<u>\$13,244</u>	<u>\$35,836</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$3,884</u>	<u>\$3,884</u>

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

**AUGLAIZE COUNTY 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, 2007**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$48,172	\$48,172
Fees Charged to Subdivisions	\$51,942		51,942
Local Sources	22,500		22,500
Donations	3,551	700	4,251
Other Receipts	8,739	220	8,959
Total Cash Receipts	<u>86,732</u>	<u>49,092</u>	<u>135,824</u>
Cash Disbursements:			
Salaries	75,895	21,821	97,716
Supplies	7,050	617	7,667
Equipment	2,353	28,311	30,664
Contracts - Services	2,864	2,721	5,585
Travel	82		82
Cost Allocation	4,000		4,000
Other	11,329	19	11,348
Total Disbursements	<u>103,573</u>	<u>53,489</u>	<u>157,062</u>
Total Receipts (Under) Disbursements	(16,841)	(4,397)	(21,238)
Fund Cash Balances, January 1	<u>42,877</u>	<u>11,710</u>	<u>54,587</u>
Fund Cash Balances, December 31	<u>\$26,036</u>	<u>\$7,313</u>	<u>\$33,349</u>
Reserve for Encumbrances, December 31	<u>\$2,738</u>	<u>\$0</u>	<u>\$2,738</u>

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

**AUGLAIZE COUNTY EMERGENCY MANAGEMENT AGENCY
AUGLAIZE 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 for the Auglaize County Emergency Management Agency, Auglaize County, (the Agency) as a body corporate and politic. A twenty-five member Advisory Committee governs the Agency 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 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. Accounting Basis

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. The Agency 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. Deposits and Investments

As the Ohio Revised Code permits, the Auglaize County Treasurer holds the Agency's deposits as the Agency's custodian. The County holds the Agency's assets in its investment pool, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The Agency uses fund accounting to segregate cash and investments that are restricted as to use. The Agency classifies its 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 account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Agency had the following significant Special Revenue Funds:

EMPG Fund – This fund accounts for Federal grant money used for personnel staffing in order to accomplish planning, operations, training, and exercises.

**AUGLAIZE COUNTY EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SHSP FY06 – This fund receives Federal grant money for the purchase of equipment and to plan and conduct exercises to respond in case of a terrorist incident.

SHSP FY07 – This fund receives Federal grant money for the purchase of equipment and to plan and conduct exercises to respond in case of a terrorist incident.

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 fund, function or 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 re-appropriated.

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.

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 POOLED DEPOSITS AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits 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 as follows:

**AUGLAIZE COUNTY EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)

	2008	2007
County Treasury	\$35,836	\$33,349

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,199	\$ 78,726	(\$33,473)
Special Revenue	138,525	146,550	8,025
Total	\$250,724	\$225,276	(\$25,448)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$121,706	\$82,170	\$39,536
Special Revenue	145,838	144,503	1,335
Total	\$267,544	\$226,673	\$40,871

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,024	\$ 86,732	(\$19,292)
Special Revenue	97,570	49,092	(48,478)
Total	\$203,594	\$135,824	(\$67,770)

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$148,901	\$106,311	\$ 42,590
Special Revenue	119,056	53,489	65,567
Total	\$267,957	\$159,800	\$108,157

4. SUBDIVISION ASSESSMENTS

The subdivision fees are assessed annually and are apportioned to each subdivision according to the last available census. Each subdivision was assessed \$.55 per capita in 2008 and 2007 to fund the general operations of the Agency.

**AUGLAIZE COUNTY EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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

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 retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 OPERS members contributed 10.00 percent of their gross salaries and for 2007 OPERS members contributed 9.50 percent of their gross salaries. The Agency contributed an amount equal to 14 percent of participants' gross salaries in 2008 and 13.85 percent of participant's gross salaries in 2007. The Agency 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;
- Vehicles; and
- Errors and omissions.

7. 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. Management cannot presently determine amounts which may be disallowed. However, based on prior experience, management believes any refunds would be immaterial.



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*

Auglaize County Emergency Management Agency
Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Executive Committee:

We have audited the financial statements of the Auglaize County Emergency Management Agency, Auglaize County (the Agency), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 12, 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 12, 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 did note a certain noncompliance or other matter that we reported to the Agency's management in a separate letter dated May 12, 2009.

We intend this report solely for the information and use of the Executive Committee and management. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 12, 2009

**AUGLAIZE COUNTY EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECMEBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-01	Proper accounting for grants.	Yes	



Mary Taylor, CPA
Auditor of State

AUGLAIZE COUNTY 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 11, 2009**