



**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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REPORT OF INDEPENDENT ACCOUNTANTS

Dayton Regional Hazardous Materials Response Team (Haz-Mat)
Montgomery and Greene Counties
4200 Lake Center Drive
Trotwood, Ohio 45426

To the Haz-Mat Advisory Board:

We have audited the accompanying financial statements of the Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, (the Haz-Mat) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of Haz-Mat'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, Haz-Mat 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 fund cash balance of the Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, as of December 31, 2000 and 1999, and its 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 May 11, 2001 on our consideration of Haz-Mat'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 the management, Advisory Board, 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

May 11, 2001

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>
Cash receipts:	
Dues and Memberships	\$73,994
Incident Reimbursements	4,982
Interest	<u>3,764</u>
Total cash receipts	<u>82,740</u>
Cash disbursements:	
Current:	
Personnel Services	45,412
Rent/Utility	2,500
Insurance/Legal	594
Administrative	4,879
Training and Education	70
Field Equipment	178
Response Vehicles	5,930
Miscellaneous	<u>800</u>
Total disbursements	<u>60,363</u>
Total receipts over disbursements	22,377
Fund cash balance, January 1, 2000	<u>51,283</u>
Fund cash balance, December 31, 2000	<u><u>\$73,660</u></u>

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

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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

	<u>General</u>
Cash receipts:	
Dues and Memberships	\$76,428
Incident Reimbursements	2,791
Interest	<u>2,303</u>
Total cash receipts	<u>81,522</u>
Cash disbursements:	
Current:	
Personnel Services	49,847
Rent	3,250
Insurance/Legal	353
Administrative	7,891
Training and Education	98
Field Equipment	3,713
Response Vehicles	5,154
Miscellaneous Petty Cash Fund	<u>1,977</u>
Total disbursements	<u>72,283</u>
Total receipts over disbursements	9,239
Fund cash balance, January 1, 1999	<u>42,044</u>
Fund cash balance, December 31, 1999	<u><u>\$51,283</u></u>

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

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, ("Haz-Mat") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Haz-Mat is directed by an appointed fourteen-member Advisory Board. One Board member is appointed by each political subdivision within Haz-Mat. Those subdivisions are the Greene County Fire Chiefs Association, Wright Patterson Air Force Base Fire Department, Montgomery County Sheriff's Office, Montgomery County Police Chiefs Association, Montgomery County Fire Chiefs Association, Montgomery County Mayors and Managers Association, Technical Expertise Group, City of Dayton Fire Department, Montgomery County Township Trustees Association, and the Greene County Township Trustees Association. Haz-Mat provides emergency services such as the clean-up of chemical spills.

Haz-Mat's management believes these financial statements present all activities for which Haz-Mat 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 and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

Haz-Mat uses fund accounting and utilizes the following fund type.

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.

E. Budgetary Process

Haz-Mat is not considered a subdivision under ORC 5705.01, subject to 5705. Haz-Mat prepares an annual budget for submission to the Advisory Board at the 4th quarterly Board meeting. This budget is approved for the following fiscal year. Haz-Mat also submits monthly reports comparing budgeted and actual activity.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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

1. Summary of Significant Accounting Policies (Continued)

F. 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.

G. 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 Haz-Mat.

2. EQUITY IN POOLED CASH AND INVESTMENTS

Haz-Mat maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$7,650	\$12,516
Investments:		
STAR Ohio	<u>66,010</u>	<u>38,767</u>
Total deposits and investments	<u>\$73,660</u>	<u>\$51,283</u>

Deposits - Deposits are insured by the Federal Depository Insurance Corporation.

Investments - Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

<u>2000 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$77,187</u>	<u>\$82,740</u>	<u>\$5,553</u>

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$87,500</u>	<u>\$60,363</u>	<u>\$27,137</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$77,226</u>	<u>\$81,522</u>	<u>\$4,296</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$83,843</u>	<u>\$72,283</u>	<u>\$11,560</u>

4. DEBT

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	<u>\$8,100</u>	5.2%

Haz-Mat financed the purchase of a new vehicle. The note was issued on January 2, 1998 in the amount of \$16,673 and is secured by the vehicle.

5. RETIREMENT SYSTEMS

Haz-Mat's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. Haz-Mat contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. Haz-Mat has paid all contributions required through December 31, 2000.

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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

6. RISK MANAGEMENT

Haz-Mat's political subdivisions carry errors and omissions insurance for their elected members. Errors and omissions insurance for the Haz-Mat Coordinator is carried through the Miami Valley Emergency Management Authority. Haz-Mat's vehicle insurance is carried through the City of Trotwood.



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

Dayton Regional Hazardous Materials Response Team (Haz-Mat)
Montgomery and Greene Counties
4200 Lake Center Drive
Trotwood, Ohio 45426

To the Haz-Mat Advisory Board:

We have audited the accompanying financial statements of the Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, (the Haz-Mat), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 11, 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 Haz-Mat'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 Haz-Mat'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 management of Haz-Mat in a separate letter dated May 11, 2001.

Dayton Regional Hazardous Materials Response Team
Montgomery and Greene Counties
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 Advisory Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 11, 2001



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DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM

MONTGOMERY 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 26, 2001**