



Mary Taylor, CPA
Auditor of State

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

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Mary Taylor, CPA
Auditor of State

Emergency Management Agency
Van Wert County
P.O. Box 602
1220 Lincoln Highway
Van Wert, Ohio 45891

To the Members of the Board:

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

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Auditor of State

February 26, 2009

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Emergency Management Agency
Van Wert County
P.O. Box 602
1220 Lincoln Highway
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the accompanying financial statements of the Emergency Management Agency, Van Wert 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 agency's 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 Emergency Management Agency, Van Wert 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 February 26, 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.

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Mary Taylor, CPA
Auditor of State

February 26, 2009

**EMERGENCY MANAGEMENT AGENCY
VAN WERT 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:			
Intergovernmental Revenue	\$91,895	\$60,332	\$152,227
Refunds	10,126		10,126
Other Receipts	5,210		5,210
Total Cash Receipts	<u>107,231</u>	<u>60,332</u>	<u>167,563</u>
 Cash Disbursements:			
Salaries and Benefits	54,762		54,762
Supplies	588		588
Equipment	12,088		12,088
Contractual Services	15,758		15,758
Project Fund Disbursements		60,287	60,287
Other	7,680		7,680
Total Disbursements	<u>90,876</u>	<u>60,287</u>	<u>151,163</u>
 Total Receipts Over/(Under) Disbursements	<u>16,355</u>	<u>45</u>	<u>16,400</u>
 Fund Cash Balances, January 1	<u>2,676</u>	<u>291</u>	<u>2,967</u>
 Fund Cash Balances, December 31	<u>\$19,031</u>	<u>\$336</u>	<u>\$19,367</u>

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

**EMERGENCY MANAGEMENT AGENCY
VAN WERT 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:			
Intergovernmental Revenue	\$97,706	\$792	\$98,498
Contractual Services	10,000		10,000
Other Receipts	1,200		1,200
Total Cash Receipts	<u>108,906</u>	<u>792</u>	<u>109,698</u>
Cash Disbursements:			
Salaries and Benefits	69,518		69,518
Supplies	233		233
Equipment	1,755		1,755
Contractual Services	17,025		17,025
Project Fund Disbursements		835	835
Other	32,334		32,334
Total Disbursements	<u>120,865</u>	<u>835</u>	<u>121,700</u>
Total Receipts Over/(Under) Disbursements	<u>(11,959)</u>	<u>(43)</u>	<u>(12,002)</u>
Fund Cash Balances, January 1	<u>14,635</u>	<u>334</u>	<u>14,969</u>
Fund Cash Balances, December 31	<u>\$2,676</u>	<u>\$291</u>	<u>\$2,967</u>
Reserve for Encumbrances, December 31	<u>\$5</u>	<u>\$0</u>	<u>\$5</u>

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

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Van Wert County Emergency Management Agency (Agency) was organized under Section 5502.26 of the Revised Code to establish a program for a county wide emergency management operation. The agency has a seven member executive committee and a director that is responsible for organizing, administering, and operating emergency management in accordance with the agency's established program.

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

The Van Wert County Auditor acts as the fiscal agent for the Agency and the Agency's cash is held and invested by the County Treasurer, who is custodian of the Agency's 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 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 that are restricted to expenditure for specific purposes. The Agency had the following significant Special Revenue Fund:

Homeland Security Grant - This fund receives grant money for the purchase of emergency equipment.

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Agency budgets its funds annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Agency Board must annually approve appropriation measures and subsequent amendments. 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 (encumber) appropriations when individual 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 2.

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. 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	\$91,997	\$107,231	\$15,234
Special Revenue	60,332	60,332	
Total	<u>\$152,329</u>	<u>\$167,563</u>	<u>\$15,234</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,452	\$90,876	\$576
Special Revenue	60,403	60,287	116
Total	<u>\$151,855</u>	<u>\$151,163</u>	<u>\$692</u>

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

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

2. BUDGETARY ACTIVITY (CONTINUED)

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,735	\$108,906	\$2,171
Special Revenue	792	792	
Total	\$107,527	\$109,698	\$2,171

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$120,870	\$120,870	
Special Revenue	835	835	
Total	\$121,705	\$121,705	\$0

3. RETIREMENT SYSTEMS

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 benefits, which include postretirement healthcare and survivor and disability benefits.

For 2008 and 2007, OPERS members contributed 10 and 9.5 percent, respectively, of their gross salaries and the Agency contributed an amount equaling 14 and 13.85 percent, respectively, of participants' gross salaries. The Agency has paid all contributions required through December 31, 2008.

4. RISK MANAGEMENT

Commercial Insurance

The Agency has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

5. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Agency are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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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*

Emergency Management Agency
Van Wert County
P.O. Box 602
1220 Lincoln Highway
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the financial statements of the Emergency Management Agency, Van Wert County, (the Agency), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated February 26, 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 certain matters that we reported to the Agency's management in a separate letter dated February 26, 2009.

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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 Members of the Board. 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

February 26, 2009



Mary Taylor, CPA
Auditor of State

VAN WERT EMERGENCY MANAGEMENT AGENCY

VAN WERT 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
APRIL 14, 2009**