



**EMERGENCY MANAGEMENT AGENCY  
SHELBY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Emergency Management Agency  
Shelby County  
800 Fair Road  
Sidney, Ohio 45365

To Members of the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Shelby County, Ohio, (the EMA) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the EMA'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 EMA 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 Emergency Management Agency, Shelby County, as of December 31, 1999 and 1998, 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 March 23, 2000, on our consideration of the EMA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management, the Executive Committee, 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.

**JIM PETRO**  
Auditor of State

March 23, 2000

**Emergency Management Agency**



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals</b>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$100,179	\$26,977	\$127,156
Miscellaneous	508	931	1,439
	<u>100,687</u>	<u>27,908</u>	<u>128,595</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
Public Safety	95,517	25,320	120,837
Capital Outlay	3,923	1,225	5,148
	<u>99,440</u>	<u>26,545</u>	<u>125,985</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>1,247</u>	<u>1,363</u>	<u>2,610</u>
Fund Cash Balances January 1	<u>12,816</u>	<u>40,987</u>	<u>53,803</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$14,063</u></b>	<b><u>\$42,350</u></b>	<b><u>\$56,413</u></b>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$95,532	\$12,660	\$108,192
Miscellaneous	432	759	1,191
	<u>95,964</u>	<u>13,419</u>	<u>109,383</u>
<b>Total Cash Receipts</b>			
	<u>95,964</u>	<u>13,419</u>	<u>109,383</u>
<b>Cash Disbursements:</b>			
Current:			
Public safety	88,211	15,524	103,735
Capital Outlay	6,263	426	6,689
	<u>94,474</u>	<u>15,950</u>	<u>110,424</u>
<b>Total Disbursements</b>			
	<u>94,474</u>	<u>15,950</u>	<u>110,424</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>1,490</u>	<u>(2,531)</u>	<u>(1,041)</u>
<b>Fund Cash Balances January 1</b>	<u>11,326</u>	<u>43,518</u>	<u>54,844</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$12,816</u></u>	<u><u>\$40,987</u></u>	<u><u>\$53,803</u></u>

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



**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Emergency Management Agency, Shelby County, (the EMA) was organized under Ohio Revised Code Section 5915.06 to establish a program for a county wide emergency management operations. The EMA has a seven member executive committee appointed by a county wide advisory group. The executive committee consists of a county commissioner, five chief executives representing the municipal corporations and townships and one non-elected representative. The executive committee appoints a director that is responsible for organizing, administering, and operating emergency management in accordance with the agency's established program.

The EMA's management believes these financial statements present all activities for which the EMA 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. Fund Accounting**

The EMA uses fund accounting to segregate cash and investments that are restricted as to use. The EMA 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 to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The EMA had the following significant Special Revenue Funds:

**Fire and Rescue Fund** - Money received as donations to be expended on EMA fire and rescue units.

**Hazmat Fund** - Money received as donations to be expended on the EMA Hazmat unit.

**Special Emergency Planning Fund** - A state grant to prepare the County for hazardous material emergencies.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**D. 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.

**E. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the EMA.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Shelby County Auditor acts as the fiscal agent for the Emergency Management Agency and the County Treasurer maintains a cash and investment pool used by all County funds. Because of the nature of the pool all County funds are commingled, the risk involved and the preferential claim of the EMA cannot be determined.

The EMA's cash balances according to the Shelby County Auditor's records as of December 31, 1999 and 1998, were \$56,413 and \$53,803, respectively.

**3. RETIREMENT SYSTEMS**

The EMA's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members contributed 8.5% of their gross salaries. The EMA contributed an amount equal to 13.55% of participants' gross salaries. The EMA has paid all contributions required through December 31, 1999.

**4. RISK MANAGEMENT**

The EMA has obtained commercial insurance for the following risks:

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

The EMA also provides health insurance coverage to full-time employees through Shelby County's policy with the Midwest Benefit Consortium, a risk sharing pool.



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

Emergency Management Agency  
Shelby County  
800 Fair Road  
Sidney, Ohio 45365

To Members of the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Shelby County, Ohio (the EMA ), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 23, 2000. 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 EMA'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 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 are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the EMA'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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the EMA in a separate letter dated March 23, 2000.

Emergency Management Agency  
Shelby 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 the management and 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

March 23, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**EMERGENCY MANAGEMENT AGENCY**

**SHELBY 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 27, 2000**